Annual Report and Financial Statements

31 May 2024

Baillie Gifford US Growth Trust plc

Managed by

Baillie Gifford™

Investor disclosure document

The UK Alternative Investment Fund Managers Regulations requires certain information to be made available to investors prior to their making an investment in the Company. The Company's Investor Disclosure Document is available for viewing at **bgusgrowthtrust.com**.

Notes

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

Investment trusts are UK public listed companies and as such comply with the requirements of the Financial Conduct Authority. They are not authorised or regulated by the Financial Conduct Authority.

Baillie Gifford US Growth Trust plc (the 'Company') currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other Independent Financial Adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your ordinary shares in Baillie Gifford US Growth Trust plc, please forward this document, together with any accompanying documents, but not your personalised Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Baillie Gifford™

Contents

Baillie Gifford US Growth: The American Dream made real

Financial highlights

Year to 31 May 2024

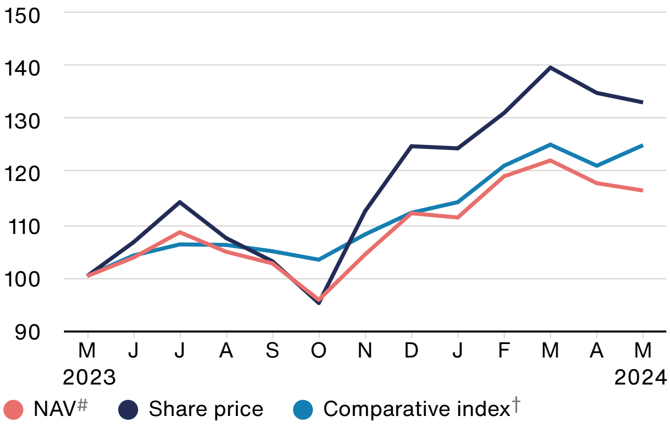
Total returns*

Share price
32.9%

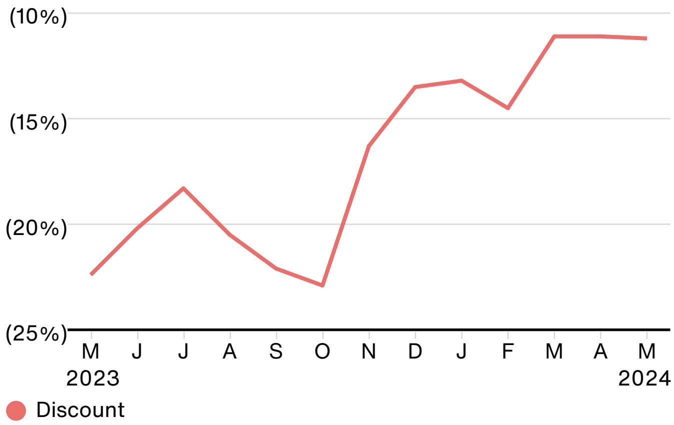
NAV#
16.2%

Comparative index†
24.8%

Share price, NAV and comparative index total return*
(figures rebased to 100 at 31 May 2023)



Discount*
(figures plotted at month end dates)



* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

† The comparative index is the S&P 500 Index total return (in sterling terms).

\# Net asset value per share ('NAV') with borrowings at fair value. At 31 May 2024 the NAV with borrowings at fair value was the same as the NAV with borrowings at book value. For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

Past performance is not a guide to future performance.

Purpose and investment principles

Baillie Gifford US Growth aims to deliver above average long-term returns for shareholders by keeping fees and costs low and harnessing the long-term growth potential of companies.

Our purpose

Baillie Gifford US Growth aims to find, own and support the most exceptional public and private growth companies in America.

We believe that our investment approach of long termism, embracing asymmetry, and global perspective gives us an advantage in uncovering exceptional growth companies. Our opportunity set is wide given the Company's structure means we can invest in exceptional growth companies regardless of their listed status.

Exceptional growth companies address huge market opportunities at an early stage, possess a sustainable competitive edge and enjoy powerful and effective cultures that enable them to realise their long-term potential. We believe such companies contribute to productive innovation in society and, over the full course of time, these companies will develop deep competitive moats and generate abnormal profits and unusually high shareholder returns.

We endeavour to generate returns for our shareholders by helping in the creation and improvement of such useful enterprises. If we are successful in identifying these companies, we believe that we can multiply our shareholders' wealth over the long term.

Our investment principles

Managing shareholders' money is a huge privilege and not one we take lightly. It is a relationship, not a transaction. Relationships can only be built on a foundation of trust and understanding. With this in mind, we seek to lay out the fundamental principles by which we will manage your money and the framework for how we make decisions so that you, our shareholders, can decide whether it aligns with your investment philosophy.

- We believe the fundamental measure of our success will be the value we create for our shareholders over the long term. It is only over periods of five years or more that the characteristics we look for in businesses become apparent. Our turnover has been low, consistent with our time horizon. We ask that our shareholders measure our performance over similar periods.
- Short-term volatility is an inevitable feature of the market, and we will not manage the portfolio to reduce volatility at the expense of long-term gain. Many managers are risk-averse and fear loss more than they value gain. Therefore, they accept smaller, more predictable risks rather than the larger and less predictable ones. We believe that this is harmful to long-term returns, and we will not shy away from making investments that are perceived to be risky if we believe that the potential payoffs are worthwhile. This means that our performance may be lumpy over the short term.
- We believe, and academic work has shown, that long-term equity returns are dominated by a small handful of exceptional growth companies that deliver outsized returns. Most stocks do not matter for long-term equity returns, and investors will be poorly served by owning them. In our search for exceptional growth companies, we will make mistakes. But the asymmetry inherent in equity markets, where we can make far more in a company if we are right than lose if we are wrong, tells us that the costliest of mistakes is excessive risk aversion.
- We do not believe that the index is the right starting point for portfolio construction. The index allocates capital based on size. We believe that capital should be allocated based on marginal return and the ability to grow at those rates of return. Big companies are not immune to disruption. We do not manage the portfolio to an active share target, but we expect the active share of the Company to be high.
- We are largely indifferent to a company's private or public status. We will conduct diligent analysis and allocate capital to where the highest returns are likely to be.
- We believe our duty is to maximise the long-term wealth of our shareholders, and that placing emphasis on short-term performance serves our shareholders poorly.
- We will endeavour to operate in the most efficient, honest and economical way possible. That means keeping our ongoing costs including management fees low. We recognise that even modest amounts, when allowed to compound over long periods of time, add up to staggering sums, and we do not wish to dilute the compounding of returns with the compounding of costs.

With this foundation, we aim to build Baillie Gifford US Growth Trust into a world-class savings vehicle. We are grateful that you have joined us on this journey, and we look forward to a long and hopefully prosperous relationship with you.

