

# RNS Announcement

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## Baillie Gifford US Growth Trust plc

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**Legal Entity Identifier: 213800UMIOUWXZPKE539**

Regulated Information Classification: Half Yearly Financial Report

## Results for six months to 30 November 2021

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During the six months to 30 November 2021, the Company's share price and NAV (after deducting borrowings at fair value) returned 9.4% and 17.2% respectively. This compares with a total return of 17.2% for the S&P 500 Index\* (in sterling terms).

- During the period from 23 March 2018, launch date and first trade date, to 30 November 2021, the Company's share price and NAV (after deducting borrowings at fair value) returned 235.3% and 254.3% respectively. This compares with a total return of 101.7% 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.
- We made six additional private company investments over the last six months, Blockstream, Databricks, Discord, Faire Wholesale, Snyk and Solugen, whilst three of our existing private company holdings, Aurora Innovation, Ginkgo Bioworks and Warby Parker, went public in the period.
- At the end of November, we held positions in twenty-three private companies which collectively comprised 20.8% of total assets.
- Technologies such as the internet, mobile and AI are spreading out and impacting a far broader range of industries. The golden era may yet, be ahead of us.

\* 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 £1,104.3 million (before deduction of loans of £37.8 million) as at 30 November 2021.

Baillie Gifford US Growth Trust is managed by Baillie Gifford & Co, the Edinburgh based fund management group with approximately £290 billion under management and advice in active equity and bond portfolios for clients in the UK and throughout the world (as at 24 January 2022).

# Baillie Gifford US Growth Trust plc

The following is the unaudited Interim Financial Report for the six months to 30 November 2021 which was approved by the Board on 24 January 2022.

## 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

24 January 2022

## Interim management report

### Investment Performance

During the period from 23 March 2018, launch date and first trade date, to 30 November 2021, the Company's share price and NAV (after deducting borrowings at fair value) returned 235.3% and 254.3% respectively. This compares with a total return of 101.7% for the S&P 500 Index\* (in sterling terms).

This has not been a smooth journey. Since launch, until the end of November 2021, the top fifteen listed holdings of the current portfolio have experienced forty-seven drawdowns of greater than 20%. The largest single peak to trough hit was 86% for Wayfair in March 2019. It has delivered a 267% return for the Company. Total average return of the top fifteen since we first invested is 548% with Tesla topping the list with a 1,798% return. This is asymmetry in action.

During the six months to 30 November 2021, the Company's share price and NAV (after deducting borrowings at fair value) returned 9.4% and 17.2% respectively. This compares with a total return of 17.2% 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.

We made six additional private company investments over the last six months, Blockstream, Databricks, Discord, Faire Wholesale, Snyk and Solugen, whilst three of our existing private company holdings, Aurora Innovation, Ginkgo Bioworks and Warby Parker, went public in the period. At the end of November, we held positions in twenty-three private companies which collectively comprised 20.8% of total assets.

### Portfolio

Investing in innovation and entrepreneurship is hard. Bravery is necessary from both entrepreneurs and investors. Uncertainty and volatility must be embraced. Opening your mind to possibility is essential.

The increased volatility of stock prices over the past six months has led to questions of bubbles, overheating, growth vs. value and what remains exciting. These questions are not unfounded, but most interestingly they are representative of the human condition; the human brain is wired to handle incremental change. The changes the pandemic has rendered have been fast and wide reaching. It is easier to believe we are heading toward a period of stasis, where the new 'normal' is bedded down. But what if we are at the tip of the iceberg of what change is still to come?

Carlota Perez in her book 'Technological Revolutions and Financial Capital' identified five major waves of innovation in the past 250 years. The first was the industrial revolution which started in the 1700s with the opening of Arkwright's mill in Cromford. This was followed by the age of steam and railways in early 1800s, steel and electricity in the late 1800s, oil, cars and mass manufacturing in the early 1900s and the current wave, the information technology revolution. What is most interesting about Perez's work is that all these waves followed a similar pattern. They all took a long time to play out; fifty years or longer in some cases. Each was split into two distinct phases. In the first half of each revolution, the new technologies associated with each of the waves were confined to a relatively small part of the economy and adopted by a few sectors. This created significant turbulence; lots of capital chased a relatively small number of opportunities. Narrow deployment increased income inequality and social unrest. In the second half of the waves, the new technologies started to spread out to the wider economy. This resulted in a golden era for employment, economic growth and opportunity.

