

RNS Announcement

The Schiehallion Fund Limited

Regulated Information Classification: Annual Financial and Audit Reports

Legal Entity Identifier: 213800NQOLJA1JCWXQ56

Results for the year to 31 January 2024

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

3 April 2024

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The following is the Preliminary Results Announcement for the year to 31 January 2024 which was approved by the Board on 3 April 2024.

Chairperson's statement

The Schiehallion Fund Limited (the 'Company' or 'Schiehallion') seeks to generate capital growth for investors through long-term minority investments in later stage private businesses that the Company considers to have transformational growth potential and to have the potential to become publicly traded.

Investment performance

During the financial year to 31 January 2024, the Company's ordinary share net asset value ('NAV') returned negative 0.9% and share price returned negative 22.3%. The share price discount to NAV widened from 23% to 40% as sentiment remained against growth stocks and private company investments. Further commentary on performance is included in the Investment Manager's review below.

Over the period from 27 March 2019 (launch date) to 31 January 2024, the Company's ordinary share NAV returned positive 18.8% and price returned negative 28.5%.

Capital allocation

In November 2023, the Board announced a capital allocation update, noting that:

- its priority is to ensure that the Company has sufficient capital to deliver on its objectives, including supporting existing investments and satisfying the Company's ongoing working capital requirements;
- it believed that the Ordinary Shares represented an attractive investment opportunity at a deep discount to NAV;
- the Company intended to allocate up to US\$20 million towards share repurchases given the limited available capital at that time; and
- it would keep this capital allocation and associated share buyback policy under review.

Over the three months to 31 January 2024, the Company has bought back 2.6 million shares at a cost of approximately \$1.9 million. Since the financial year end, the Company has bought back an additional 1.1 million shares.

The Company will be seeking authority to renew the buyback authority for the ordinary shares at the forthcoming Annual General Meeting ('AGM'). The Directors are also seeking a 10% share issuance authority at the AGM. This authority would expire at the conclusion of the AGM in 2025.

Conversion of C shares

In August 2023, the Board announced that the C Shares proceeds were 86.6% deployed. The calculation date for the conversion of the C Shares into ordinary shares was 31 August, and the conversion ratio was 0.7601 ordinary shares for each C Share. The new ordinary shares were admitted to trading on 12 September 2023.

Costs and charges

The ongoing charges for the ordinary shares as at 31 January 2024 were 0.85% (2023 – 0.87%).

The Company has a tiered management fee, which means that the benefits of scale are shared with investors. In addition, no management fee is charged on cash and the Investment Manager absorbs the valuation costs and legal costs associated with making private company investments.

Earnings and dividend

The Company's priority is to generate capital growth over the long-term. The Company therefore has no dividend target and will not seek to provide shareholders with a particular level of distribution. This period the net revenue return per ordinary share was negative 0.12 cents (year to 31 January 2023, negative 0.98 cents). The Board is recommending that no final dividend be paid.

Board

Members of the Board come from a broad variety of backgrounds and the Board can draw on a very extensive pool of knowledge and experience. Directors' biographies can be found on pages 50 to 52 of the Annual Report and Financial Statements.

During the year, the Board undertook a due diligence visit at the Investment Manager's offices, meeting representatives from the Investment Manager's private company investment, valuation and legal teams. I also visited portfolio companies in San Francisco, which allowed me to observe the Investment Manager's investment process in action.

All the Directors are subject to annual re-election at the AGM in May. Whilst Director remuneration has been frozen for the forthcoming year, the Board is seeking shareholder approval to increase the level of the limit on the aggregate fees that may be paid to Directors from £360,000 per annum to £430,000 per annum. This proposed increase would provide additional flexibility for future Board planning.

Annual General Meeting

The AGM will be held at 3pm on Friday 10 May 2024 at the offices of Herbert Smith Freehills, Exchange House, Primrose Street, London EC2A 2EG. Shareholders are reminded that they are able to submit proxy voting forms before the applicable deadline on Wednesday 8 May 2024 and also to direct any questions for the Board or Manager in advance by email to trustenquiries@bailliegifford.com or by calling 0800 917 2112 (please note that Baillie Gifford may record your call).

The Board is also seeking approval for amendments to the Company's Articles of Incorporation clarifying the Company's general authority to buyback its shares.

Information on the resolutions can be found on pages 110 and 111 of the Annual Report and Financial Statements. The Directors consider that all resolutions to be put to shareholders are in their and the Company's best interests as a whole and recommend that shareholders vote in their favour.

Investment outlook

The past year has been characterised by geo-political tensions, inflationary pressures, higher interest rates, increased cost of borrowing, and a recessionary environment. The Israel-Hamas conflict worsened the uncertainties in the global economy. Although inflationary pressures have begun to ease, these factors have collectively contributed to a challenging economic and market environment.

Despite the considerable uncertainties, the Board and the Investment Manager are optimistic about the outlook for the Company with its focus on the long-term and investing in companies with transformational potential. The Company invests in companies with exceptional growth potential which are not widely accessible in public markets. The potential of the companies in our portfolio is generally dependent on their ability to take advantage of opportunities. Therefore, the Board is positive about the growth prospects of these companies, and the pipeline of private companies that the Investment Manager has access to. The Board and the Investment Manager are confident in the investment outlook for the Company.

Dr Linda Yueh CBE

Chairperson

3 April 2024

Past performance is not a guide to future performance. For a definition of terms used see Glossary of terms and alternative performance measures at the end of this announcement.

Investment Manager's review

Performance

The 12 months to 31 January 2024 saw public market recovery and less private market volatility. The Net Asset Value ('NAV') total return was negative 0.9% for the ordinary shares. Although the year ended with a small negative return, this was the result of a weak first half followed by a recovery in the second half of the year.

Performance for the year was driven by a mix of public market uplift and increased valuations in private holdings. Listed holdings, Affirm, Wise, and Oscar Health, saw significant increases in their share prices throughout 2023 of 408%, 272%, and 64%, respectively. Private holdings, such as Bending Spoons and SpaceX, also experienced strong increases in their valuations. Bending Spoons' valuation increased over 150% in Q4 on the back of strong operational performance following successful integrations of their recent acquisitions and a new funding round where the company was valued at \$2.55 billion. SpaceX conducted another substantial secondary tender offer that values the company at \$180 billion, making it the second most valuable start-up in the world behind ByteDance, which is also in your portfolio.

The largest detractors of NAV performance were private holdings, specifically Convoy, which ceased operations in October 2023, Indigo Agriculture, and Solugen. When considering the broader portfolio, companies are well capitalised, with over 90% by capital weighting having more than 12 months of cash runway. In recent months, we have seen an increased focus on capital efficiency as companies seek to strike the right balance between growth and profitability. We remain optimistic about the resilience and potential of the companies in your portfolio. Operational performance and efficiency continue to improve, and in several cases, are better than expected following rate hikes and broader economic and political tension.

Portfolio

The operational performance within the portfolio remained solid overall, particularly the top 20 companies which generated an average of approximately 40% revenue growth and with over 40% gross margins. Operating margins have also improved as companies continue to focus on efficiency and a path toward profitability. By capital weighting, over one fifth of the portfolio comprised profitable companies. At last available reporting approximately 10% of companies have less than a year of cash runway remaining but the majority have since raised or are raising more capital. The mean average years of remaining cash runway was over five years.