Strategic report

The Strategic report, which includes pages 7 to 56 and incorporates the Chair's statement has been prepared in accordance with the Companies Act 2006.

Chair's statement

Tom Burnet

Chair

Appointed
Director and Chair
5 March 2018

I am pleased to report an improvement in performance during the financial year to 31 May 2024. The Company's share price and net asset value, calculated by deducting borrowings at fair value, total returns were 32.9% and 16.2% respectively. This compares with a total return of 24.8% for the S&P 500 Index* (in sterling terms). Over the period from 23 March 2018 (launch date and first trade date), the Company's share price and net asset value, calculated by deducting borrowings at fair value, returned 91.4% and 121.2% respectively compared to a total return of 152.0% for the S&P 500 Index* (in sterling terms).

Further information about the Company's portfolio performance is covered by our portfolio managers, Gary Robinson and Kirsty Gibson, in their Managers' review.

Share issuance and buy-backs

The Company's shares moved from a discount of 22.4% at the start of the financial year to a discount of 11.2% at 31 May 2024 as sentiment towards the Company's growth investing style and the investment trust sector more generally improved. During the financial year the Company deployed its buy-back powers and 7,925,000 shares were bought back, representing 2.6% of the Company's issued share capital at the start of the year. The Board recognises the importance of the Company's liquidity policy and regularly discusses this topic at Board meetings.

As at 31 May 2024, the Company had authority, which was granted at the 2023 Annual General Meeting, to issue a further 30,515,370 shares and to buy-back a further 45,742,539 shares. These authorities expire in September 2024. The Company will be seeking to renew both the issuance and buyback authorities at the forthcoming Annual General Meeting.

* Source: LSEG and relevant underlying index providers. See disclaimer on page 120.

For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

Past performance is not a guide to future performance.

Gearing

The Company has two loan facilities in place. The US$25 million five-year revolving credit facility with ING Bank N.V., London Branch, which matured on 31 July 2023, was refinanced with a US$25 million three-year revolving credit facility from ING Bank N.V., London Branch on 26 July 2023. The US$25 million three-year fixed rate facility with ING Bank N.V., London Branch matured on 23 October 2023 and was refinanced with a US$25 million three-year revolving credit facility from The Royal Bank of Scotland International Limited on 18 October 2023. The facilities are available to be used to fund purchases of securities as and when suitable opportunities arise. As at 31 May 2024, the facilities had been drawn down in full (31 May 2023 – US$50 million). Net gearing fell from 6% to 5% over the course of the year.

Earnings and dividend

The Company's priority is to generate capital growth over the long term. The Company therefore has no dividend target and will not seek to provide shareholders with a particular level of dividend. The net revenue return per share for the year to 31 May 2024 was a negative 2.07p (period to 31 May 2023, a negative 1.55p). As the revenue reserve is again running at a deficit, the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Private company investments

As at the Company's year end, the portfolio weighting in private company investments stood at 34.1% of total assets, invested in 24 companies (2023 – 34.5% invested in 25 companies). There was one new purchase in the year, Human Interest, and Oddity listed during the period (the Convoy holdings were written off during the period subsequent to the company ceasing operations). There is commentary on the new and existing holdings in the Managers' review and the review of investments on pages 9 to 12 and 26 to 29. Your portfolio managers remain alert to further special and high potential opportunities not widely accessible through public markets.

Environmental, Social and Governance (ESG) matters

The Company's Managers believe that sustainability is inextricably linked to being a long-term investor, and their thoughts on this topic are set out in more detail on page 14. The Managers' pursuit of long-term growth opportunities typically involves investment in entrepreneurial, disruptive and technology-driven businesses. These companies are often capital-light with a low carbon footprint.

Annual General Meeting

The Annual General Meeting of the Company has been scheduled to be held at the offices of Herbert Smith Freehills in London (Exchange House, Primrose Street, London, EC2A 2EG) at 9.00am on Friday, 27 September 2024. All shareholders are invited to attend, and the Board looks forward to welcoming you. The meeting will be followed by a presentation from the Managers. I encourage shareholders to submit their votes by proxy before the applicable deadline ahead of the meeting and to submit any questions for the Board or Managers in advance by email to **trustenquiries@bailliegifford.com** or by calling 0800 917 2112 (Baillie Gifford may record your call).

Outlook

In our last report I allowed myself to imagine that peaking interest rates might see valuations begin to recover during 2024. Clearly the Board is delighted that we have seen an improvement in our share price and a narrowing of our discount over the intervening period. Perhaps more importantly though, we continue to believe that the seismic changes in technology that underpin many of the companies we are invested in will continue and accelerate. We are at an inflexion point where many verticals, from transportation to drug discovery to communications and many others, are all ripe for disruption and we firmly believe that the portfolio of businesses we own includes many that will deliver outsize returns to long-term investors.

Tom Burnet
Chairman
21 August 2024

Managers' review

Gary Robinson
Portfolio manager

Kirsty Gibson
Portfolio manager

In recent years, we have observed a marked shift in emphasis among the companies in your portfolio. There has been a pivot from prioritising growth alone to embracing a more balanced approach that incorporates both growth and profitability. In our previous interim report, we characterised 2022 as the 'year of reorientation' and 2023 as the 'year of execution'. We are now witnessing the tangible benefits of this strategic shift, as evidenced by the improved financial metrics across your portfolio companies.

As of the end of March, 67% of the portfolio was generating positive cash flow or positive earnings per share ('EPS'), a notable increase from 48% in March 2023. Crucially, growth has remained robust during this period of improving profitability. The median revenue growth rate exceeded 18% over the year to March 2024, significantly outpacing the S&P 500 Index. This dual achievement – maintaining strong growth while enhancing profitability – is a testament to the quality and adaptability of our chosen companies.

It is our view that many of your holdings are emerging from the challenging post-Covid period in a stronger position than when they entered it. These businesses have not only addressed cost bases that had become inflated during the pandemic but have also evolved their strategies, organisational structures and processes. Companies that were buffeted by pandemic-induced demand fluctuations have become leaner and more agile, positioning themselves for higher profitability.

We see parallels between the current situation and the period following the Global Financial Crisis. Then, as now, many businesses faced unexpectedly weak demand, with cyclical companies in the consumer discretionary and industrial sectors particularly affected. However, we observed that the most adaptable of these businesses emerged from that period stronger. For instance, the multi-industrial business United Technologies Group, which we held in our American Fund, achieved higher margins in 2011 than in 2008, despite sales not having fully recovered. The market underestimated this recovery, leading to strong share performance.

A similar pattern is now unfolding with internet-focused companies. Consider Shopify, the ecommerce tools platform. Its free cash flow margin turned negative post-Covid as lockdown-driven demand waned. However, following a period of reorientation, margins have recovered to prior peak levels and could potentially surpass them this year.

