

RNS Announcement

Baillie Gifford US Growth Trust plc

Legal Entity Identifier: 213800UMIOUWXZPKE539

Regulated Information Classification: Half Yearly Financial Report

Results for six months to 30 November 2020

During the six months to 30 November 2020, the Company's share price and NAV (after deducting borrowings at fair value) returned 50.8 per cent. and 53.8 per cent. respectively. This compares with a total return of 11.1 per cent. for the S&P 500 Index* (in sterling terms).

- Moderna, held in the Company since 2018, is one of the biotechnology companies which has been at the forefront of coronavirus vaccine development.
- In the energy sector, there's been an acceleration in the shift towards electric vehicles.
- SpaceX, a private company investment, has been innovating at a breath-taking pace.
- We are optimistic about what the future holds. The pace of innovation is speeding up and spreading out. This ought to be a fruitful environment for growth investors.
- Kirsty Gibson will replace Helen Xiong as co-manager alongside Gary Robinson.

* Source: Refinitiv and relevant underlying index providers. See disclaimer at the end of this announcement.

Past performance is not a guide to future performance.

Baillie Gifford US Growth Trust seeks to invest predominantly in listed and unlisted US companies which the Company believes have the potential to grow substantially faster than the average company, and to hold onto them for long periods of time, in order to produce long term capital growth. The Company has total assets of £810.3 million (before deduction of loans of £18.7 million) as at 30 November 2020.

Baillie Gifford US Growth Trust is managed by Baillie Gifford & Co, the Edinburgh based fund management group with approximately £335 billion under management and advice in active equity and bond portfolios for clients in the UK and throughout the world (as at 15 January 2021).

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The following is the unaudited Interim Financial Report for the six months to 30 November 2020 which was approved by the Board on 15 January 2021.

Responsibility statement

We confirm that to the best of our knowledge that:

- a) the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- c) the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board

Tom Burnet

Chairman

15 January 2021

Interim management report

Investment Performance

During the period from 23 March 2018, launch date and first trade date, to 30 November 2020, the Company's share price and NAV (after deducting borrowings at fair value) returned 183.6 per cent. and 185.7 per cent. respectively. This compares with a total return of 56.2 per cent. for the S&P 500 Index* (in sterling terms). During the six months to 30 November 2020, the Company's share price and NAV (after deducting borrowings at fair value) returned 50.8 per cent. and 53.8 per cent. respectively. This compares with a total return of 11.1 per cent. for the S&P 500 Index* (in sterling terms). We have a long term approach and would ask shareholders to judge performance over periods of five years or more.

Portfolio

After a long and bleak year, we have entered 2021 with light at the end of the tunnel. Countries around the world are starting to vaccinate their populations. The number of people whose immune systems are primed to fight coronavirus is growing each day. We must not get complacent, and there is still a long road ahead, but there is a chance that we are now at the beginning of the end of the pandemic. We have science to thank for this. Vaccine development has traditionally taken years. There are many infectious diseases where there is still no vaccine available (e.g. HIV). The coronavirus vaccines have been developed in little over a year. Importantly, these vaccines are highly efficacious. It has been a huge effort which has required co-ordination amongst many parties. As well as capital and will, modern science has been an important catalyst for this breakthrough. One of the biotechnology companies which has been at the forefront of this development is Moderna. We have held it in the Trust since its IPO in 2018. The coronavirus vaccine is Moderna's first commercial product. Its approval has important read-across for Moderna's drug development platform more broadly

For decades drug discovery has largely been a process of trial and error. Our understanding of disease pathways has been relatively limited. Even in cases where diseases have been well understood we have had few tools with which to intervene. This has led to low success rates. Furthermore, in the traditional drug development model outcomes are independent of one another. Success with one drug tells you nothing about the probability of success with the next. But we may be entering a new era for drug development. One of true platforms, where success begets success. A cohort of biotechnology companies are emerging which are built upon foundational technologies which may be reusable across multiple diseases and disease categories. We think Moderna could be one such company.