At the reporting date the five largest holdings – SpaceX, Wise, Affirm, ByteDance, and Bending Spoons – represent our ability to construct a unique portfolio that is unconstrained by geography or sector. The holdings range from a manufacturer of rockets and spacecrafts to payment platforms to digital media apps. The average top-line growth rate for these companies was 48%, with average gross margins of 57%. Each company is cash-generative, and three of the five companies are profitable.

Outside of the five largest, holdings such as Oddity, the beauty and wellness platform, achieved 57% net revenue growth, 64% gross margin growth, and 130% free cash flow growth in FY 2024. Flix, the global bus and train operator, continued strong top-line performance, and is profitable and cash-generative. As such, the company is a strong IPO candidate in 2024. Tempus AI, the data and artificial intelligence healthcare platform also achieved strong top-line growth, fattening gross margins, and improved operational efficiency for the year.

While the operating performance of the broader portfolio has been solid, some companies faced challenges, specifically Convoy, a U.S. based freight company, which shut down its operations in October 2023. Convoy struggled with a perfect storm of a contraction in capital markets and a freight recession, which impacted revenues. The company explored both raising capital and being acquired, but was ultimately unsuccessful. Due to the challenging capital market environment and the nature of investing in private companies, such an outcome, while disappointing, is not unexpected on occasion. Brex, the business credit cards and cash management platform, saw its growth rates slow versus the prior year as it looked to diversify its product offering in the face of declining spend of venture-backed businesses. Despite current headwinds, the company has a significant cash runway and is focused on operational efficiency and profitability before entering public markets.

Deployment

Historically, the two options for capital deployment within Schiehallion were investing in new companies, or putting additional capital into existing ones. Following the merger of the C-Share and Ordinary pools, and within the context of the shares trading at a large discount, we announced a share buyback programme. We believe this represents an attractive opportunity to create value for shareholders through the accretive effect on Net Asset Value. However, our primary objective continues to be concentrating capital into the existing portfolio to support our companies' ongoing growth and into new opportunities that have the disruptive and growth potential we seek, and to take advantage of valuations that might be at an attractive discount. As of year-end, we had bought back 2.6 million shares.

Alongside the buyback programme, we see continued opportunities to put more capital into existing investments. As well as the follow-on investments discussed in the Interim Report, we also made a small additional investment in Databricks and a more substantial investment in ByteDance. The latter is a company often in the news, with much of the focus being on TikTok and its fate in the U.S. What the reporting in Western media outlets often fails to mention is the scale and profitability of ByteDance's domestic Chinese businesses, where their Toutiao and Douyin apps generate substantial cash flows. Our investment case for ByteDance rests on the domestic opportunity, with some optionality

around the international monetisation of TikTok. We purchased shares in a secondary transaction at a compelling price given the growth and profitability of ByteDance.

New investments are the third string to our capital deployment bow. As Schiehallion has closed in on full deployment, the pace of new investments has naturally slowed, though we do have some remaining capacity. The bar for new investments is high given the opportunity to buy back our own shares at a discount or invest more in existing companies where we have a longer history. But where we see new opportunities clearing this bar, we will invest in them until we hit the buffer of reserved capital. The team has recently looked at companies in Australia, Germany, India, Israel, Singapore, South Korea, and of course, the USA. These businesses are in a wide range of industries, from precision medicine to immersive entertainment, fintech, and defence. Over half of our current pipeline is generating top-line growth in excess of 50%, and more than a third is profitable.

In the second half of the year, we took advantage of public liquidity to sell and trim some holdings. We sold our holdings in both Ginkgo Bioworks and Illumina. Both these holdings came about from acquisitions of private companies, Zymergen and Grail, respectively. We also trimmed our holding in Affirm. Affirm remains a high conviction holding for us, showing both strong fundamental and share price growth over the course of 2023. Despite trimming the holding, it remains amongst Schiehallion's five largest positions.

Looking forward

We are operating in a highly bifurcated market. Companies seem to either be significantly over or under-priced. This is a perfect market for bottom-up stock pickers, applying fundamental analysis to businesses and valuations. In general, the over-priced companies seem to be clustered around the heartland of Silicon Valley and the Venture Capital ('VC') ecosystem. It is off the beaten path that we are finding real value. Bootstrapped companies that have evaded the trappings of overcapitalisation are of particular interest to us. We are finding an excellent fit with the kind of capital these businesses need, and the kind of capital offered by Schiehallion and Baillie Gifford. We are also spending significant time looking at business outside of the US.

It is no great secret that there is a wall of 'dry powder' sitting in VC funds. Timebound investment windows within these funds will likely incentivise many investors to over-deploy in the coming years. We believe this will largely be deployed into areas where investors feel 'safe'. In other words, in the same kinds of businesses in which their peers are investing. Now could be a dangerous time to invest with the 'herd', but it could also be the perfect time to be a contrarian, applying our long-term investment philosophy and rigorous analytical framework to identify the best companies for our shareholders.

Peter Singlehurst
3 April 2024

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Environmental, social and governance (ESG) considerations

Environmental, social and governance ('ESG') considerations are integral when Baillie Gifford's Private Companies Team research high growth private companies.

ESG in our philosophy

The Schiehallion Fund invests in companies with a more than five-year time horizon. Good governance is crucial to enabling companies to flourish over the long term. Over our investment period, we believe scalability and profitability depends not only on a company's ability to serve customers well and execute on its business model, but also on its ability to do this without jeopardising its social licence to operate. As such, we don't break out consideration of a company's role in the broader system from our investment work, under ESG or any other rubric. These considerations are core to long-term investing. It is the long-term nature of the growth ambition within our investment philosophy that causes us to pay special attention to the positive and/or negative external effects of a company's operations. Over five-year-plus periods, these can have profound impacts on a company's relationship with customers, regulators and staff. They can hugely help or hinder the growth of a business. This is not about being a moral conscience for our clients. Rather, it is a vital part of practising the philosophy that we believe will grow the value of their capital over the long term.

ESG in our process

The Private Companies Team structures our research into potential investments by using a proprietary '10 Questions' research framework. These questions aim to address issues such as the scale of the opportunity, the competitive edge and potential returns, whilst others focus specifically on ESG related topics. Question Four ('How will the leadership and cultural attributes help this business achieve its long-term vision?') asks about the stakeholders within a firm, the culture within the workplace, whether it cultivates a healthy organisational mindset capable of delivering the mission and whether a company is well managed, well governed and worthy of being trusted with our clients' capital. To answer this question, we typically speak with former and current employees and board members, as well as gathering the relevant information from the company and publicly available sources. We have declined companies in the past based on negative signals from this question.

Meanwhile, Question Five asks about external stakeholders ('Do the company's customers like them? And why?'). This question helps us evaluate the strength of customer relationships, as well as to understand why customers use the company's products or services, and so the social purpose that they serve.

Question Six explores the E and S of ESG in greater depth ('How do environmental and social factors create opportunities and risks?'), focusing on material factors that could affect a specific company positively or negatively in the next five years. We believe this qualitative, company-specific and nuanced approach is best suited to help us understand the most important environmental and social factors for a company.