What drove Shopify to pursue such a rapid turnaround? While there was some pressure to cut costs given the shift in stock market sentiment, the company was motivated by a more pressing concern. Chief executive Tobi Lütke recognised that artificial intelligence ('AI') would be key to Shopify's future, and he wanted to ensure the company was well-positioned to capitalise on this opportunity. This required Shopify to become leaner to move faster. Lütke insightfully noted that companies often become sluggish not due to their size, but because of an accumulation of 'side quests' – projects adjacent to the main mission that don't directly serve it. While these may be manageable during stable economic times, they can hinder agility when the market landscape shifts.

In response, Shopify streamlined its operations, divesting its logistics business to focus on AI. The company also eliminated unnecessary meetings and cut bureaucracy, resulting in a one-third increase in engineer productivity. Customer service efficiency has also improved, with AI already assisting in over half of customer service inquiries in the January – March quarter. Shopify is optimistic that AI will help contain costs while maintaining robust top-line growth. The newly streamlined Shopify is emerging better positioned to exploit the product and cost opportunities afforded by generative AI.

The launch of ChatGPT at the end of 2022 brought AI into the spotlight, and we believe this attention is warranted. Indeed, recent advancements in AI represent some of the most important technological developments in a century. The internet and mobile drove near universal access to computing power. AI is rendering computers intelligent. It is outperforming humans in certain tasks and is improving at a remarkable rate. It has the potential to make large swathes of the economy more efficient.

Our decision to reinvest in Meta (previously Facebook) last year was partly driven by our view that the company is uniquely placed to leverage AI. AI requires substantial financial resources and data, both of which Meta possesses in abundance. The company also boasts a strong engineering culture and appears well-positioned to attract top talent.

We see numerous parallels between Shopify's strategic shift and Meta's 'year of efficiency'. Both companies, compelled by necessity, streamlined their teams to address the complexities bred from growth and to position themselves for the new AI paradigm. Mark Zuckerberg optimised Meta by trimming managerial layers, thus accelerating decision-making. Like Shopify, he made the company leaner by cancelling lower priority projects – the aforementioned 'side quests'. Zuckerberg shares Lütke's view that side quests can slow a company down. For instance, side quests require IT and HR support and, as these functions grow, they can become less responsive to the main mission. A leaner organisation, perhaps counterintuitively, often executes faster.

AI is already beginning to impact Meta's business. It was Meta's use of AI that enabled it to successfully navigate Apple's ad-targeting rule changes a few years ago. Meta is also using AI to refine its content recommendation algorithm and has already seen improvements in user engagement as a result.

Investments in AI are not inexpensive. Both Meta and Amazon have revised their capital expenditure budgets upward due to their AI spending plans. However, this expenditure remains manageable in the context of their prodigious cash flows. Indeed, Amazon's margins are on an upward trend and, like Shopify's, are poised to exceed their prior peak levels in the coming years.

NVIDIA, another holding in your portfolio, has been a key beneficiary of this AI spending boom. Its revenues grew by a remarkable 125% last year and the shares responded accordingly. We reduced our position earlier this year to reflect the change in risk-reward profile.

As mentioned, we believe Shopify and Meta have emerged from their periods of reorientation stronger and better positioned for the future. Block has undergone a similar transformation over the past year, which was one of the key motivations for our recent investment. Block, which owns merchant software provider Square and financial app Cash App, has always been an exceptional product company. However, it historically lacked financial discipline, and this lack of focus had begun to impact its pace of innovation. This appears to be changing. Founder Jack Dorsey is now managing the business to stringent targets that balance both growth and profitability. Employee numbers have been capped, and he has restructured the company to refocus on its core mission. As a result, Block is now more agile and seems poised to become significantly more profitable.

One feature common to Shopify, Meta and Block, and indeed many of your other holdings, is the presence of a founder-leader. It has long been our contention that founder-led businesses are more adaptable than average. This is partly because founders wield what Ben Horowitz calls ‘moral authority’ – the credibility necessary to make substantial strategic changes. The rapid transformations we have witnessed at Shopify, Meta and Block in response to changing market conditions are rare in non-founder-led businesses.

Portfolio changes

While AI has dominated recent headlines, it is not the only disruptive force to have emerged in recent years. In the healthcare sector, a new class of medicines called GLP-1s has created a stir due to their ability to induce weight loss. While we do not have direct exposure to manufacturers of these drugs, the excitement surrounding GLP-1s indirectly led to the purchase of two new healthcare holdings: Insulet, which produces pumps for treating diabetes, and Inspire Medical Systems, which manufactures surgical implants for sleep apnoea. Both stocks experienced sell-offs due to fears that GLP-1s would shrink their addressable markets. While diabetes and sleep apnoea are linked to obesity, making this concern understandable, we believe that the patient cohorts from which Insulet and Inspire derive most of their revenues are unlikely to be significantly impacted by GLP-1s. We had been following both businesses for some time and used this weakness as an opportunity to initiate positions.

Other notable new holdings in the period include: Guardant Health, a provider of molecular diagnostic tests for cancer; YETI, a consumer branded goods company renowned for its durable coolers and drinks containers; Sprout Social, a social media management platform; and Samsara, a provider of telematics and safety technology for the trucking industry.

We also made several complete sales during this period. We parted ways with communications software provider Twilio, which had been underperforming for some time. The catalyst for this sale was the departure of its founder, Jeff Lawson. We also divested our position in videoconferencing software company Zoom, which was struggling to grow amidst fierce competition from Microsoft’s Teams. Other complete sales included Snap, Chegg, Illumina, MarketAxess, Novocure, Redfin and Warby Parker.

While this may seem like a substantial list of changes, it’s important to note that your portfolio turnover remains low at 14%, consistent with our five to ten-year holding period. This underscores our commitment to long-term investing and our conviction in the companies we hold.

On the unlisted front, we made one additional investment during the year: Human Interest, which helps small and medium-sized businesses offer retirement plans to their employees.

The IPO market is beginning to show signs of life, although volumes remain well below pre-pandemic levels. As mentioned in our interim report, one of your holdings, online cosmetics company Oddity, went public during the year. We anticipate that more of the private businesses in your portfolio will transition to public markets in the coming years.

At the end of the reporting period, the Company held 24 private companies, which in aggregate comprised 34.1% of total assets. The allocation to private companies is concentrated, with the top five private companies comprising over half of the allocation, and the top ten comprising over three-quarters. We have provided a summary of the operational progress of the top ten private companies on pages 38 to 40.