Moderna makes drugs based on mRNA. mRNA is the intermediary molecule between our DNA, the blueprint of our body, and proteins, the functional units of our body. DNA makes RNA, and RNA makes protein. mRNA is an exciting drug candidate because, just like our DNA, it is 'digital' in nature. It is comprised of just four distinct building blocks, called bases. These bases can be combined in sequence to form long strings of mRNA code. These strings can then be delivered into cells to produce almost any chosen protein, human or non-human – for example the coronavirus spike protein. In other words, mRNA enables us to programme cells.

Moderna's success has not come easy. The work on coronavirus this year is the tip of the iceberg. The company has been investing in its mRNA platform for over a decade. It has had to overcome challenges with drug stability, delivery, and expression. However, now that these challenges have been solved in coronavirus, the learnings ought to be transferrable to the next vaccine that Moderna develops. This does not guarantee success by any means, but it makes the chances higher. Once Moderna has a DNA sequence of a protein to work on, it can be up and running with clinical trials in a matter of weeks. We are moving from a world of spaghetti at the wall drug development to something more akin to industrial manufacturing.

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These developments would not have been possible without commensurate progress in our understanding of the molecular basis of disease. Techniques like low-cost whole-genome sequencing, which was pioneered by portfolio holding Illumina, have helped build our knowledge of the DNA that serves as the blueprint of life. More recently, Google's AI division DeepMind achieved a breakthrough in the field of protein folding. By using an AI-powered programme called AlphaFold, DeepMind was able to predict the 3D structure of a protein to a high degree of accuracy by just looking at the protein's corresponding DNA sequence. This problem has vexed scientists for half a century. Only a tiny fraction of protein structures have been solved. DeepMind achieved what experts thought would take another decade in two years. This breakthrough has the potential to drive a step change in our understanding of biology.

Healthcare is not the only sector which has seen major breakthroughs this year. In the energy sector, there has been an acceleration in the shift towards electric vehicles. Alternative energy sources such as solar have continued their march down the cost curve. Increasingly, they are competitive with carbon-based fuels. They are only going to get cheaper from here. And energy storage costs are falling too. At its recent battery day, Tesla mapped out a path to a further halving in battery costs. The way we produce, store, and consume energy is changing rapidly. For the better. The end of carbon is getting closer.

And then there is space. SpaceX has been innovating at a breath-taking pace. 2020 was the year that America sent astronauts to the space station again. SpaceX's crewed mission was a first for a private company. Starlink, SpaceX's satellite-based high-speed broadband service is up and running in beta, with over 900 satellites orbiting the earth delivering internet to users. And in Texas, SpaceX has been rapidly developing its Starship rocket, the vehicle it hopes will take people back to the Moon and then on to Mars.

Outlook

It has been a year of great pain and loss. But there has also been some important progress. As we look forward, we are optimistic about what the future holds. As we have said many times before, the pace of innovation is speeding up and spreading out. This ought to be a fruitful environment for growth investors.

Management Arrangements

The Company is pleased to announce the appointment of Kirsty Gibson as co-manager of the Baillie Gifford US Growth Trust, alongside Gary Robinson, with effect from 1 March 2021. Kirsty is an Investment Manager in Baillie Gifford's US Equities Team and a co-manager of the Baillie Gifford American Fund. Kirsty will replace Helen Xiong who joined Baillie Gifford's Global Alpha Team last year. Helen will work closely with Kirsty to ensure a smooth transition in portfolio management responsibilities.

The principal risks and uncertainties facing the Company are set out in note 11.

* Source: Refinitiv and relevant underlying index providers. See disclaimer at the end of this announcement.

For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Past performance is not a guide to future performance.

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Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

Baillie Gifford's over-arching ethos is that we are 'actual' investors. We have a responsibility to behave as supportive and constructively engaged long-term investors. We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

Our Stewardship Principles

Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others do not.