## Baillie Gifford US Growth Trust plc

Perez calls the turbulent phase the installation phase and the golden era the deployment phase. There is a possibility we are at the turning point between the two phases in the current information technology wave. The ascendance of the internet, mobile and AI have driven this wave. For the last twenty years or so these technologies have been narrowly deployed; mainly in retail and advertising where we have seen the rise of e-commerce giants and big tech platforms. But when we look at the market today, these technologies are spreading out and impacting a far broader range of industries. The golden era may, yet, be ahead of us.

Embracing future potential necessitates accepting uncertainty, alongside opening your mind to possibility. It is critical thinking in the context of upside. In his book 'One from Many', Dee Hock, the founder of Visa, talks of minds being littered with old furniture, old ideas. The challenge is not getting new ideas in, it is getting the old ones out. Because with old ideas come assumptions about how things ought to be, not what they could become. Consider how quickly the human mind jumps to analogy when trying to process an innovation, applying it to existing business models or products. But this is just part of its potential. What comes next is the conceptual breakthrough. The appreciation of doing new things; things we have yet to imagine.

Imagining with conviction is difficult. When Bardeen invented the transistor in 1948, no one predicted the iPhone. That is not unexpected, and we accept we will not predict the future. But we are willing to explore what might be possible; take out our mental sweeping brush and try to rid our minds of old ideas. We push each other to think beyond the multitude of reasons why something will not work or doesn't fit within an existing model or paradigm, and instead ask what the world might look like if a company succeeds.

When Baillie Gifford first bought Illumina, the gene sequencing company, on behalf of our clients we had a tentative hypothesis that sequencing could become the foundation of an entirely new industry. Fast forward ten years and this hypothesis may be becoming a reality. Two holdings in the Company, 10x Genomics, which develops instruments and consumables for the analysis of single cells, and Ginkgo Bioworks, which is looking to harness the power of biology to make just about anything, have both built their businesses upon the foundational technology that Illumina provides.

The idea that banks, or foundational credit card infrastructure players such as Mastercard or Visa, could be commoditised, or potentially routed around in the long run is still very much a hypothesis. However, it is a hypothesis for which the evidence is building. Holdings in Stripe, the global payments platform with a software offering that sits above the current financial system, interacts with it and arguably makes it easier to consume financial services, Brex, which looks to build the financial operating system for start-ups and mid-sized businesses, and Affirm, which seeks to empower consumers through honest financial products, are all looking to disrupt the status quo. They are all 'unbundling' the current financial system. Taking a segment of the traditional finance industry, whether that be credit for Affirm, or payments for Stripe, and redefining how it operates. Yet, it is the opportunity for 're-bundling' which is most exciting but most uncertain. Harnessing alternative business models to combine numerous financial products, some of which we cannot even imagine today.

Embracing conceptual breakthrough necessitates the consideration of companies beyond areas such as FinTech, where our working hypotheses are gaining traction, into new areas where, like genomics ten years ago, our hypotheses remain tentative, but the possibility of asymmetric return looks vast.

Discord, a private, new generation communication platform, and recent purchase for the Company is one such company. Discord is not just a communication platform; it is a hidden world. First designed for gamers, Discord offers a space for people to come together in groups and communities, a 'third space', like a café or a bar, and chat, share and generally hang out. Time has seen its user base expand to include educational groups, fandoms and investing communities particularly in the crypto space. Much like the entities who use Discord, the platform itself feels fluid, changeable and ripe with potential. Whilst the path is not clear, we believe this fluidity and flexibility sets the business in good stead to unlock its opportunity to become the social infrastructure of the metaverse.