Outlook

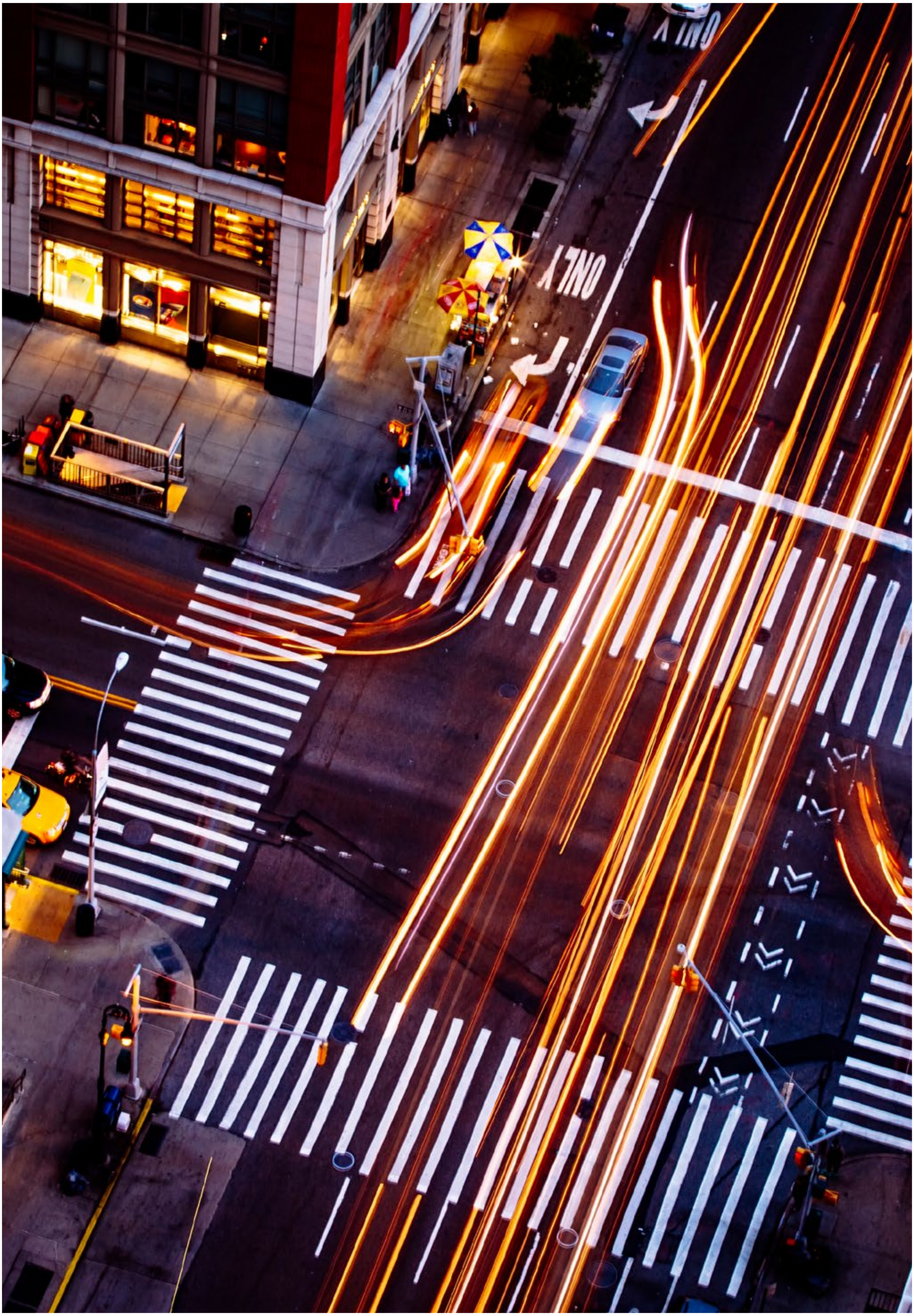
The US remains a fertile hunting ground for growth investors. Its companies are leading in new technological paradigms like AI, just as they led previous innovation waves such as the internet and mobile. Our aim is to identify the most exceptional amongst these companies and hold them for the long term, thereby capturing the unique upside that such companies offer. In our experience, one of the key features that unites such firms is adaptability. To endure and thrive over the long term, businesses must be able to respond effectively to changing market circumstances and technological paradigms. The transformations we have witnessed at holdings including Shopify, Meta, Block and, indeed, NVIDIA over the past few years are extremely encouraging in this context. They have demonstrated their adaptability and are now better positioned for the future.

The next cohort of generationally important companies will share this ability to adapt, innovate and position themselves for a rapidly evolving future. It is our conviction that many such companies are present in your portfolio, across both your public and private holdings.

Markets have been volatile lately, reflecting uncertainty about the future. We believe our investee companies have the qualities necessary to navigate through this uncertainty. The best companies create opportunities for themselves, even in challenging environments. We believe this feature is structurally underappreciated by markets and exploitable by patient investors.

As we look ahead, we remain excited about the prospects for your portfolio and confident in our ability to continue identifying and investing in the companies that will shape the future of the global economy.

US Equity Growth Team
Baillie Gifford & Co
21 August 2024



Baillie Gifford's stewardship principles

Baillie Gifford's overarching ethos is that we are 'Actual' investors. That means we seek to invest for the long term. Our role as an engaged owner is core to our mission to be effective stewards for our clients. As an active manager, we invest in companies at different stages of their evolution across many industries and geographies, and focus on their unique circumstances and opportunities. Our approach favours a small number of simple principles rather than overly prescriptive policies. This helps shape our interactions with holdings and ensures our investment teams have the freedom and retain the responsibility to act in clients' best interests.

Long-term value creation

We believe that companies that are run for the long term are more likely to be better investments over our clients' time horizons. We encourage our holdings to be ambitious, focusing on long-term value creation and capital deployment for growth. We know events will not always run according to plan. In these instances we expect management to act deliberately and to provide appropriate transparency. We think helping management to resist short-term demands from shareholders often protects returns. We regard it as our responsibility to encourage holdings away from destructive financial engineering towards activities that create genuine value over the long run. Our value will often be in supporting management when others don't.

Alignment in vision and practice

Alignment is at the heart of our stewardship approach. We seek the fair and equitable treatment of all shareholders alongside the interests of management. While assessing alignment with management often comes down to intangible factors and an understanding built over time, we look for clear evidence of alignment in everything from capital allocation decisions in moments of stress to the details of executive remuneration plans and committed share ownership. We expect companies to deepen alignment with us, rather than weaken it, where the opportunity presents itself.

Governance fit for purpose

Corporate governance is a combination of structures and behaviours; a careful balance between systems, processes and people. Good governance is the essential foundation for long-term company success. We firmly believe that there is no single governance model that delivers the best long-term outcomes. We therefore strive to push back against one-dimensional global governance principles in favour of a deep understanding of each company we invest in. We look, very simply, for structures, people and processes which we think can maximise the likelihood of long-term success. We expect to trust the boards and management teams of the companies we select, but demand accountability if that trust is broken.