A constructive and purposeful board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair treatment of stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable business practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

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Income statement (unaudited)

	For the six months ended 30 November 2020			For the six months ended 30 November 2019			For the year ended 31 May 2020 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	-	35,050	35,050	-	8,133	8,133	-	2,030	2,030
Movement in investment holding gains	-	231,284	231,284	-	14,321	14,321	-	138,622	138,622
Currency gains	-	492	492	-	283	283	-	88	88
Income from investments and interest receivable	328	-	328	312	-	312	595	-	595
Investment management fee (note 3)	(2,056)	-	(2,056)	(981)	-	(981)	(2,206)	-	(2,206)
Other administrative expenses	(255)	-	(255)	(171)	-	(171)	(380)	-	(380)
Net return before finance costs and taxation	(1,983)	266,826	264,843	(840)	22,737	21,897	(1,991)	140,740	138,749
Finance costs of borrowings	(165)	-	(165)	(261)	-	(261)	(485)	-	(485)
Net return before taxation	(2,148)	266,826	264,678	(1,101)	22,737	21,636	(2,476)	140,740	138,264
Tax	(36)	-	(36)	(38)	-	(38)	(79)	-	(79)
Net return after taxation	(2,184)	266,826	264,642	(1,139)	22,737	21,598	(2,555)	140,740	138,185
Net return per ordinary share (note 4)	(0.80p)	98.00p	97.20p	(0.48p)	9.65p	9.17p	(1.05p)	57.85p	56.80p

The total column of this Statement represents the profit and loss account 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.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the period.

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Balance sheet (unaudited)

	At 30 November 2020 £'000	At 31 May 2020 (audited) £'000
Fixed assets		
Investments held at fair value through profit or loss (note 6)	795,132	474,136
Current assets		
Debtors	9,264	1,627
Cash and cash equivalents	18,647	16,089
	27,911	17,716
Creditors		
Amounts falling due within one year (note 7)	(12,754)	(15,650)
Net current assets	15,157	2,066
Total assets less current liabilities	810,289	476,202
Creditors		
Amounts falling due after more than one year (note 7)	(18,670)	-
Net assets	791,619	476,202
Capital and reserves		
Share capital	2,827	2,618
Share premium account	167,173	116,607
Special distributable reserve	168,942	168,942
Capital reserve	459,470	192,644
Revenue reserve	(6,793)	(4,609)
Shareholders' funds	791,619	476,202
Net asset value per ordinary share (after deducting borrowings at book value)	280.01p	181.92p
Ordinary shares in issue (note 8)	282,715,000	261,765,000

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Statement of changes in equity (unaudited)

For the six months to 30 November 2020

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2020	2,618	116,607	168,942	192,644	(4,609)	476,202
Ordinary shares issued (note 8)	209	50,566	-	-	-	50,775
Net return after taxation	-	-	-	266,826	(2,184)	264,642
Shareholders' funds at 30 November 2020	2,827	167,173	168,942	459,470	(6,793)	791,619

For the six months to 30 November 2019

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2019	2,298	68,839	168,942	51,904	(2,054)	289,929
Ordinary shares issued	134	18,271	-	-	-	18,405
Net return after taxation	-	-	-	22,737	(1,139)	21,598
Shareholders' funds at 30 November 2019	2,432	87,110	168,942	74,641	(3,193)	329,932

* The capital reserves as at 30 November 2020 includes investment holding gains of £417,768,000 (30 November 2019 – gains of £62,182,000).

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Cash flow statement (unaudited)

For the six months to 30 November

	2020	2019
	£'000	£'000
Cash flows from operating activities		
Net return before taxation	264,678	21,636
Net gains on investments	(266,334)	(22,454)
Currency gains	(492)	(283)
Finance costs of borrowings	165	261
Overseas withholding tax incurred	(38)	(38)
Changes in debtors and creditors	1,139	29
Cash from operations*	(882)	(849)
Finance costs paid	(199)	(271)
Net cash outflow from operating activities	(1,081)	(1,120)
Cash flows from investing activities		
Acquisitions of investments	(100,139)	(41,978)
Disposals of investments	48,401	24,219
Net cash outflow from investing activities	(51,738)	(17,759)
Cash flows from financing activities		
Ordinary shares issued	50,775	18,405
Bank loans drawn down	67,932	26,298
Bank loans repaid	(62,632)	(23,963)
Net cash inflow from financing activities	56,075	20,740
Increase in cash and cash equivalents	3,256	1,861
Exchange movements	(698)	(37)
Cash and cash equivalents at start of period	16,089	5,952
Cash and cash equivalents at 30 November	18,647	7,776

* Cash from operations includes dividends received in the period of £250,000 (30 November 2019 - £271,000) and interest received of £4,000 (30 November 2019 - £41,000).