Finally, we ask ourselves how can we help a specific company. Very often, we focus on governance. While we don't take active board seats, we occasionally take observer seats and frequently provide encouragement, input and introductions as companies look to evolve a stronger governance structure that is better suited for public markets.

As with other research questions, the Private Companies Team is supported by a wider network within and outside of Baillie Gifford. On ESG topics in particular, we benefit from the research and expertise of Baillie Gifford's broader team of ESG professionals, academic networks and impact and climate-focused investment teams.

Environmental, social and governance engagement

The Company has given discretionary voting powers to Baillie Gifford. For public holdings within the Fund, the Investment Manager votes against resolutions they consider may damage shareholders' rights or economic interests.

The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors when selecting and retaining investments and has asked the Investment Manager to take these issues into account. The Investment Manager does not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Investment Manager to consider how ESG factors could impact long-term investment returns. The Investment Manager considers governance factors across the portfolio as part of the investment case and address environmental and social factors in terms of material risks and opportunities. The Investment Manager's Statement of Compliance with the UK Stewardship Code can be found on the Manager's website: [bailliegifford.com](https://www.bailliegifford.com). The Investment

Manager's policy has been reviewed and endorsed by the Board. The Investment Manager, Baillie Gifford & Co, are signatories to the United Nations Principles for Responsible Investment.

By engaging with both the private and public companies within the Schiehallion Fund's portfolio, the Investment Manager seeks to build constructive relationships with them, to better inform our investment activities and, where necessary, effect changes within our holdings, ultimately with the goal of achieving better returns for our shareholders. As earlier owners of these companies in the private markets, the Investment Manager is able to gain insight that is deeper and build relationships that are stronger due to the increased access to management and information in private markets. As we hold through the Initial Public Offering ('IPO'), these relationships continue into public markets. The continuation of ownership, and therefore relationship, is a key reason these companies choose Schiehallion as a partner.

Engagement Topics

Due to the private nature of the majority of companies within the Schiehallion Fund, we are unable to disclose the exact nature of our discussions with specific management teams. That said, there are common themes that we engage with companies on as they are at a specific inflection point on their journey to scalable, profitable growth.

Board Composition:

Where the Investment Manager can add value is with board composition and, more specifically, board transition. Companies within the Schiehallion Fund are often transitioning from an investor-led board to an independent board as they grow. The Investment Manager supports companies to build a board of directors that is useful in the long term. Owing to Baillie Gifford's experience investing in and engaging with public companies for decades, the Investment Manager has a network of potential board members that can be introduced to relevant companies and can engage our internal Governance team to advise on good board composition more broadly. The importance of a strong board cannot be underestimated in the growth and late-stage venture market, and into the public markets.

Chief Financial Officers ('CFOs'):

Baillie Gifford recently held a forum for 25 of its portfolio company CFOs (including 16 from Schiehallion portfolio companies). The title of the forum was '*From Private to Public to Perpetuity*' with the content of the agenda structured around the IPO milestone in the life of a high growth company. The Investment Manager found the event to be a success, with engaged discussions across a variety of topics, including in environmental, social and governance areas, as well as receiving positive feedback from the CFOs who attended and a number of follow up discussions as a result. What was perhaps most striking is that, regardless of sector or geography, the challenges and opportunities faced by CFOs are similar and, unsurprisingly, numerous. All parties found the event to be informative.

The IPO Process:

When thinking about the IPO process, the Investment Manager often engages with portfolio companies. Baillie Gifford can not only advise on the practicalities – where to list, what reporting is necessary, employee stock options etc. – but also on what kind of public company they want to be. With Baillie Gifford's decades of experience and aligned interests, we believe Baillie Gifford are useful conversation partners here, though admittedly the current IPO drought has meant that we have had fewer discussions around IPOs than in previous years.

Capital Structures:

Increasingly, the Investment Manager has been discussing capital structures with investee companies. As the fundraising environment has toughened over the past year or so, companies are exploring other options – such as debt or capital structure. With the Fund's long-term horizon, the Investment Manager is able to offer well-aligned advice that hopefully limits unintended and potentially destructive consequences of

complicated capital structures. When negotiating terms, the Investment Manager seeks clean terms that are well aligned with long-term interests of our shareholders.

One year summary

The following information illustrates how The Schiehallion Fund Limited performed over the year ended 31 January 2024.

Ordinary shares	31 January 2024	31 January 2023	% change
Shareholders' funds	US\$1,219.14m	US\$597.61m	
Net asset value per ordinary share	118.37¢	119.42¢	(0.9%)*
Share price	71.50¢	92.00¢	(22.3%)*
Discount†*	(39.6%)	(23.0%)	
Number of shares in issue	1,029,898,907	500,430,002	
Market capitalisation	US\$736.38m	US\$460.40m	
Ongoing charges†*	0.85%	0.87%	
	Year ended 31 January 2024	Year ended 31 January 2023	
Revenue loss per share	(0.12¢)	(0.98¢)	
C shares#		31 January 2023	
Shareholders' funds		US\$555.57m	
Net asset value per C share		79.37¢	
Share price		49.00¢	
Discount†*		(38.3%)	
Number of shares in issue		700,000,000	
Market capitalisation		US\$343.0m	

Ongoing charges†* 0.71%

	Year ended 31 January 2023
Revenue loss per share	(0.35¢)

For a definition of terms see Glossary of terms and alternative performance measures at the end of this announcement.

* Key performance indicator.

† Alternative performance measure, see Glossary of terms and alternative performance measures at the end of this announcement.

The C share converted on 8 September 2023 (see page 36 of the Annual Report).

Source: Baillie Gifford/LSEG. See disclaimer at the end of this announcement

	For the period 1 February 2023 to 8 September 2023		For the period 9 September 2023 to 31 January 2024		Year ended 31 January 2023	
	High	Low	High	Low	High	Low
Ordinary shares						
Net asset value per ordinary share	117.98¢	103.94¢	118.66¢	103.40¢	153.18¢	116.84¢
Share price	92.50¢	59.00¢	74.00¢	45.00¢	214.00¢	91.50¢
(Discount)/premium†	(22.53)%	(44.93)%	(36.29)%	(56.48)%	40.5%	(26.90)%

C shares [¶]	For the period 1 February 2023 to 8 September 2023		Year ended 31 January 2023	
	High	Low	High	Low
Net asset value per ordinary share	80.78¢	73.83¢	97.20¢	77.32¢
Share price	49.00¢	39.50¢	129.00¢	49.00¢
(Discount)/premium†	(38.43)%	(50.38)%	36.1%	(41.10)%

* Key performance indicator.

† Alternative performance measure, see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

¶ The C shares converted on 8 September 2023 (see page 36 of the Annual Report).

Source: Baillie Gifford/LSEG. See disclaimer at the end of this announcement.

Review of investments

Space Exploration Technologies Corp (SpaceX)

SpaceX designs, manufactures and launches spacecraft. SpaceX built its business around simplicity, innovation and affordability leading to a vertically integrated, lean and nimble organisation that can iterate and manufacture quickly. SpaceX's re-useable rockets deliver economies of scale and operating leverage that create a uniquely disruptive business model. The company has now launched more than 3,300 satellites for its Starlink service.