Sustainable business practices

A company's ability to grow and generate value for our clients relies on a network of interdependencies between the company and the economy, society and environment in which it operates. We expect holdings to consider how their actions impact and rely on these relationships. We believe long-term success depends on maintaining a social licence to operate and look for holdings to work within the spirit and not just the letter of the laws and regulations that govern them. Material factors should be addressed at the board level as appropriate.

Baillie Gifford proxy voting

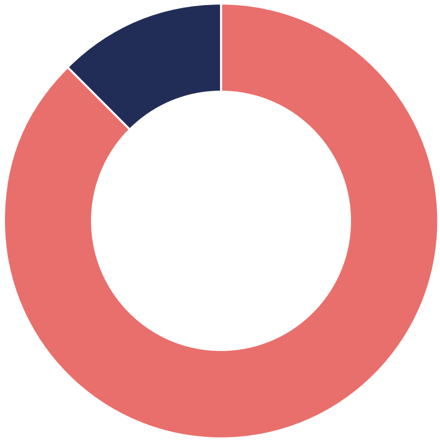
We believe that 'active ownership' of our clients' holdings is as important as selecting the right investments in the first instance. These guidelines are aligned with our stewardship principles and describe our approach to proxy voting and company engagement, the key levers of active ownership, often described as 'stewardship'.

While these guidelines are intended to provide an insight into how we approach voting on our clients' behalf, it is important to note that we assess every company individually. In voting, we will always evaluate proposals on a case-by-case basis, based on what we believe to be in the best long-term interests of our clients, rather than rigidly applying a policy.

A broad cross section of our investment staff are involved in our ongoing work on stewardship. In the same way that our investment approach is based around empowered and independent teams, our voting and engagement is led by the individual investment teams. In keeping with our decentralised and autonomous culture, our investment teams will, on occasion, elect to vote differently on the same general meeting resolutions. Where this happens, we report accordingly in the proxy voting disclosure on our website. We also have clear processes in place to identify, prevent and manage potential proxy voting-related conflicts of interest to ensure that in all cases the firm acts in the clients' best interest. Baillie Gifford's firm-wide conflict of interest disclosure is available on our website at **bailliegifford.com**

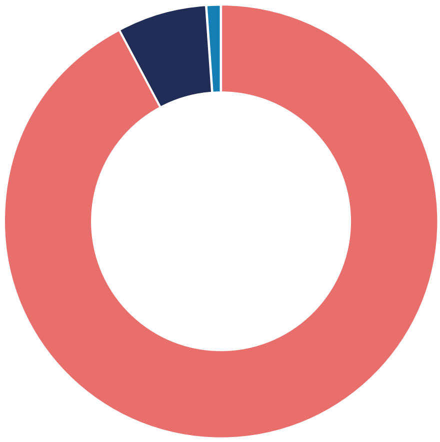
Prior to taking any voting action, we usually address specific ESG concerns by engaging directly with the company, using voting as an escalation mechanism if we have not seen sufficient progress. Voting activity and the reasons for any resolutions voted against in the period is disclosed on the Company website and can be viewed at **bgusgrowthtrust.com**

Company meeting record



Number of meetings voted with management	100
Number of meetings with at least one vote against, withhold or abstain	14
Meetings not voted	–

Voting distribution



Votes for	92.4%
Votes against	6.6%
Votes abstained	1.0%

Baillie Gifford environmental, social and governance engagement

By engaging with companies, we seek to build constructive relationships with them, to better inform our investment activities and, where necessary, effect change within our holdings, ultimately with the goal of achieving better returns for our shareholders. The examples on the following pages demonstrate our stewardship approach through constructive, ongoing engagement.

Engagements in the year to 31 May 2024	Environmental	Social	Governance
10X Genomics	●	●	●
Affirm	●		
Alnylam Pharmaceuticals			●
Amazon	●	●	●
Aurora Innovation	●		
Cloudflare			●
CoStar Group	●	●	●
Coursera		●	
Guardant Health		●	
HashiCorp	●		●
Moderna		●	●
Netflix		●	●
NVIDIA	●		
Penumbra	●		●
Pinterest		●	●
Rivian Automotive			●
Roblox			●
Roku	●		
Solugen	●		
Shopify			●
Snowflake	●		●
Sprout Social	●		●
Sweetgreen	●		
Tesla	●	●	●
The Trade Desk			●
Watsco	●		
Wayfair	●		
Workday			●

Guardant Health

Objectives

In March 2024, we met with the co-Founders and co-CEOs of Guardant Health, Helmy Eltoukhy and AmirAli Talasaz. We wanted to deepen our relationship with the founders and further explore their long-term strategy to grow Guardant's liquid biopsy business.

Discussions

The discussion was wide ranging. Areas of focus included: how Guardant could grow the therapy selection part of the business to expand across the patient journey, rather than the single point it is used at today; the company's international expansion plans; and the potential scale and opportunity of its screening business, which could be revolutionary but is at an early stage. In particular, we explored the FDA approval pathway for it to become reality.

Outcomes

Overall, we gained a greater understanding of Guardant's market opportunity, the approach of the co-founders, as well as some further insight into the culture they foster at the company. The meeting served to deepen our relationship in what we hope to be a multi-year investment and was thesis supportive.

Solugen

Objectives

We spent several days visiting Solugen's headquarters in Houston, Texas in September 2023. As mentioned last year, we have an observer board seat at Solugen, which helps us gain significant insight into the company's progress. The purpose of this visit was to see how this progress is translating into action on the ground. We were taken on a tour of various manufacturing facilities by the chief technical officer and co-founder, Sean Hunt.

Discussions

Sean Hunt showed us much of the original manufacturing equipment and the control room for Solugen's innovative bioforge in Houston. The bioforge is a biomanufacturing platform to produce organic acids (used in concrete, cleaning, agricultural and energy industries) via a novel technology that leverages enzymes and metal catalysts. The highly efficient production process has significantly lower carbon emissions and higher yield than existing methods of chemical production. Solugen's bioforge in Houston has been operating since 2021. We also visited the bioforge itself and were taken through the groundbreaking process the company has developed.

Outcomes

This visit served to enhance our understanding of Solugen's processes and potential competitive advantages as well as confirm its progress in developing the next generation of sustainable chemical production. The Houston bioforge is the proof of concept that helped Solugen to recently win a contract with the US Department of Energy to begin construction of a second, larger bioforge in Marshall, Minnesota.

CoStar Group

Objectives

CoStar provides information, analytics and online marketplaces to the commercial real estate industry in North America and the UK. The objective of our meeting in August 2023 was to explore aspects of sustainability most material to CoStar, namely, human capital, social issues and data privacy.