# Baillie Gifford US Growth Trust plc

Blockstream looks to help bitcoin, and blockchain, realise its potential as financial infrastructure and is another recent purchase for the Company. Many financial functions revolve around updating ledgers, records of who pays what across different institutions. It is an enormous coordination and trust challenge. Blockchain is a decentralised ledger e.g. no one controls or owns it. Changes to the ledger are made by miners, who verify and update it. Whilst impossible to cheat, updating the ledger is slow. It cannot be used for the sorts of assets financial institutions are used to. This is the problem that Blockstream looks to solve through its 'Liquid Network'. Blockstream is creating a sidechain where more frequent trading can take place, which is periodically verified on the blockchain. This is bringing genuine utility to bitcoin. Blockstream's growing network of institutional partners and highly respected founder, Adam Back, has helped us to build conviction in their potential.

## **Outlook**

New innovations often feel odd at first. They don't sit naturally in our view of the world, and the early user experience is often subpar. However, we work to ensure we don't dismiss innovation out of hand. We look to buy exceptional businesses, not themes or sectors. We are bottom-up stock pickers. But to do so, we must build our foundational knowledge. We recognise that many new ideas are often met with derision. However, as mid-century industrial designers Charles and Ray Eames stated, 'toys are preludes to serious ideas' and we strive to remain open minded to potential.

In times of change, it is valuable to recognise those things that will remain constant. We are long-term. We are growth. We have a fundamental belief in the asymmetry of stock market returns. We look for opportunity in change. We, and you as our investors, are venturing. The path for companies driving structural change may not be straight; some paths will weave and wend and turn out to be dead ends. Other paths will branch new opportunities and take us in directions we might not be able to imagine currently. But our rucksack is laden with optimism, patience and excitement. In a world of asymmetric returns, we believe it is better to venture, than not venture at all.

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.

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# Baillie Gifford US Growth Trust plc

## 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.

# Baillie Gifford US Growth Trust plc

## Income statement (unaudited)

	For the six months ended 30 November 2021			For the six months ended 30 November 2020			For the year ended 31 May 2021 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	-	52,292	52,292	-	35,050	35,050	-	113,961	113,961
Movement in investment holding gains	-	108,424	108,424	-	231,284	231,284	-	190,284	190,284
Currency (losses)/gains	-	(1,510)	(1,510)	-	492	492	-	639	639
Income from investments and interest receivable	281	-	281	328	-	328	648	-	648
Investment management fee (note 3)	(2,958)	-	(2,958)	(2,056)	-	(2,056)	(4,701)	-	(4,701)
Other administrative expenses	(320)	-	(320)	(255)	-	(255)	(537)	-	(537)
Net return before finance costs and taxation	(2,997)	159,206	156,209	(1,983)	266,826	264,843	(4,590)	304,884	300,294
Finance costs of borrowings	(369)	-	(369)	(165)	-	(165)	(401)	-	(401)
Net return before taxation	(3,366)	159,206	155,840	(2,148)	266,826	264,678	(4,991)	304,884	299,893
Tax	(34)	-	(34)	(36)	-	(36)	(75)	-	(75)
Net return after taxation	(3,400)	159,206	155,806	(2,184)	266,826	264,642	(5,066)	304,884	299,818
Net return per ordinary share (note 4)	(1.11p)	51.82p	50.71p	(0.80p)	98.00p	97.20p	(1.78p)	106.89p	105.11p

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.

# Baillie Gifford US Growth Trust plc

## Balance sheet (unaudited)

	At 30 November 2021 £'000	At 31 May 2021 (audited) £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss (note 6)	1,088,449	916,255
<b>Current assets</b>		
Debtors	319	3,253
Cash and cash equivalents	17,193	18,484
	17,512	21,737
<b>Creditors</b>		
Amounts falling due within one year (note 7)	(20,554)	(11,564)
<b>Net current (liabilities)/assets</b>	<b>(3,042)</b>	<b>10,173</b>
<b>Total assets less current liabilities</b>	<b>1,085,407</b>	<b>926,428</b>
<b>Creditors</b>		
Amounts falling due after more than one year (note 7)	(18,896)	(17,545)
<b>Net assets</b>	<b>1,066,511</b>	<b>908,883</b>
<b>Capital and reserves</b>		
Share capital	3,073	3,068
Share premium account	250,837	249,020
Special distributable reserve	168,942	168,942
Capital reserve	656,734	497,528
Revenue reserve	(13,075)	(9,675)
<b>Shareholders' funds</b>	<b>1,066,511</b>	<b>908,883</b>
Net asset value per ordinary share (after deducting borrowings at book value)	346.99p	296.21p
Ordinary shares in issue (note 8)	307,360,000	306,835,000