Geography	United States
Valuation at 31 January 2024	US\$88,324,000
% of net assets at 31 January 2024	7.2%
Valuation at 31 January 2023	US\$70,113,000
% of net assets at 31 January 2023	6.1%
Net purchases/(sales) in year to 31 January 2024	–

ByteDance

Famous for video-sharing social networking platforms TikTok and Douyin, as well as the news aggregator app, Toutiao. The company uses machine learning to deliver relevant and individualised content. Further innovations include enabling advertisers to target customers with precision. TikTok is one of the few Chinese companies to grow a successful overseas operation. Performance remains strong, with earnings growth exceeding that of peers and active users encroaching on Meta, although regulatory challenges remain outside of China.

Geography	China
Valuation at 31 January 2024	US\$63,835,000
% of net assets at 31 January 2024	5.2%
Valuation at 31 January 2023	US\$49,808,000
% of net assets	4.3%

at 31 January 2023

Net purchases/(sales) in year to
31 January 2024

US\$18,180,000

Wise

Wise, the international money transfer business, enables customer and business payments, but eliminates intermediaries and limits transaction costs. Wise listed in July 2021 at a market capitalisation of c.US\$11bn after successive years of successful execution. New features, such as interest and cashback on balances, beyond its flagship offering of international currency exchange, have resulted in customer growth of a third year on year. The company continues to engage in banking partnerships expanding into Australia, India, Canada, and Japan.

Geography

United Kingdom

Valuation at
31 January 2024

US\$61,991,000

% of net assets at
31 January 2024

5.1%

Valuation at
31 January 2023

US\$40,121,000

% of net assets
at 31 January 2023

3.5%

Net purchases/(sales) in year to
31 January 2024

–

Affirm

Affirm is a digital financial services company that offers simple consumer loans to buy an array of consumer goods. Affirm experienced impressive growth up to its IPO in 2021 and has continued this as a public company. It continues to expand its user base and merchant partners, such as Amazon and Walmart, and recently partnered with Google Pay, expanding the user base to Android users. Affirm's share price since going public has recovered recently. We chose to reduce the position during December 2023.

Geography

United States

Valuation at
31 January 2024

US\$52,578,000

% of net assets at
31 January 2024

4.3%

Valuation at
31 January 2023

US\$31,864,000

% of net assets

2.8%

at 31 January 2023

Net purchases/(sales) in year to 31 January 2024 US\$(30,240,000)

Bending Spoons

New purchase

Bending Spoons is a developer and acquirer of digital consumer applications. The company leverages its shared set of tools to use across different apps, with the shared goal of maximising long-term value creation while simultaneously minimising customer acquisition cost and improving the product for consumers. Scaling its current suite of apps and strategically acquiring new apps will be crucial to its success.

Geography Italy

Valuation at 31 January 2024 US\$48,922,000

% of net assets at 31 January 2024 4.0%

Valuation at 31 January 2023 –

% of net assets at 31 January 2023 –

Net purchases/(sales) in year to 31 January 2024 US\$20,622,000

Dailyhunt

Dailyhunt (parent company VerSe) is India's leading local language news and video aggregator. Its two core platforms are Dailyhunt, a multi-platform news app, and Josh, a short-form video app, often referred to as India's TikTok. Dailyhunt drives shareholder value by the virtuous cycle of improved content, user growth and increased monetisation. The Indian advertising market is evolving from TV and print to digital and drives revenue higher. Dailyhunt has generated cash to grow Josh and the results can be seen through user numbers accelerating.

Geography India

Valuation at 31 January 2024 US\$41,006,000

% of net assets at 31 January 2024 3.3%

Valuation at 31 January 2023 US\$32,032,000

% of net assets at 31 January 2023 2.8%

Net purchases/(sales) in year to 31 January 2024	–
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Brex

Initially offering corporate credit cards to start-ups, Brex now provides a range of services to businesses. Brex’s digital-first approach has allowed them to expand from a corporate credit card provider to offer every service a business needs in a better and cheaper fashion than incumbents. Due to the nature of its customers, and the business environment for start ups and the venture community, Brex is weathering a challenging period. However, active customers continue to grow while customer churn remains low.

Geography	United States
Valuation at 31 January 2024	US\$40,212,000
% of net assets at 31 January 2024	3.3%
Valuation at 31 January 2023	US\$35,733,000
% of net assets at 31 January 2023	3.1%
Net purchases/(sales) in year to 31 January 2024	–

McMakler

McMakler is the developer of an online real estate marketing platform designed to improve service quality, pricing and corporate presentation into the sector. The German real estate market is incredibly fragmented, McMakler’s platform centralises and automates functions, creating a better system for buyers, sellers and real estate agents. The macroeconomic environment has had an adverse effect on the property market especially so in Germany. Despite a slowdown in transactions McMakler continues to grow and take market share.

Geography	Germany
Valuation at 31 January 2024	US\$37,242,000
% of net assets at 31 January 2024	3.1%
Valuation at 31 January 2023	US\$24,621,000
% of net assets at 31 January 2023	2.1%
Net purchases/(sales) in year to	US\$10,880,000

31 January 2024

Wayve Technologies

Wayve is developing software for autonomous vehicles, using end-to-end deep learning. Using an entirely machine-learned approach and training their system in central London, Wayve promises to safely meet the edge cases that have previously hampered the self-driving industry. Their approach uses simple and comparatively cheap hardware, making it easier to adopt than rivals. These factors – plus Wayve’s strong team, partnerships and track record – put it in a unique position to lead the commercialisation of safe autonomous driving.

Geography	United Kingdom
Valuation at 31 January 2024	US\$34,001,000
% of net assets at 31 January 2024	2.8%
Valuation at 31 January 2023	US\$9,728,000
% of net assets at 31 January 2023	0.8%
Net purchases/(sales) in year to 31 January 2024	–

Flix

Flix, the bus and train operator in Europe and the USA, provides a booking app for customers, payment processing, route coordination software, and branding. Founded in Germany in 2013, Flix quickly achieved more than 90% market share in its home market, expanded across Europe and now to the US. The company has recovered well from the pandemic-induced halting of public transport, where they took the opportunity to acquire Greyhound in the US and have since shown encouraging operational results.

Geography	Germany
Valuation at 31 January 2024	US\$32,996,000
% of net assets at 31 January 2024	2.7%
Valuation at 31 January 2023	US\$26,665,000
% of net assets at 31 January 2023	2.3%
Net purchases/(sales) in year to	–

● Denotes listed investments previously held in the portfolio as a private company investment.

Baillie Gifford's approach to valuing private companies

We aim to hold our private company investments at 'fair value', i.e. the price that would be paid in an open-market transaction. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to 'trigger events'. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The valuation process is overseen by a valuations group at Baillie Gifford, which takes advice from an independent third party (S&P Global). The valuations group is independent from the investment team with all voting members being from different operational areas of the firm, and the portfolio managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. During stable market conditions, and assuming all else is equal, each investment would be valued four times in a twelve-month period. For Schiehallion and our investment trusts, the prices are also reviewed twice per year by the respective boards and are subject to the scrutiny of external auditors in the annual audit process.