Discussions

CoStar balanced people's needs and the imperative for growth during our discussion about human capital and social issues. They believe the answer to these concerns can be found in people leadership. The board spends a lot of time on strategy alongside acquisitions and integrations, while the head of HR presents to CoStar's board at least twice yearly. CoStar also conducted a materiality assessment several years ago, identifying attrition and engagement as concerns. They believe they have addressed some of this as attrition rates have fallen and engagement scores have subsequently risen. Data privacy has always been on top of CoStar's priority list due to its large dataset, which is a source of competitive advantage. The engagement highlighted CoStar's continued focus on strengthening its data and cyber security as it integrates AI further into its business.

Outcomes

Through ongoing discussions with company leadership, it has become clear that CoStar sees human capital, social and data privacy issues as among the most material to the long-term sustainability of their businesses. We agree.

This was another positive conversation. CoStar has been proactive in reaching out to us on many topics, and we invited them to continue to do so. We will follow CoStar's progress through future engagements.

One year summary

	31 May 2024	31 May 2023	% change
Shareholders' funds#	£643.9m	£568.6m	13.2
Gearing*	5%	6%	
Net asset value per ordinary share‡	216.65p	186.48p	16.2
Share price	192.40p	144.80p	32.9
Comparative index (in sterling terms)†			24.8
Ongoing charges*	0.70%	0.69%	
Discount*	11.2%	22.4%	
Active share (relative to S&P 500 Index)*	86%	92%	
Number of shares in issue	297,228,700	305,153,700	
Market capitalisation	£571.9m	£441.9m	

Year to 31 May	2024	2023
Total returns (%)*		
Net asset value	16.2%	(2.7%)
Share price	32.9%	(13.8%)
Comparative index (in sterling terms)†	24.8%	4.7%

* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

† S&P 500 Index total return (in sterling terms). See disclaimer on page 120.

\# For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

‡ Net asset value per share ('NAV') with borrowings at fair value. At 31 May 2024 the NAV with borrowings at fair value was the same as the NAV with borrowings at book value. For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

Past performance is not a guide to future performance.

Year to 31 May	2024	2024	2023	2023
Year's high and low	**High**	**Low**	**High**	**Low**
Net asset value per ordinary share‡	228.97p	176.10p	223.16p	169.35p
Share price	204.00p	135.6p	197.00p	132.80p
Discount*	9.6%	24.5%	9.7%	23.7%

	2024	2023
Net return per ordinary share		
Revenue	(2.07p)	(1.55p)
Capital	31.73p	(3.56p)
Total	**29.66p**	**(5.11p)**

* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

‡ Net asset value per share ('NAV') with borrowings at fair value. At 31 May 2024 the NAV with borrowings at fair value was the same as the NAV with borrowings at book value. For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

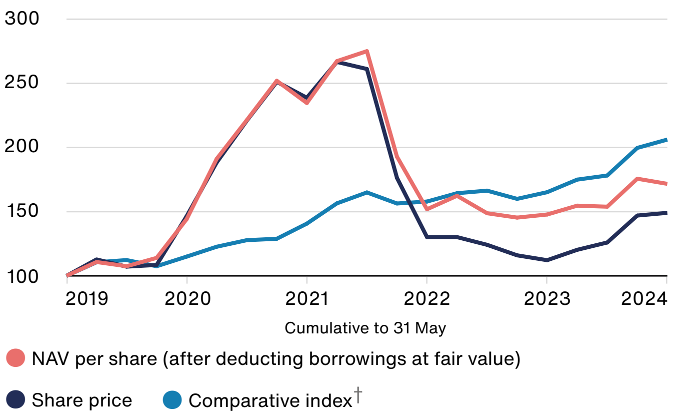
Past performance is not a guide to future performance.

Five year summary

The following charts indicate how an investment in Baillie Gifford US Growth has performed relative to its comparative index and its underlying net asset value over the five year period to 31 May 2024.

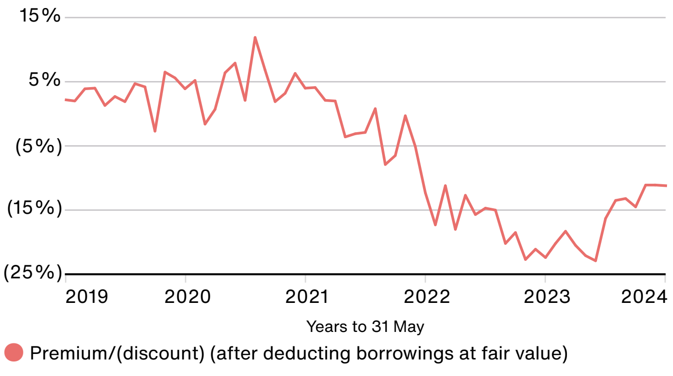
Total return* performance

(figures rebased to 100 at 31 May 2019)



Premium/(discount)* to net asset value

(figures plotted on a monthly basis)



* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

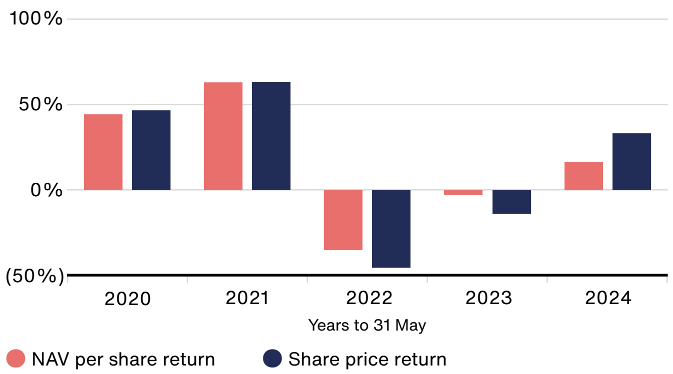
† S&P 500 Index total return (in sterling terms). See disclaimer on page 120.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

Past performance is not a guide to future performance.