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List of investments as at 30 November 2020 (unaudited)

Name	Business	2020 Value £'000	2020 % of total assets*
Tesla	Electric cars, autonomous driving and solar energy	76,706	9.5
Shopify Class A	Cloud-based commerce platform provider	52,822	6.5
Amazon	Online retailer and cloud computing provider	47,841	5.9
The Trade Desk	Advertising technology company	43,869	5.4
Wayfair	Online furniture and homeware retailer	34,080	4.2
Roku	Online media player	24,375	3.0
Zoom Video Communications	Remote conferencing service provider	24,012	3.0
Netflix	Subscription service for TV shows and movies	22,605	2.8
Appian	Enterprise software developer	20,080	2.5
Stripe Series G Preferred ^u	Online payment platform	19,169	2.4
Peloton Inc	Connected fitness equipment	18,109	2.2
Peloton Interactive	Connected fitness equipment	950	0.1
		19,059	2.3
Alphabet Class A	Online search and other online services	18,918	2.3
Twilio	Cloud-based communications platform	16,788	2.1
Chegg	Online education company	15,956	2.0
Mastercard Class A	Global electronic payments network	15,196	1.9
Moderna	Therapeutic messenger RNA	14,466	1.8
Chewy	Online pet supplies retailer	14,369	1.8
First Republic Bank	Private banking	14,355	1.8
Carvana	Online platform for buying used cars	13,622	1.7
Illumina	Gene sequencing equipment and consumables	12,743	1.6
Novocure	Electric field based cancer therapies	12,420	1.5
Cloudflare	Cloud-based provider of network services	12,130	1.5
Space Exploration Technologies Series J Preferred ^u	Rocket and spacecraft company	6,524	0.8
Space Exploration Technologies Series N Preferred ^u	Rocket and spacecraft company	3,745	0.5
Space Exploration Technologies Series K Preferred ^u	Rocket and spacecraft company	1,487	0.2
		11,756	1.5
Workday	Enterprise information technology	11,573	1.4
CoStar Group	Commercial property information provider	11,444	1.4
Teladoc	Telemedicine services provider	10,850	1.3

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Name	Business	2020 Value £'000	2020 % of total assets*
Snowflake Class B Common	Developer of a SaaS-based cloud data warehousing platform	6,729	0.8
Snowflake Inc	Developer of a SaaS-based cloud data warehousing platform	3,501	0.4
		10,230	1.2
ABIOMED	Manufacturer of heart pumps	9,977	1.2
MarketAxess Holdings	Electronic bond trading platform	9,914	1.2
Redfin	Technology-based real estate brokerage firm	9,859	1.2
Butterfly Network Series D Preferred u	Portable ultrasound and diagnostics	3,221	0.4
Butterfly Network Promissory Note u	Portable ultrasound and diagnostics	3,191	0.4
Butterfly Network Promissory Note u	Portable ultrasound and diagnostics	2,734	0.3
		9,146	1.1
NVIDIA	Graphics chips	8,474	1.0
Watsco	Air conditioning, heating and refrigeration equipment distributor	8,424	1.0
Denali Therapeutics	Clinical stage neurodegeneration company	8,271	1.0
Slack Technologies	Collaboration software	8,229	1.0
Affirm Series G Preferred u	Consumer finance	2,885	0.4
Affirm Series F Preferred u	Consumer finance	2,180	0.3
Affirm Series A Preferred u	Consumer finance	1,375	0.2
Affirm Series G-1 Preferred u	Consumer finance	1,135	0.1
		7,575	1.0
Zillow Group Class A	US online real estate services	7,376	0.9
Penumbra	Medical tools to treat vascular diseases	6,908	0.8
Vroom	Online platform for buying used cars	6,860	0.8
Alnylam Pharmaceuticals	Therapeutic gene silencing	6,330	0.8
Stitch Fix	Online clothing retailer	6,322	0.8
Glaukos	Ophthalmic medical technology company	6,281	0.8
Tanium Class B Common u	Online security management	6,079	0.8
Datadog	IT monitoring and analytics platform	6,024	0.7
Lemonade	Insurance company	5,257	0.6
Warby Parker (JAND Inc) Series A Preferred u	Online and physical glasses retailer	2,751	0.3
Warby Parker (JAND Inc) Series C Preferred u	Online and physical glasses retailer	2,325	0.3
		5,076	0.6