# Baillie Gifford US Growth Trust plc

## Statement of changes in equity (unaudited)

For the six months to 30 November 2021

	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 2021	3,068	249,020	168,942	497,528	(9,675)	<b>908,883</b>
Ordinary shares issued (note 8)	5	1,817	-	-	-	<b>1,822</b>
Net return after taxation	-	-	-	159,206	(3,400)	<b>155,806</b>
<b>Shareholders' funds at 30 November 2021</b>	<b>3,073</b>	<b>250,837</b>	<b>168,942</b>	<b>656,734</b>	<b>(13,075)</b>	<b>1,066,511</b>

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)	<b>476,202</b>
Ordinary shares issued	209	50,566	-	-	-	<b>50,775</b>
Net return after taxation	-	-	-	266,826	(2,184)	<b>264,642</b>
<b>Shareholders' funds at 30 November 2020</b>	<b>2,827</b>	<b>167,173</b>	<b>168,942</b>	<b>459,470</b>	<b>(6,793)</b>	<b>791,619</b>

\* The capital reserves as at 30 November 2021 includes investment holding gains of £485,191,000 (30 November 2020 – gains of £417,768,000).

# Baillie Gifford US Growth Trust plc

## Cash flow statement (unaudited)

For the six months to 30 November

	2021	2020
	£'000	£'000
<b>Cash flows from operating activities</b>		
Net return before taxation	155,840	264,678
Net gains on investments	(160,716)	(266,334)
Currency losses/(gains)	1,510	(492)
Finance costs of borrowings	369	165
Overseas withholding tax incurred	(34)	(38)
Changes in debtors and creditors	238	1,139
<b>Cash from operations*</b>	<b>(2,793)</b>	<b>(882)</b>
Finance costs paid	(375)	(199)
<b>Net cash outflow from operating activities</b>	<b>(3,168)</b>	<b>(1,081)</b>
<b>Cash flows from investing activities</b>		
Acquisitions of investments	(119,209)	(100,139)
Disposals of investments	109,320	48,401
<b>Net cash outflow from investing activities</b>	<b>(9,889)</b>	<b>(51,738)</b>
<b>Cash flows from financing activities</b>		
Ordinary shares issued	1,822	50,775
Bank loans drawn down	46,057	67,932
Bank loans repaid	(36,975)	(62,632)
<b>Net cash inflow from financing activities</b>	<b>10,904</b>	<b>56,075</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(2,153)</b>	<b>3,256</b>
Exchange movements	862	(698)
Cash and cash equivalents at start of period	18,484	16,089
<b>Cash and cash equivalents at 30 November</b>	<b>17,193</b>	<b>18,647</b>

\* Cash from operations includes dividends received in the period of £226,000 (30 November 2020 - £250,000) and interest received of £1,000 (30 November 2020 - £4,000).