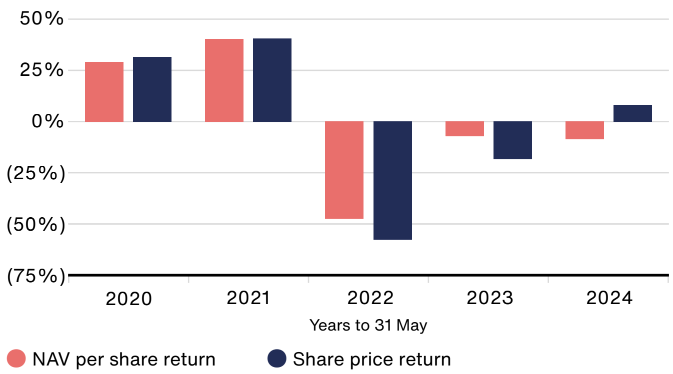
Annual net asset value and share price total return*

(after deducting borrowings at fair value)



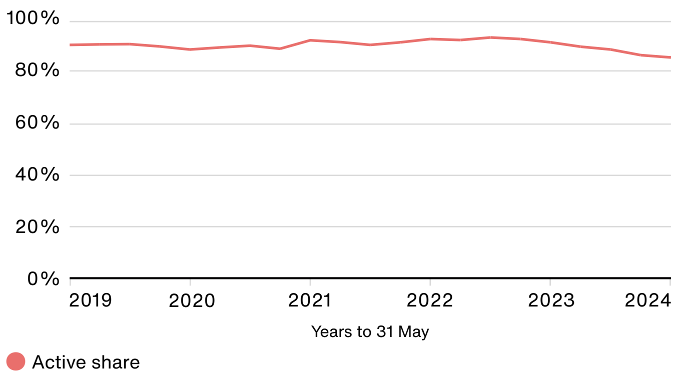
Relative annual net asset value and share price total return*

(relative to the comparative index† total return)



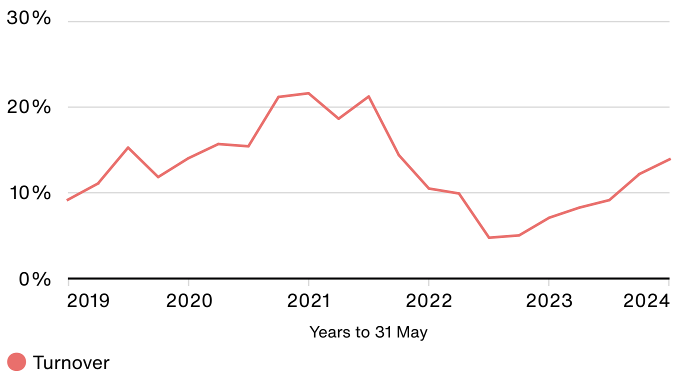
Active share*

(compared to the comparative index†)



Portfolio turnover*

(plotted on a quarterly basis)



* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

† S&P 500 Index total return (in sterling terms). See disclaimer on page 120.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

Past performance is not a guide to future performance.

Summary of results since inception*

Capital

At 31 May	Total assets £'000	Borrowings £'000	Shareholders' funds £'000	Shareholders' funds/net asset value (book) per share p	Net asset value (fair) per share† p	Share price p	Premium/ (discount) (book)† %	Premium/ (discount) (fair)† %
23 March 2018#	169,466	–	169,466	97.96	97.96	100.50	2.6	2.6
2019	301,830	11,901	289,929	126.17	126.17	129.00	2.2	2.2
2020	490,762	14,560	476,202	181.92	181.92	189.00	3.9	3.9
2021	935,222	26,339	908,883	296.21	296.12	308.00	4.0	4.0
2022	623,860	39,674	584,186	191.44	191.63	168.00	(12.2)	(12.3)
2023	608,941	40,342	568,599	186.33	186.48	144.80	(22.3)	(22.4)
2024	**683,204**	**39,271**	**643,933**	**216.65**	**216.65**	**192.40**	**(11.2)**	**(11.2)**

Revenue

Period/year to 31 May	Income £'000	Net return after tax £'000	Revenue earnings per ordinary share p‡	Ongoing charges† %
2019¶	699	(2,054)	(1.09)	0.77
2020	595	(2,555)	(1.05)	0.75
2021	648	(5,066)	(1.78)	0.68
2022	568	(5,781)	(1.88)	0.62
2023	850	(4,718)	(1.55)	0.69
2024	**603**	**(6,282)**	**(2.07)**	**0.70**

Gearing ratios

Gearing† %	Gross gearing† %
2	4
(1)	3
1	3
6	7
6	7
5	**6**

* For a definition of terms used see Glossary of terms and alternative performance measures on pages 124 to 127.
† Alternative performance measure. See Glossary of terms and alternative performance measures on pages 124 to 127.
# Close of business on 23 March 2018, launch date and first trade date.
‡ The calculation of revenue earnings per share is based on the revenue from ordinary activities after taxation and the weighted average number of ordinary shares in issue (see note 7 to the Financial Statements on page 98).
¶ For the period 7 February 2018, date of incorporation of the Company, to 31 May 2019.
Past performance is not a guide to future performance.

Cumulative performance (taking 23 March 2018 as 100)

At 31 May	Net asset value (fair) total return†	Share price total return†	Comparative index total return§
23 March 2018#	100	100	100
2019	129	128	122
2020	186	188	141
2021	302	306	172
2022	196	167	193
2023	190	144	202
2024	**221**	**191**	**252**

† Alternative performance measure. See Glossary of terms and alternative performance measures on pages 124 to 127.
# Close of business on 23 March 2018, launch date and first trade date.
§ S&P 500 Index total return (in sterling terms). Source: LSEG and relevant underlying index providers. See disclaimer on page 120.

Absolute performance

	1 year %	3 years %	5 years %	Since inception# %
Share price	32.9	(37.5)	49.1	91.4
NAV‡	16.2	(26.8)	71.7	121.2
Comparative index*	24.8	46.5	106.2	152.0

All figures are stated on a total return basis† for the period to 31 May 2024.

* Comparative index: S&P 500 Index (total return and in sterling terms).

† Alternative performance measure – see Glossary of terms and alternative performance measures on pages 124 to 127.

Close of business on 23 March 2018, launch date and first trade date.

‡ Net asset value per share ('NAV') with borrowings at fair value. At 31 May 2024 the NAV with borrowings at fair value was the same as the NAV with borrowings at book value. For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 120.

Past performance is not a guide to future performance.

Review of investments

A review of the Company's ten largest investments and additions to the private company investments as at 31 May 2024.

Top ten holdings

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Space Exploration Technologies[u]

An aerospace and space transportation company that manufactures advanced rockets, like the Falcon 9, and satellites, like Starlink, which provides global broadband services. We are excited by its pursuit of reduced launch costs, thus opening avenues for growth, such as tourism and transportation. A clear segment leader, it looks positioned to capture an attractive share of the growing space industry, while Starlink may become the first globally relevant utility.

Valuation at 31 May 2024	£51,864,000
% of total assets*	7.6%
Valuation at 31 May 2023	£39,220,000
% of total assets*	6.5%
Net purchases/(sales) in the year	Nil

NVIDIA

NVIDIA designs and manufactures graphics processing units for the gaming and professional markets. They are highly specialised semiconductor chips that can be used for a range of applications, from gaming to artificial intelligence ('AI'). After years of investment into both hardware and software, NVIDIA is well positioned to benefit from the rise of generative AI, as its chips form the infrastructure layer to power large language models. NVIDIA is using its scale to further reinvest in its opportunity; designing new hardware to make data centres more powerful and energy efficient, while building software to help companies adopt AI more quickly.