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Name	Business	2020 Value £'000	2020 % of total assets*
RigUp Series D Preferred ^u	Jobs marketplace for the energy sector	3,861	0.5
RigUp Series D-1 Preferred ^u	Jobs marketplace for the energy sector	858	0.1
		4,719	0.6
Ginkgo Bioworks Series E Preferred ^u	Bioengineering company developing micro organisms that produce various proteins	4,669	0.6
Epic Games ^u	Video game platform and software developer	4,494	0.6
HEICO Class A	Aerospace parts	4,240	0.5
Zipline International Series C Preferred ^u	Drone-based medical delivery	4,124	0.5
Nuro Inc, Preferred ^u	Self-driving vehicles for local delivery	3,745	0.5
Yext	Digital knowledge management	3,673	0.5
Convoy Series D Preferred ^u	Marketplace for truckers and shippers	3,646	0.4
Honor Technology ^u	Home care provider	2,996	0.4
Away (JRSK Inc) Series D Preferred ^u	Travel and lifestyle brand	1,266	0.2
Away (JRSK Inc) Convertible Promissory Note ^u	Travel and lifestyle brand	1,124	0.1
Away (JRSK Inc) Series Seed Preferred ^u	Travel and lifestyle brand	603	0.1
		2,993	0.4
Indigo Agriculture Series E Preferred ^u	Agricultural technology company	1,722	0.2
Indigo Agriculture Series F Preferred ^u	Agricultural technology company	486	0.1
Indigo Agriculture Common ^u	Agricultural technology company	99	<0.1
		2,307	0.3
Thumbtack Class A Common ^u	Online directory service for local businesses	2,120	0.3
Niantic Series C Preferred ^u	Augmented reality games	2,096	0.3
Lyft	Ridesharing	2,050	0.2
Aurora Innovation Series B Preferred ^u	Self-driving technology	1,877	0.2
Airbnb Class A Common ^u	Online market place for travel accommodation	1,407	0.2
Airbnb Series D Preferred ^u	Online market place for travel accommodation	104	<0.1
Airbnb Series E Preferred ^u	Online market place for travel accommodation	56	<0.1
		1,567	0.2
Total Investments		795,132	98.1
Net Liquid Assets		15,157	1.9
Total Assets		810,289	100.0

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

^u Denotes unlisted (private company) security.

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	Listed equities %	Unlisted securities† %	Net liquid assets %	Total assets %
30 November 2020	85.4	12.7	1.9	100.0
31 May 2020	84.4	12.2	3.4	100.0

Figures represent percentage of total assets.

†Includes holdings in ordinary share, preference shares and promissory notes.

Distribution of total assets* (unaudited)

Sectoral Analysis

	As at 30 November 2020 %	As at 31 May 2020 %
Communication Services	9.0	12.2
Consumer Discretionary	30.4	27.2
Consumer Staples	0.3	0.5
Financials	7.0	8.9
Healthcare	12.3	13.7
Industrials	6.6	7.8
Information Technology	30.7	24.3
Materials	0.6	0.7
Real Estate	1.2	1.3
Net Liquid Assets	1.9	3.4
Total Assets	100.0	100.0

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Notes to the condensed financial statements (unaudited)

1. The condensed Financial Statements for the six months to 30 November 2020 comprise the statements set out above together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014, updated in October 2019 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 November 2020 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 May 2020.