# Baillie Gifford US Growth Trust plc

## List of investments as at 30 November 2021 (unaudited)

Name	Business	2021 Value £'000	2021 % of total assets*
Shopify Class A	Cloud-based commerce platform provider	74,264	6.7
Moderna	Therapeutic messenger RNA	59,254	5.4
The Trade Desk	Advertising technology company	50,761	4.6
Tesla	Electric cars, autonomous driving and solar energy	43,733	4.0
Affirm <sup>P</sup>	Consumer finance	18,899	1.7
Affirm Class B <sup>P</sup>	Consumer finance	18,902	1.7
		<b>37,801</b>	<b>3.4</b>
Amazon	Online retailer and cloud computing provider	37,233	3.4
Stripe Class B Common <sup>U</sup>	Online payment platform	5,426	0.5
Stripe Series G Preferred <sup>U</sup>	Online payment platform	26,422	2.4
Stripe Series H Preferred <sup>U</sup>	Online payment platform	2,265	0.2
		<b>34,113</b>	<b>3.1</b>
Wayfair	Online furniture and homeware retailer	33,570	3.0
Cloudflare	Cloud-based provider of network services	30,576	2.8
Netflix	Subscription service for TV shows and movies	29,806	2.7
Space Exploration Technologies Series J Preferred <sup>U</sup>	Rocket and spacecraft company	13,654	1.2
Space Exploration Technologies Series K Preferred <sup>U</sup>	Rocket and spacecraft company	3,112	0.3
Space Exploration Technologies Series N Preferred <sup>U</sup>	Rocket and spacecraft company	7,838	0.7
Space Exploration Technologies Class A Common <sup>U</sup>	Rocket and spacecraft company	1,617	0.2
Space Exploration Technologies Class C Common <sup>U</sup>	Rocket and spacecraft company	499	<0.1
		<b>26,720</b>	<b>2.4</b>
Twilio	Cloud-based communications platform	25,832	2.3
First Republic Bank San Francisco	Private banking	23,434	2.1
Illumina	Gene sequencing equipment and consumables	21,023	1.9
Ginkgo Bioworks <sup>P</sup>	Bioengineering company developing micro organisms that produce various proteins	20,968	1.9
NVIDIA	Graphics chips	20,820	1.9
Roku	Online media player	19,059	1.7
Brex Series D Preferred <sup>U</sup>	Corporate credit cards for start-ups	10,413	0.9
Brex Class B Common <sup>U</sup>	Corporate credit cards for start-ups	7,307	0.7
		<b>17,720</b>	<b>1.6</b>

# Baillie Gifford US Growth Trust plc

Name	Business	2021 Value £'000	2021 % of total assets*
Workday	Enterprise information technology	16,975	1.5
Zoom Video Communications	Remote conferencing service provider	16,894	1.5
Snap Class A	Camera and social media company	15,723	1.4
Snowflake <a href="#">P</a>	Developer of a SaaS-based cloud data warehousing platform	15,547	1.4
Carvana	Online platform for buying used cars	15,413	1.4
CoStar Group	Commercial property information provider	15,345	1.4
Datadog	IT monitoring and analytics platform	13,627	1.2
Faire Wholesale Series F Preferred <a href="#">U</a>	Online wholesale marketplace	8,638	0.8
Faire Wholesale Series G Preferred <a href="#">U</a>	Online wholesale marketplace	4,652	0.4
		13,290	1.2
Chewy	Online pet supplies retailer	12,735	1.2
10x Genomics	Single cell sequencing company	12,659	1.1
Rivian Automotive	Electric vehicle manufacturer	12,634	1.1
Discord Series I Preferred <a href="#">U</a>	Communication software	12,094	1.1
Abiomed	Manufacturer of heart pumps	11,544	1.0
Warby Parker <a href="#">P</a>	Online and physical glasses retailer	10,983	1.0
Watsco	Air conditioning, heating and refrigeration equipment distributor	10,934	1.0
Aurora Innovation Class B Common <a href="#">P</a>	Self-driving technology	6,963	0.6
Aurora <a href="#">P</a>	Self-driving technology	3,952	0.4
		10,915	1.0
Doordash	Online local delivery	10,682	1.0
Alnylam Pharmaceuticals	Therapeutic gene silencing	10,658	1.0
Workrise Technologies Series D Preferred <a href="#">U</a>	Jobs marketplace for the energy sector	5,097	0.5
Workrise Technologies Series D-1 Preferred <a href="#">U</a>	Jobs marketplace for the energy sector	1,133	0.1
Workrise Technologies Series E Preferred <a href="#">U</a>	Jobs marketplace for the energy sector	4,359	0.4
		10,589	1.0
Zipline International Series C Preferred <a href="#">U</a>	Drone-based medical delivery	6,670	0.6
Zipline International Series E Preferred <a href="#">U</a>	Drone-based medical delivery	3,779	0.3
		10,449	0.9