Beyond the regular cycle, the valuations team also monitors the portfolio for certain 'trigger events'. These may include changes in fundamentals, a takeover approach, an intention to carry out an Initial Public Offering ('IPO'), company news which is identified by the valuation team or by the portfolio managers, or meaningful changes to the valuation of comparable public companies. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published net asset value ('NAV'). There is no delay.

The valuations team also monitors relevant market benchmarks on a weekly basis and updates valuations in a manner consistent with our external valuer's (S&P Global) most recent valuation report where appropriate.

Periods of market volatility during the year has meant that valuations continue to be reviewed much more frequently, in some instances resulting in a further valuation movement. The data below quantifies the revaluations carried out during the year to 31 January 2024, however it does not reflect the ongoing monitoring of the private investment portfolio that has resulted in no changes in valuation.

The Schiehallion Fund*

Instruments valued	406
Instruments held	76
Percentage of portfolio revalued up to 4 times	30.3%
Percentage of portfolio revalued 5 or more times	69.7%

* Data reflecting year to 31 January 2024

In the year ended 31 January 2024, we have seen several investments in the portfolio raise additional capital at flat and increased valuations with improved market conditions. The average movement in company valuations and share prices across the portfolio are shown below.

Valuation movements

Average movement in company valuation	18.3%
Average movement in share price	2.3%

Alternative performance measures - see Glossary of Terms and Alternative Performance Measures at the end of this announcement,

Baillie Gifford typically holds preference stock and the improvement in valuation is less pronounced at a share price level due to the downside protection associated with these investments, which came into play when valuation write downs were previously applied.

List of Investments at 31 January 2024

Name	Business	Country	2024	2024	2023	2023	2023
			Total		% of net		
			value	Assets*	Shares	value	value
			US\$'000		US\$'000	US\$'000*	US\$'000
Space Exploration Technologies Corp	Designs, manufactures and launches advanced rockets and spacecraft	United States	88,324	7.2	70,113	–	70,113
ByteDance Ltd	Social media and news aggregation company	China	63,835	5.2	49,808	–	49,808
Wise PLC – Listed	Online platform to send and receive money	United Kingdom	61,991	5.1	30,112	10,009	40,121
Affirm Holdings Inc– Listed	Online platform which provides point of sale consumer finance	United States	52,578	4.3	14,437	17,427	31,864
Bending Spoons S.P.A	Mobile application software developer	Italy	48,922	4.0	–	–	–
Dailyhunt (Ver Se Innovation Limited)	Indian news aggregator application	India	41,006	3.3	32,032	–	32,032
Brex Inc	Corporate credit cards for startups	United States	40,212	3.3	11,292	24,441	35,733
McMakler GmbH	Real estate services	Germany	37,242	3.1	–	24,621	24,621
Wayve Technologies Ltd	AI based software for self-driving cars	United Kingdom	34,001	2.8	–	9,728	9,728
Flix SE	European mobility provider	Germany	32,996	2.7	13,309	13,356	26,665
Solugen Inc	Combines enzymes and metal catalysts to make chemicals	United States	32,293	2.6	–	47,881	47,881
Northvolt AB	Lithium ion battery manufacturer	Sweden	31,772	2.6	22,525	16,280	38,805
Databricks Inc	Data software solutions	United States	29,873	2.5	–	23,523	23,523
Faire Wholesale Inc	Online wholesale marketplace	United States	28,509	2.4	–	29,404	29,404

Stripe Inc	Online payment platform	United States	27,468	2.3	27,943	–	27,943
Chime Financial Inc	Digital current account provider	United States	26,697	2.2	7,417	19,294	26,711
Tempus Labs Inc	Oncological records aggregator and diagnostic testing provider	United States	26,402	2.2	20,177	4,210	24,387
Grammarly Inc	Online platform for checking grammar, spelling and improving written communication	United States	23,976	2.0	–	22,353	22,353
Kepler Computing Inc	Semiconductor company	United States	23,137	1.9	–	15,919	15,919
Pet Circle (Millell Pty Ltd)	Pet food and accessories	Australia	22,975	1.9	–	11,357	11,357
Genki Forest Technology Group Holdings Limited	Non-alcoholic beverages	China	22,628	1.9	–	29,727	29,727
Rappi Inc	Provider of an on-demand delivery platform designed to connect consumers with local stores	United States	21,825	1.8	–	19,922	19,922
Oddity – Listed	Direct to consumer cosmetics	Israel	19,181	1.6	–	–	–
Tanium Inc	Online security management	United States	17,974	1.5	11,799	–	11,799
Epic Games Inc	Video game developer	United States	17,565	1.4	28,320	–	28,320
Warby Parker (JAND Inc) – Listed	Online and physical corrective eyewear retailer	United States	16,398	1.3	20,774	–	20,774
PsiQuantum	Silicon photonic quantum computing	United States	13,996	1.1	–	13,195	13,195
Workrise Technologies Inc	Jobs marketplace for the energy sector	United States	13,392	1.1	17,073	–	17,073
Nuro Inc	Developer of autonomous delivery vehicles	United States	13,044	1.1	9,100	12,112	21,212
Loft Holdings Ltd	Online property platform	Brazil	11,556	0.9	–	15,569	15,569
Cohesity Inc	Data storage	United States	11,526	0.9	8,033	–	8,033
Airbnb Inc – Listed	Online market place for travel accommodation	United States	11,082	0.9	8,544	–	8,544
HeartFlow Inc	Develops software for cardiovascular disease diagnosis and treatment	United States	10,939	0.9	2,029	–	2,029

Merlin Labs Inc	Autonomous flight technology	United States	10,632	0.9	–	13,842	13,842
Away (JRSK Inc)	Travel and lifestyle brand	United States	10,590	0.9	12,355	–	12,355
Oscar Health Inc – Listed	Healthcare insurance provider	United States	10,292	0.8	3,157	–	3,157
Carbon Inc	Manufactures and develops 3D printers	United States	9,062	0.7	9,670	–	9,670
Jiangxiaobai Holdings Ltd	Producer of alcoholic beverages	China	8,012	0.7	12,892	–	12,892
Graphcore Ltd	Computer chip developer	United Kingdom	6,469	0.5	8,706	–	8,706
Honor Technology Inc	Provider of home-care services	United States	5,379	0.4	2,990	3,888	6,878
MasterClass (Yanka Industries Inc)	Online education platform	United States	2,732	0.2	6,487	–	6,487
Allbirds Inc – Listed	Sustainable direct-to-customer footwear brand	United States	2,142	0.2	4,659	1,459	6,118
Blockstream Corp Inc	Financial software developer	Canada	1,947	0.2	–	8,885	8,885
Indigo Agriculture Inc	Microbial seed treatments to increase crop yields and grain marketplace	United States	801	0.1	15,839	–	15,839
Illumina CVR	Gene sequencing equipment and consumables	United States	407	0.0	7,355	–	7,355
Convoy Inc	Marketplace for truckers and shippers	United States	0	0.0	9,165	4,210	13,375
Scopely Inc	Online gaming company	United States	-	-	60,223	-	60,223
Total investments			1,043,781	85.6%	559,420	412,612	972,032

* Investments held in the C share portfolio were transferred to the Ordinary share portfolio when the C shares converted on 8 September 2023.