Going Concern

Having considered the nature of the Company's principal risks and uncertainties, as set out in note 11 of this announcement, together with its current position, investment objective and policy, its assets and liabilities, and projected income and expenditure, together with the Company's dividend policy, it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus (Covid-19) outbreak but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

2. The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year to 31 May 2020 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.
3. The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretary. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The Management Agreement can be terminated on six months' notice.

The annual management fee is 0.70% on the first £100 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

4.

	For the six months to 30 November 2020		For the six months to 30 November 2019		For the year ended 31 May 2020 (audited)	
	£'000		£'000		£'000	
Net return per ordinary share						
Revenue return after taxation	(2,184)	(0.80p)	(1,139)	(0.48p)	(2,555)	(1.05p)
Capital return after taxation	266,826	98.00p	22,737	9.65p	140,740	57.85p
Net return	264,642	97.20p	21,598	9.17p	138,185	56.80p
Weighted average number of ordinary shares in issue	272,262,541		235,496,148		243,286,434	

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period. There are no dilutive or potentially dilutive shares in issue.

Notes to the condensed financial statements (unaudited) (ctd)

5. No interim dividend has been declared. The Company's objective is to produce capital growth and the policy is only to distribute, by way of a final dividend, the minimum required to maintain investment trust status. It is not currently envisaged that any dividend will be paid in the foreseeable future.

6. 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).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

Investments held at fair value through profit or loss

As at 30 November 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	694,978	-	-	694,978
Unlisted ordinary shares	-	-	17,195	17,195
Unlisted preference shares*	-	-	75,910	75,910
Unlisted promissory notes	-	-	7,049	7,049
Total financial asset investments	694,978	-	100,154	795,132

As at 31 May 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	414,486	-	-	414,486
Unlisted ordinary shares	-	-	6,407	6,407
Unlisted preference shares*	-	-	50,134	50,134
Unlisted promissory notes	-	-	3,109	3,109
Total financial asset investments	414,486	-	59,650	474,136

* 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 takeover.

Notes to the condensed financial statements (unaudited) (ctd)

The valuation techniques used by the Company are explained in the accounting policies on pages 44 to 45 of the Annual Report and Financial Statements for the year ended 31 May 2020. Listed investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. The Company's holdings in unlisted investments are categorised as Level 3 as unobservable data is a significant input to their fair value measurements.

During the period investments with a book cost of £868,000 (31 May 2019 - £4,666,000) were transferred from Level 3 to Level 1 on becoming listed.

7. During the period the Company entered into a new US\$25,000,000 three year fixed rate facility with five ING Bank N.V., London Branch which expires on 23 October 2023 which is in addition to the existing US\$25,000,000 five year revolving credit facility with ING Bank N.V., London Branch which expires on 1 August 2023. At 30 November 2020 creditors falling due after more than one year include borrowings of US\$25,000,000 (sterling value £18,670,000) drawn down under the three year fixed rate facility, there were no drawings under the five year revolving credit facility (31 May 2020 – creditors falling due within one year included US\$18,000,000 (sterling value £14,560,000) drawn under the five year revolving credit facility).

The fair value of borrowings as at 30 November 2020 was £19,025,000 (31 May 2020 – £14,560,000).

8.	30 November 2020 Number	30 November 2020 £'000	31 May 2020 Number	31 May 2020 £'000
Share capital				
Allotted, called up and fully paid ordinary shares of 1p each	282,715,000	2,827	261,765,000	2,618

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium to net asset value in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the six months to 30 November 2020, the Company issued a total of 20,950,000 shares (nominal value £209,000, representing 8.0% of the issued share capital at 31 May 2020) on a non pre-emptive basis at a premium to net asset value (on the basis of debt valued at par value), raising net proceeds of £50,775,000 (in the year to 31 May 2020, the Company issued a total of 31,965,000 shares (nominal value £320,000, representing 13.9% of the issued share capital at 31 May 2019) raising net proceeds of £48,088,000), which has been invested in accordance with the Company's investment policy.