# Baillie Gifford US Growth Trust plc

Name	Business	2021 Value £'000	2021 % of total assets*
Databricks Series H Preferred <a href="#">U</a>	Data and AI platform	10,129	0.9
Coursera	Online educational services provider	9,850	0.9
Nuro Series C Preferred <a href="#">U</a>	Self-driving vehicles for local delivery	6,035	0.6
Nuro Series D Preferred <a href="#">U</a>	Self-driving vehicles for local delivery	3,779	0.3
		<hr/> 9,814	0.9
Novocure	Electric field-based cancer therapies	9,324	0.8
Appian	Enterprise software developer	9,017	0.8
Tanium Class B Common <a href="#">U</a>	Online security management	8,572	0.8
Redfin	Technology-based real estate brokerage firm	8,443	0.8
Convoy Series D Preferred <a href="#">U</a>	Marketplace for truckers and shippers	4,605	0.4
Convoy Series E Preferred <a href="#">U</a>	Marketplace for truckers and shippers	3,779	0.4
		<hr/> 8,384	0.8
Denali Therapeutics	Clinical stage neurodegeneration company	8,336	0.8
Teladoc	Telemedicine services provider	8,283	0.8
Lyra Health Series E Preferred <a href="#">U</a>	Digital mental health platform for enterprises	6,482	0.6
Lyra Health Series F Preferred <a href="#">U</a>	Digital mental health platform for enterprises	1,512	0.1
		<hr/> 7,994	0.7
Epic Games <a href="#">U</a>	Video game platform and software developer	7,958	0.7
Penumbra	Medical tools to treat vascular diseases	7,704	0.7
Solugen Series C-1 Preferred <a href="#">U</a>	Combines enzymes and metal catalysts to make chemicals	7,559	0.7
Snyk Series F Preferred <a href="#">U</a>	Developer security platform	4,724	0.4
Snyk Ordinary Shares <a href="#">U</a>	Developer security platform	2,834	0.3
		<hr/> 7,558	0.7
Thumbtack Class A Common <a href="#">U</a>	Online directory service for local businesses	4,987	0.5
Thumbtack Series A Preferred <a href="#">U</a>	Online directory service for local businesses	356	<0.1
Thumbtack Series B Preferred <a href="#">U</a>	Online directory service for local businesses	24	<0.1
Thumbtack Series C Preferred <a href="#">U</a>	Online directory service for local businesses	104	<0.1
Thumbtack Series I Preferred <a href="#">U</a>	Online directory service for local businesses	1,607	0.1
		<hr/> 7,078	0.6
Peloton <a href="#">P</a>	Connected fitness equipment	6,892	0.6
Peloton Interactive <a href="#">P</a>	Connected fitness equipment	88	0.0
		<hr/> 6,980	0.6
Pinterest	Image sharing and social media company	6,892	0.6
Chegg	Online education company	6,802	0.6
MarketAxess Holdings	Electronic bond trading platform	6,537	0.6
Lemonade	Insurance company	6,513	0.6
Capsule Series D Preferred <a href="#">U</a>	Digital pharmacy	5,479	0.5

# Baillie Gifford US Growth Trust plc

Name	Business	2021 Value £'000	2021 % of total assets*
Honor Technology Series D Preferred <u></u>	Home care provider	3,969	0.4
Honor Technology Series E Preferred <u></u>	Home care provider	1,400	0.1
		<b>5,369</b>	<b>0.5</b>
Away (JRSK) Series D Preferred <u></u>	Travel and lifestyle brand	1,439	0.1
Away (JRSK) Convertible Promissory Note 2021 <u></u>	Travel and lifestyle brand	1,134	0.1
Away (JRSK) Convertible Promissory Note <u></u>	Travel and lifestyle brand	1,134	0.1
Away (JRSK) Series Seed Preferred <u></u>	Travel and lifestyle brand	858	0.1
		<b>4,565</b>	<b>0.4</b>
Niantic Series C Preferred <u></u>	Augmented reality games	4,422	0.4
Butterfly Network <sup>P</sup>	Portable ultrasound and diagnostics	4,315	0.4
Airbnb Class B Common <sup>P</sup>	Online marketplace for travel accommodation	4,014	0.4
Recursion Pharmaceuticals	Drug discovery platform	3,978	0.4
Duolingo	Mobile learning platform	3,961	0.4
PsiQuantum Series D Preferred <u></u>	Silicon photonic quantum computing	3,779	0.3
Vroom	Online platform for buying used cars	3,562	0.3
Indigo Agriculture Series E Preferred <u></u>	Agricultural technology company	1,739	0.2
Indigo Agriculture Series F Preferred <u></u>	Agricultural technology company	517	<0.1
Indigo Agriculture Series G Preferred <u></u>	Agricultural technology company	756	0.1
Indigo Agriculture Common <u></u>	Agricultural technology company	116	<0.1
		<b>3,128</b>	<b>0.3</b>
Sana Biotechnology	Gene editing technology	2,901	0.3
Blockstream Series B-1 Preferred <u></u>	Bitcoin and digital asset infrastructure	2,872	0.3
<b>Total Investments</b>		<b>1,088,449</b>	<b>98.6</b>
<b>Net Liquid Assets</b>		<b>15,855</b>	<b>1.4</b>
<b>Total Assets</b>		<b>1,104,304</b>	<b>100.0</b>