Name	2024	2024	2023	2023	2023
	Total value US\$'000	% of net assets	Ordinary shares value US\$'000	C shares value US\$'000	Total value US\$'000
US Treasury Bill 05/09/2024	27,909	2.3	–	–	–
US Treasury Bill 13/06/2024	27,935	2.3	–	–	–
US Treasury Bill 18/04/2024	27,949	2.3	–	–	–

US Treasury Bill 22/02/2024	27,948	2.3	-	-	-
US Treasury Bill 31/10/2024	27,859	2.2	-	-	-
US Treasury Bill 29/11/2024	27,922	2.3	-	-	-
US Treasury Bill 18/05/2023	-	-	-	23,112	23,112
US Treasury Bill 13/07/2023	-	-	-	22,874	22,874
US Treasury Bill 07/09/2023	-	-	-	22,870	22,870
US Treasury Bill 23/03/2023	-	-	-	22,801	22,801
US Treasury Bill 02/11/2023	-	-	-	22,630	22,630
US Treasury Bill 28/12/2023	-	-	-	22,510	22,510
Total US Treasury Bills	167,522	13.7	-	136,797	136,797
Cash	11,306	0.9	38,872	6,927	45,799
Other current assets and liabilities	(2,638)	(0.2)	(684)	(761)	(1,445)
Capital gains tax provision	(834)	-	-	-	-
Net current assets less capital gains tax provision	175,321	14.4	38,188	142,963	181,151
Total net assets less capital gains tax provision	1,219,137	100.0	597,608	555,575	1,153,183

	Listed investments %	Private company investments %	Net current assets %	Net assets %
31 January 2024	14.3	71.3	14.4	100.0
31 January 2023	10.3	74.0	15.7	100.0

Allocation of Net Assets

As at 31 January 2023

Name	2024 Total value	2024 % of net	2023 Ordinary	2023 C shares	2023 Total value
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	US\$'000	assets*	shares value US\$'000	value US\$'000	US\$'000
Listed investments	174,072	14.3	90,123	28,895	119,018
Private company investments	869,709	71.3	469,297	383,717	853,014
US Treasury Bills	167,522	13.7	–	136,797	136,797
Cash and cash equivalents	11,306	0.9	38,872	6,927	45,799
Net current assets less capital gains tax provision	(3,472)	(0.2)	(684)	(761)	(1,445)
Total net assets	1,219,137	100	597,608	555,575	1,153,183

Company metrics	Capital deployed*	Number of private company acquisitions	Number of private company realisations	Number of IPOs/listings	Gross Internal Rate of Return (IRR)*	Gross Multiple on Invested Capital (MOIC)*
Since launch	US\$1,122m	48	3	8	0.7%	1.0

* Alternative performance measure, see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Distribution of net assets

Geographical

Geographical	% at 31 January 2024	% at 31 January 2023	Number of investments at 31 January 2024
United States	49.1	57.5	31
United Kingdom	8.4	5.1	3
China	7.7	8.0	3
Germany	5.8	4.4	2
Italy	4.0	–	1
India	3.4	2.8	1
Sweden	2.7	3.4	1

Australia	1.8	1.0	1
Israel	1.6	–	1
Brazil	0.9	1.4	1
Canada	0.2	0.8	1
Net current assets	14.4	15.6	

Sectoral

Sectoral	% at 31 January 2024	% at 31 January 2023	Number of investments at 31 January 2024
Information technology	21.3	20.8	13
Financial	18.0	14.4	6
Industrials	13.0	14.1	6
Consumer discretionary	10.1	11.1	7
Communication services	8.8	7.7	3
Consumer staples	4.2	5.1	4
Real estate	4.0	3.5	2
Healthcare	3.6	3.5	4
Materials	2.6	4.2	1
Net current assets	14.4	15.6	

The above sectoral distribution is not derived from any index.

Statement of Comprehensive Income

	Notes	2024 Revenue US\$'000	2024 Capital US\$'000	2024 Total US\$'000	2023 Revenue US\$'000	2023 Capital US\$'000	2023 Total US\$'000
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Gains/(losses) on investments		-	69,768	69,768	-	(311,938)	(311,938)
Currency gains/(losses)		-	75	75	-	(17)	(17)
Income	2	8,211	-	8,211	2,800	-	2,800
Investment management fee	3	(8,152)	-	(8,152)	(8,931)	-	(8,931)
Other administrative expenses	4	(1,263)	-	(1,263)	(1,233)	-	(1,233)
Operating profit/(loss) before finance costs and taxation		(1,204)	69,843	68,639	(7,364)	(311,955)	(319,319)
Finance costs of borrowings		-	-	-	(10)	-	(10)
Operating profit/(loss) before taxation		(1,204)	69,843	68,639	(7,374)	(311,955)	(319,329)
Tax on ordinary activities	10	-	(834)	(834)	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the year		(1,204)	69,009	67,805	(7,374)	(311,955)	(319,329)

Total comprehensive income/(loss) for the year analysed as follows:

Attributable to ordinary shareholders		(1,204)	69,009	67,805	(4,923)	(189,131)	(194,054)
Attributable to C shareholders*		-	-	-	(2,451)	(122,824)	(125,275)
Profit/(loss) and total comprehensive income/(loss) for the year		(1,204)	69,009	67,805	(7,374)	(311,955)	(319,329)
Earnings/(loss) per ordinary share	5	(0.12¢)	6.69¢	6.57¢	(0.98¢)	(37.79¢)	(38.77¢)
Loss per C share*	5	-	-	-	(0.35¢)	(17.55¢)	(17.90¢)

* The Company's C shares converted into Ordinary shares on 8 September 2023 as detailed on page 36 of the Annual Report and therefore there is no C shares income/(loss) to report for the year ended 31 January 2024.

The total column of this Statement represents the Statement of Comprehensive Income of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this statement derive from continuing operations.

Statement of Financial Position

As at 31 January

	Notes	2024 US\$'000	2024 US\$'000	2023 US\$'000	2023 US\$'000
Non-Current assets					
Investments held at fair value through profit or loss	7		1,043,781		972,032
Current assets					
US Treasury Bills		167,522		136,797	
Cash and cash equivalents		11,306		45,799	
Debtors		1,743		884	
		180,571		183,480	
Current liabilities					
Amounts falling due within one year:		(4,381)		(2,329)	
Net current assets			176,190		181,151
Non-current liabilities					
Amounts falling due after more than one year:					
Provision for tax liability			(834)		–
Net assets			1,219,137		1,153,183
Capital and reserves					
Share capital			1,213,903		1,216,503
Capital reserve			15,621		(51,536)
Capital redemption reserve			2,601		–
Revenue reserve			(12,988)		(11,784)
Shareholders' funds			1,219,137		1,153,183
Shareholders' funds – ordinary shares					
Net asset value per ordinary share			118.37¢		119.42¢
Number of ordinary shares in issue			1,029,898,907		500,430,002

Shareholders' funds – C shares *	555,575
Net asset value per C share	79.37¢
Number of C shares in issue	700,000,000

* The C shares converted on 8 September 2023 as detailed on page 36 of the Annual Report and therefore there were no C shares in issue at 31 January 2024.