Over the period from 30 November 2020 to 15 January 2021 the Company has issued a further 5,125,000 shares at a premium to net asset value, raising net proceeds of £15,718,000.

The Company's authority to buy back shares up to a maximum of 14.99% of the Company's issued share capital was renewed at the Annual General Meeting held on 9 October 2020. No shares were bought back in the six months to 30 November 2020. At 30 November 2020 the Company had authority to buy back 40,332,843 ordinary shares.

9. During the period the Company incurred transaction costs on purchases of investments of £26,000 (six months to 30 November 2019 – £7,000; year to 31 May 2020 – £20,000) and transaction costs on sales of £8,000 (six months to 30 November 2019 – £8,000; year to 31 May 2020 – £18,000).

10. **Related party transactions**

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there are no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

Notes to the condensed financial statements (unaudited) (ctd)

11. Principal risks and uncertainties

The principal risks facing the Company are financial risk, unlisted investments, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, leverage risk and political and associated economic risk. An explanation of these risks and how they are managed is set out on pages 5 and 6 of the Company's Annual Report Financial Statements for the year ended 31 May 2020 which is available on the Company's website:

www.bgusgrowthtrust.com‡.

The principal risks and uncertainties have not changed since the date of that report with the exception of the ongoing situation regarding Covid-19. The Board and Managers continue to review the portfolio for the potential impact of the pandemic. The business continuity arrangements of the Managers and other third party service providers have proven robust with operations continuing largely as normal.

12. The Interim Financial Report will be available at www.bgusgrowthtrust.com‡ and will be posted to shareholders on or around 29 January 2021.

‡ 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. The APMs noted below are commonly used measures within the investment trust industry and served to improve comparability between investment trusts.

Total Assets

The total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Shareholders' Funds and Net Asset Value

Shareholders' funds is the value of all assets held less all liabilities, with borrowings deducted at book cost. Net asset value ('NAV') is the value of all assets held less all liabilities, with borrowings deducted at either fair value or book value as described below. Per share amounts are calculated by dividing the relevant figure by the number of ordinary shares in issue.

Net Asset Value (Borrowings at Book)

Borrowings are valued at nominal par value (book cost).

Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of their market worth. The value of the borrowings at fair is set out in note 7 above and a reconciliation to net asset value with borrowings at book value is provided below.

	30 November 2020	31 May 2020
Net asset value per ordinary share (borrowings at book value)	280.01p	181.92p
Shareholders' funds (borrowings at book value)	£791,619,000	£476,202,000
Add: book value of borrowings	£18,670,000	£14,560,000
Less: fair value of borrowings	(£19,025,000)	(£14,560,000)
Shareholders' funds (borrowings at fair value)	£791,264,000	£476,202,000
Number of shares in issue	282,715,000	261,765,000
Net asset value per ordinary share (borrowings at fair value)	279.88p	181.92p

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings).

Discount/Premium (APM)

As stockmarkets and share prices vary, an investment trust'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 share price from the NAV per share 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.

Total Return (APM)

The total return is the return to shareholders after reinvesting the dividend on the date that the share price goes ex-dividend.

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Ongoing Charges (APM)

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

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

Invested gearing is the Company's borrowings at par less cash and brokers' balances expressed as a percentage of shareholders' funds.

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 sterling 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, 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.

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

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S&P Index Data

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Baillie Gifford US Growth Trust plc is a listed UK company. The value of its shares and any income from them can fall as well as rise 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. Investment in investment trusts should be regarded as medium to long-term. The Company's risk could be increased by its investment in unlisted investments. These assets may be more difficult to sell, so changes in their prices may be greater. The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority. You can find up to date performance information about Baillie Gifford US Growth Trust plc on the US Growth page of the Managers' website at www.bgusgrowthtrust.com‡

‡ 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.

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18 January 2021

- ends -