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

<sup>u</sup> Denotes unlisted (private company) security.

<sup>P</sup> Denotes listed security previously held in portfolio as an unlisted (private company) security.

# Baillie Gifford US Growth Trust plc

	Listed equities %	Unlisted securities† %	Net liquid assets %	Total assets %
<b>30 November 2021</b>	<b>77.8</b>	<b>20.8</b>	<b>1.4</b>	<b>100.0</b>
31 May 2021	81.5	16.5	2.0	100.0

Figures represent percentage of total assets.

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

## Distribution of total assets\* (unaudited)

### Sectoral Analysis

	As at 30 November 2021 %	As at 31 May 2021 %
Communication Services	6.4	8.5
Consumer Discretionary	21.9	24.5
Consumer Staples	0.3	0.4
Financials	4.9	5.7
Healthcare	18.2	17.2
Industrials	8.4	8.5
Information Technology	37.0	30.5
Materials	0.7	1.4
Real Estate	0.8	1.3
Net Liquid Assets	1.4	2.0
<b>Total Assets</b>	<b>100.0</b>	<b>100.0</b>

\* 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 2021 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 April 2021 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 2021 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 2021.

### Going Concern

Having considered the nature of the Company's principal risks and uncertainties, as set out above, together with its current position, investment objective and policy, 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 Covid-19 pandemic 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 2021 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.

With effect from 1 September 2021 the annual management fee is 0.70% on the first £100 million of net assets, 0.55% of the next £900 million of net assets and 0.50% on the remaining net assets.

Prior to 1 September 2021 the fee was 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 2021		For the six months to 30 November 2020		For the year ended 31 May 2021 (audited)	
	£'000	p	£'000	p	£'000	p
<b>Net return per ordinary share</b>						
Revenue return after taxation	(3,400)	(1.11)	(2,184)	(0.80)	(5,066)	(1.78)
Capital return after taxation	159,206	51.82	266,826	98.00	304,884	106.89
<b>Net return</b>	<b>155,806</b>	<b>50.71</b>	<b>264,642</b>	<b>97.20</b>	<b>299,818</b>	<b>105.11</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>307,211,230</b>		<b>272,262,541</b>		<b>285,237,493</b>	

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.

# Baillie Gifford US Growth Trust plc

## 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 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	858,814	-	-	858,814
Unlisted ordinary shares	-	-	39,316	39,316
Unlisted preference shares*	-	-	188,051	188,051
Unlisted promissory notes	-	-	2,268	2,268
<b>Total financial asset investments</b>	<b>858,814</b>	<b>-</b>	<b>229,635</b>	<b>1,088,449</b>

As at 31 May 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	762,116	-	-	762,116
Unlisted ordinary shares	-	-	31,641	31,641
Unlisted preference shares*	-	-	121,376	121,376
Unlisted promissory notes	-	-	1,122	1,122
<b>Total financial asset investments</b>	<b>762,116</b>	<b>-</b>	<b>154,139</b>	<b>916,255</b>

\* 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)

6. The valuation techniques used by the Company are explained in the accounting policies on page 49 of the Annual Report and Financial Statements for the year ended 31 May 2021. 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 value of £10,542,000 (31 May 2021 – £13,966,000) were transferred from Level 3 to Level 1 on becoming listed.