Statement of Changes in Equity

For the year ended 31 January 2024

	Share capital US\$'000	Capital reserve US\$'000	Capital redemption reserve US\$'000	Revenue reserve US\$'000	Shareholders' funds US\$'000
Shareholders' funds at 1 February 2023	1,216,503	(51,536)	–	(11,784)	1,153,183
Ordinary shares bought back and cancelled	(2,600)	(1,852)	2,601	–	(1,851)
Total comprehensive income/(loss)	–	69,009	–	(1,204)	67,805
Shareholders' funds at 31 January 2024	1,213,903	15,621	2,601	(12,988)	1,219,137

For the year ended 31 January 2023

	Share capital US\$'000	Capital reserve US\$'000	Capital redemption reserve US\$'000	Revenue reserve US\$'000	Shareholders' funds US\$'000
Shareholders' funds at 1 February 2022	1,216,503	260,419	–	(4,410)	1,472,512
Total comprehensive loss – ordinary shares	–	(189,131)	–	(4,923)	(194,054)
Total comprehensive loss – C shares*	–	(122,824)	–	(2,451)	(125,275)
Shareholders' funds at 31 January 2023	1,216,503	(51,536)	-	(11,784)	1,153,183

* The C shares converted on 8 September 2023 and therefore there is no C share (loss)/ income to report for the year ending 31 January 2024.

Statement of Cash Flows

For the year ended 31 January

	Notes	2024 US\$'000	2024 US\$'000	2023 US\$'000	2023 US\$'000
Cash flows from operating activities					
Operating profit/(loss) before taxation		68,639		(319,329)	
US Treasury Bills interest		(5,305)		(1,618)	
Net (gains)/losses on investments		(69,768)		311,938	
Currency (gains)/losses		(75)		17	
Changes in debtors and creditors		1,194		(899)	
Net cash used in operating activities*			(5,315)		(9,891)
Cash flows from investing activities					
Acquisitions of US Treasury Bills		(201,508)		(161,229)	
Disposals of US Treasury Bills		176,088		294,266	
Acquisitions of investments	7	(75,589)		(166,076)	
Disposals of investments	7	73,608		1,848	
Net cash used in investing activities			(27,401)		(31,191)
Cash flows from financing activities					
Ordinary shares bought back and cancelled		(1,852)		–	
Net cash outflow from financing activities			(1,852)		–
Net decrease in cash and cash equivalents		(34,568)		(41,082)	
Effect of exchange rate fluctuations on cash and cash equivalents		75		(17)	
Cash and cash equivalents at 1		45,799		86,898	

February

Cash and cash equivalents at 31 January	11,306	45,799
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*Cash from operations includes interest received of US\$2,044,000(2023 - US\$700,000)

	2024	2023
	US\$000	US\$000

Cash and cash equivalents comprise the following:

Cash at bank	11,306	45,799
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Notes to the Financial Statements

1. Principal Accounting Policies

The Financial Statements for the year ended 31 January 2024 have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

2. Income

	2024	2023
	US\$'000	US\$'000
US Treasury Bills interest	5,305	1,618
Overseas interest	862	482
Deposit interest	2,044	700
Total income	8,211	2,800

3. Investment Management Fee

	2024	2023
	US\$'000	US\$'000
Management fee	8,152	8,931

Details of the Investment Management Agreement are set out on page 54 of the Annual Report. Under the terms of the Investment

Management Agreement and with effect from the date the Company's ordinary shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, the Investment Manager is entitled to an annual fee (exclusive of VAT, which shall be added where applicable) of: 0.9% on the net asset value excluding cash or cash equivalent assets up to and including US\$650 million; 0.8% on the net asset value excluding cash or cash equivalent assets exceeding US\$650 million up to and including US\$1.3 billion; and 0.7% on the net asset value excluding cash or cash equivalent assets exceeding US\$1.3 billion. Management fees are calculated and payable quarterly. Cash equivalents include US Treasury Bills.

4. Other Administrative Expenses

	2024 US\$'000	2023 US\$'000
General administrative expenses	275	305
Administrator's fee	105	86
Auditor's remuneration for audit services	296	236
Directors' fees	450	394
Depository and custody fees	108	185
Registrar fees	29	27
	1,263	1,233

In the year to 31 January 2024 there was US\$21,000 (31 January 2023: US\$nil) paid to the Auditor, KPMG Channel Islands Limited, in respect of non-audit services. These fees were related to the engagement of KPMG Channel Islands Limited to verify that the C share conversion ratio was calculated correctly and in accordance with the prospectus.

5. Earnings per Share

	Year ended 31 January 2024		Year ended 31 January 2023	
	US\$'000	¢	US\$'000	¢
Revenue return on ordinary activities after taxation	(1,204)	(0.12)	(4,923)	(0.98)
Capital return on ordinary activities after taxation	69,009	6.69	(189,131)	(37.79)
Profit/(loss) and total comprehensive income/(loss) for the year	67,805	6.57	(194,054)	(38.77)
Weighted average number of ordinary shares in issue	1,032,208,365		500,430,002	

6. Ordinary Dividends

There were no dividends paid or proposed in respect of the year to 31 January 2024 (2023 – US\$nil).

7. Financial Instruments

Fair Value Hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

The valuation techniques used by the Company are explained in the accounting policies on page 50 of the Annual Report and Financial Statements. Transfers between levels of the fair value hierarchy take place when the criteria for recognition in another level are met, such as the listing of an investment.

As at 31 January 2024	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Listed equities	174,072	–	–	174,072
Unlisted ordinary shares/warrants	–	–	172,693	172,693
Unlisted company preference shares*	–	–	684,298	684,298
Unlisted convertible promissory notes	–	–	12,718	12,718
Total financial asset investments	174,072	–	869,709	1,043,781

As at 31 January 2023	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Listed equities	119,018	–	–	119,018
Unlisted ordinary shares/warrants	–	–	131,977	131,977
Unlisted preference shares*	–	–	708,914	708,914
Unlisted convertible promissory notes	–	–	12,123	12,123
Total financial asset investments	119,018	–	853,014	972,032

* The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a take-over.

During the year ended 31 January 2024, the investment in Oddity with a fair value (IPO price) of US\$11,800,000 (2023 – US\$ nil) was transferred from Level 3 to Level 1 on becoming listed.

Investments in securities are financial assets held at fair value through profit or loss. In accordance with IFRS 13, the table above provides an analysis of these investments based on the fair value hierarchy described above, which reflects the reliability and significance of the information used to measure their fair value.

	Listed securities US\$'000	Private company securities US\$'000	Total US\$'000
Cost of investments at 1 February 2023	158,283	863,244	1,021,527
Investment holding gains and losses at 1 February 2023	(39,265)	(10,230)	(49,495)
Fair value of investments at 1 February 2023	119,018	853,014	972,032
Movements in the period:			
Purchases at cost†	3,675	71,914	75,589
Sales – proceeds†	(34,813)	(38,795)	(73,608)
– gains on disposal	6,469	17,370	23,839
Changes in categorisation	10,000	(10,000)	-
Changes in investment holding gains and losses	69,723	(23,794)	45,929
Fair value of investments at 31 January 2024	174,072	869,709	1,043,781
Cost of investments at 31 January 2024	143,614	903,733	1,047,347
Investment holding gains and losses at 31 January 2024	30,458	(34,024)	(3,566)
Fair value of investments at 31 January 2024*	174,072	869,709	1,043,781

* Includes holdings in preference shares, promissory notes, ordinary shares and warrants.