7. The Company has a US\$25,000,000 five year revolving credit facility with ING Bank N.V., London Branch which expires on 1 August 2023 and US\$25,000,000 three year fixed rate facility with ING Bank N.V., London Branch which expires on 23 October 2023. At 30 November 2021, creditors falling due within one year include US\$25,000,000 (sterling value £18,896,000) drawn under the five year revolving credit facility and creditors falling due after more than one year include borrowings of US\$25,000,000 (sterling value £18,896,000) drawn down under the three year fixed rate facility (31 May 2021 – creditors falling due within one year included US\$12,500,000 (sterling value £8,794,000) drawn under the five year revolving credit facility) and creditors due in more than one year included US\$25,000,000 (sterling value £17,545,000) drawn under the three year fixed rate facility).

The fair value of borrowings as at 30 November 2021 was £37,676,000 (31 May 2021 – £26,616,000).

8.	30 November 2021 Number	30 November 2021 £'000	31 May 2021 Number	31 May 2021 £'000
<b>Share capital</b>				
Allotted, called up and fully paid ordinary shares of 1p each	307,360,000	3,073	306,835,000	3,068

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 2021, the Company issued a total of 525,000 shares (nominal value £5,000, representing 0.2% of the issued share capital at 31 May 2021) 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 £1,822,000 (in the year to 31 May 2021, the Company issued a total of 45,070,000 shares (nominal value £450,000, representing 17.2% of the issued share capital at 31 May 2020) raising net proceeds of £132,863,000), which has been invested in accordance with the Company's investment policy.

Over the period from 30 November 2021 to 24 January 2022 the Company has issued no further shares.

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 17 September 2021. No shares were bought back in the six months to 30 November 2021. At 30 November 2021 the Company had authority to buy back 46,073,264 ordinary shares.

9. During the period the Company incurred transaction costs on purchases of investments of £16,000 (six months to 30 November 2020 – £26,000; year to 31 May 2021 – £80,000) and transaction costs on sales of £19,000 (six months to 30 November 2020 – £8,000; year to 31 May 2021 – £46,000).

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, private company (unlisted) investments risk, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, cyber security risk, leverage risk, political and associated economic risk and emerging risks.

An explanation of these risks and how they are managed is set out on pages 5 to 7 of the Company's Annual Report Financial Statements for the year ended 31 May 2021 which is available on the Company's website:

[bgusgrowthtrust.com](https://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 [bgusgrowthtrust.com](https://www.bgusgrowthtrust.com)‡ and will be posted to shareholders on or around 7 February 2022.

‡ 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 value. 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 value).

### 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 2021	31 May 2021
<b>Net asset value per ordinary share (borrowings at book value)</b>	<b>346.99p</b>	296.21p
Shareholders' funds (borrowings at book value)	£1,066,511,000	£908,883,000
Add: book value of borrowings	£37,792,000	£26,339,000
Less: fair value of borrowings	(£37,676,000)	(£26,616,000)
<b>Shareholders' funds (borrowings at fair value)</b>	<b>£1,066,627,000</b>	£908,606,000
Number of shares in issue	307,360,000	306,835,000
<b>Net asset value per ordinary share (borrowings at fair value)</b>	<b>347.03p</b>	296.12p

### Net Liquid Assets

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

# Baillie Gifford US Growth Trust plc

## 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.

		30 November 2021	31 May 2021
Net asset value per ordinary share (after deducting borrowings at fair value)	(a)	347.03p	296.12p
Share Price	(b)	337.00p	308.00p
<b>(Discount)/premium (borrowings at fair value)</b>	<b>((b)-(a)) ÷ (a)</b>	<b>(2.9%)</b>	<b>4.0%</b>

		30 November 2021	31 May 2021
Net asset value per ordinary share (after deducting borrowings at book value)	(a)	346.99p	296.21p
Share Price	(b)	337.00p	308.00p
<b>(Discount)/premium (borrowings at book value)</b>	<b>((b)-(a)) ÷ (a)</b>	<b>(2.9%)</b>	<b>4.0%</b>

## 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.

## 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 Regulations, 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 and after certain hedging and netting positions are offset against each other.

# Baillie Gifford US Growth Trust plc

## 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.

## Third Party Data Provider Disclaimer

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## S&P Index Data

The S&P 500 Index ("Index") is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJ"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

*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 [bgusgrowthtrust.com](https://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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25 January 2022

- ends -