The purchases and sales figures above include transaction costs of US\$nil (2023 – US\$nil) respectively.

8. Share capital

	2024 Number	2024 US\$'000	2023 Number	2023 US\$'000
Allotted, called up and fully paid ordinary shares of US\$1 each	1,029,898,907	1,213,903	500,430,002	521,701
Allotted, called up and fully paid C shares of US\$1 each*	-	-	700,000,000	694,802

* The Company's C shares converted into Ordinary shares on 8 September 2023 as detailed on page 36 of the Annual Report and therefore there are no C shares in issue at 31 January 2024.

By way of a special resolution dated 15 March 2019 the Directors have a general authority to allot up to 720,000,000 ordinary shares or C shares, such figure to include the ordinary shares issued at the initial placing. 477,250,000 ordinary shares were issued at the Company's initial placing, with a further 23,180,002 ordinary shares subsequently issued. No ordinary shares were issued in the year to 31 January 2024. Accordingly, the Company has the ability to issue a further 219,569,998 shares under this existing authority which expires on 15 March 2024.

By way of a special resolution dated 18 March 2021 the Directors have a general authority to allot up to 700,000,000 C shares. On 26 April 2021, the Company issued 700,000,000 C shares of US\$1 each and raised gross proceeds of US\$700,000,000. The issue costs in respect of the C share issue were US\$5,198,000. These costs consisted of mainly broker commission (US\$4,066,000), legal fees (US\$601,000) and listing fees (US\$396,000). The C shares converted on 8 September 2023 with 532,069,905 new ordinary shares being admitted to trading on 12 September 2023. The conversion was triggered by the C share capital deployment crossing the 85% threshold outlined in the prospectus. The C shares were converted proportionately based on respective NAV at the calculation date 31 August 2023, the nearest practicable date selected by the Board. As a result the conversion ratio was calculated to be 0.7601 Ordinary shares per C share in issue on 8 September 2023.

By way of ordinary resolutions passed on 12 May 2023 the Directors of the Company have general authority to make market purchases of up to 75,014,457 ordinary shares and 104,930,000 C shares, being 14.99% of the ordinary and C shares in issue as at 24 March 2023, being the latest practicable date prior to the publication of the Company's Annual Report and Financial Statements for the year ended 31 January 2023. These authorities will expire at the conclusion of the Annual General Meeting to be held on 10 May 2024. 2,601,000 ordinary shares were bought back during the year ended 31 January 2024 at a cost of US\$1,851,769 (31 January 2023 – nil) hence the remaining authority is 1,029,898,907 ordinary shares. No C shares were bought back during the year ended 31 January 2024 and following conversion no C shares were in issue at 31 January 2024. In the period from 31 January 2024 to 1 April 2024 1,075,000 ordinary shares were bought back and cancelled. The total cost of shares bought back and cancelled is charged to the capital reserve. The nominal value of the shares is transferred from the share capital to the capital redemption reserve.

Holders of ordinary shares have the right to receive income and capital from assets attributable to such share class. Ordinary shareholders have the right to receive notice of general meetings of the Company and have the right to attend and vote at all general meetings.

9. The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 January 2024 but is derived from those accounts.
10. The Annual Report and Financial Statements will be available on the Managers' website schiehallionfund.com† on or around 31 March 2024.

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Glossary of Terms and Alternative Performance Measures (APM)

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Total net assets

Total value of all assets held less current liabilities, other than liabilities in the form of borrowings.

Net asset value

Also described as shareholder funds, net asset value ('NAV') is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares or C shares as applicable, in issue.

Net Current Assets

Net current assets comprise current assets less current liabilities excluding borrowings.

Premium / (discount) / (APM)

As stock markets and share prices vary, the Company's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the NAV per share from the share price and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Ordinary shares*		2024	2023
Closing NAV per share	(a)	118.37¢	119.42¢
Closing share price	(b)	71.50¢	92.00¢
(Discount)/premium ((b – a) ÷ (a) expressed as a percentage)		(39.6%)	(23.0%)

* The C shares converted on 8 September 2023 and therefore there are no C shares in issue at 31 January 2024.

Total Return

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend. The Company does not pay a dividend, therefore, the one year total returns for the share price and NAV per share at book and fair value are the same as the percentage movements in the share price and NAV per share at book and fair value as detailed on page 2 of the Annual Report.

Capital Deployed (APM)

Capital deployed reflects cumulative amounts invested since inception of the Company.

Internal Rate of Return (IRR) (APM)

The IRR indicates the annualised rate of return for the Company's investment portfolio.

Gross Multiple on Invested Capital (MOIC) (APM)

The MOIC expresses, as a multiple, how much return the Company has made on investment realisations and income, relative to its book cost.

Ongoing Charges (APM)

The total recurring expenses (excluding the Company's costs of dealing in investments and borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value).

Ordinary shares*	2024 US\$'000	2023 US\$'000
Investment management fee	8,211	5,166
Other administrative expenses	1,263	637
Total expenses	9,474	5,803
Average net asset value (with borrowings deducted at fair value)	1,108,288	668,671
Ongoing Charges ((a) ÷ (b) expressed as a percentage)	0.85%	0.87%

* The C shares converted on 8 September 2023 and therefore there are no C shares in issue at 31 January 2024

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of US dollar cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Average Revenue Growth Rate (APM)

Calculated by taking an average of the total of each investee company's last 12 months revenue growth (as a percentage).

Average movement at private company valuation level/ per share price (APM)

Calculated by taking an average of all valuation movements (as a percentage) by company and by line of share class.

You can find up to date performance information about The Schiehallion Fund on the Schiehallion Fund page of the Managers' website at schiehallionfund.com‡

The Schiehallion Fund Limited is managed by Baillie Gifford, the Edinburgh based fund management group with around £230 billion under management and advice in active equity and bond portfolios for clients in the UK and throughout the world (as at 1 April 2024). The Administrator, Secretary and Designated Manager is Alter Domus (Guernsey) Limited.

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

Past performance is not a guide to future performance. The value of an investment and any income from it is not guaranteed and may go down as well as up and investors may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.

3 April 2024

Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As Schiehallion is marketed in the EU by the AIFM, Baillie Gifford & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's Governance and Sustainable Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

More detail on the Investment Manager's approach to sustainability can be found in the Governance and Sustainability Principles and Guidelines document, available publicly on the Baillie Gifford website bailliegifford.com.

Taxonomy Regulation

The Taxonomy Regulation establishes an EU-wide framework of criteria for environmentally sustainable economic activities in respect of six environmental objectives. It builds on the disclosure requirements under the SFDR by introducing additional disclosure obligations in respect of AIFs that invest in an economic activity that contributes to an environmental objective.

The Company does not commit to make sustainable investments as defined under SFDR. As such, the underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

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