Valuation at 31 May 2024	£44,715,000
% of total assets*	6.5%
Valuation at 31 May 2023	£24,334,000
% of total assets*	4.0%
Net purchases/(sales) in the year	(£1,399,000)

[u] Denotes private company investment.

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

© Stripe

Amazon

In retail, Amazon competes on price, selection and convenience and is improving all three as it gets bigger. Amazon's AWS (Amazon Web Services) division is in a clear position of leadership in what could turn out to be one of the largest and most important market shifts of our time. Both opportunities are outputs of what is perhaps most distinctive of all about Amazon – its culture. The company is run with a uniquely long-term perspective. It is willing to be bold and scale its experiments (and failures) as it grows. These cultural distinctions allow Amazon to possess the rare and attractive combination of scale and immaturity.

Valuation at 31 May 2024	£35,710,000
% of total assets*	5.2%
Valuation at 31 May 2023	£22,361,000
% of total assets*	3.7%
Net purchases/(sales) in the year	£3,626,000

The Trade Desk

The advertising industry is undergoing a wholesale shift. In the past advertising was bought and sold in bundles. In the digital world, advertising can be transacted on a one-to-one basis, targeting only the audiences that are relevant. The Trade Desk provides the technology that enables this targeted buying of advertising through real-time auctions. This is known as programmatic advertising. Programmatic advertising is growing rapidly, supported by higher efficacy and a tangible demonstration of return on investment. We believe that The Trade Desk will emerge as the leading buying platform for the independent internet.

Valuation at 31 May 2024	£34,288,000
% of total assets*	5.0%
Valuation at 31 May 2023	£32,448,000
% of total assets*	5.3%
Net purchases/(sales) in the year	(£1,040,000)

Stripe[U]

Stripe is a payments technology company. Founded in 2010 by Irish brothers Patrick and John Collison, the company is in the process of developing a platform for sending money seamlessly and compliantly between any two internet-connected nodes in the world. The company processes massive volumes of payments from a broad customer base, ranging from US start-ups to global giants. Stripe's long-term ambition is to make entrepreneurship easier and thus significantly increase the amount of business conducted online.

Valuation at 31 May 2024	£32,007,000
% of total assets*	4.6%
Valuation at 31 May 2023	£25,681,000
% of total assets*	4.2%
Net purchases/(sales) in the year	Nil

[U] Denotes private company investment.

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

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Meta Platforms

Meta Platforms is the owner of Facebook, WhatsApp and Instagram. We think that AI could be a significant growth driver. In the nearer term, it should facilitate revenue growth as AI systems allow adverts to be targeted more effectively despite Apple's privacy restrictions. Facebook may be unique in having the engineering resources to take advantage of this opportunity. The company addressed its cost base last year, leaving it well-placed to take on this challenge. In the longer term, AI should facilitate the monetisation of WhatsApp, a platform that enjoys widespread usage but has struggled to find a revenue model.

Valuation at 31 May 2024	£25,369,000
% of total assets*	3.7%
Valuation at 31 May 2023	–
% of total assets*	–
Net purchases/(sales) in the year	£18,391,000

Moderna

Moderna is a leader in the field of mRNA therapeutics. mRNA is a foundational technology that theoretically has the potential to induce the production of just about any protein – human or non-human – inside our cells. This versatility opens up a wide range of therapeutic opportunities for mRNA. mRNA is in a sense digital, and is therefore programmable. In moving from one drug to the next, the delivery mechanism and building blocks remain the same. The only thing that changes is the code. Because of this, Moderna's mRNA platform ought to be more scalable than past drug development approaches. Moderna may have more in common with a software company than a biotech business.

Valuation at 31 May 2024	£23,506,000
% of total assets*	3.4%
Valuation at 31 May 2023	£21,025,000
% of total assets*	3.5%
Net purchases/(sales) in the year	£973,000

Netflix

Netflix has the potential to become the first truly global content and distribution media brand. Its base of more than 230 million subscribers allows it to invest in building a strong customer proposition through its library of exclusive and desirable content. This in turn attracts more subscribers, creating a powerful flywheel that distances itself from other likely competitors. The shift from linear TV to on-demand streaming is still in the early stages, and Netflix is a prime beneficiary.

Valuation at 31 May 2024	£23,441,000
% of total assets*	3.4%
Valuation at 31 May 2023	£17,247,000
% of total assets*	2.8%
Net purchases/(sales) in the year	(£1,588,000)

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

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Shopify

Shopify provides software tools which allow merchants to easily set up and manage their businesses across an increasingly complex and fragmented retail landscape. Shopify's software helps to make merchants more efficient by automating large swathes of their operations (e.g. marketing, inventory management, payments, order processing, shipping) thus allowing them to focus on product market fit. The company maintains a rapid pace of innovation and is run by an impressive founder who has built a distinctive merchant focused culture.

Valuation at 31 May 2024	£21,747,000
% of total assets*	3.1%
Valuation at 31 May 2023	£33,135,000
% of total assets*	5.4%
Net purchases/(sales) in the year	(£5,042,000)

Brex®

Brex is building an all-in-one platform for businesses to manage their finances. It started by offering a corporate card for venture-backed business. It has expanded into larger businesses and is now offering a broader suite of products including business accounts, expense management and bill pay software. Existing options are expensive and do not work well with one another. Brex is aiming to build a fully integrated suite which will act as the financial operating system for growing businesses. Its business model and approach have demonstrated strong alignment with its customers, a rarity in this sector. This customer focus, coupled with the strength of the founding team and breadth of their ambition, leave Brex well placed to exploit this opportunity.

Valuation at 31 May 2024	£20,666,000
% of total assets*	3.1%
Valuation at 31 May 2023	£15,624,000
% of total assets*	2.6%
Net purchases/(sales) in the year	Nil

Private company new buy

Human Interest®

Human Interest is a digital retirement account manager giving SME employers the ability to offer employees 401(k) pension and IRA (individual retirement account) plans. This is a massively underserved part of the market – 50% of American households have no retirement accounts. The possibilities of real-time payroll SaaS (software as a service) integrations enable automated and therefore very low cost 401(k) administration. Human Interest has become the clear leader in the space. It has: a large end market; a rapidly growing product that has a plausible regulatory tailwind; a business model that shows clear signs of operating leverage; and a decent argument for business model innovation against the incumbents.

Valuation at 31 May 2024	£4,713,000
% of total assets*	0.7%
Valuation at 31 May 2023	–
% of total assets*	–
Net purchases/(sales) in the year	£4,658,000

® Denotes private company investment.

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

Portfolio executive summary

Key contributors to and detractors from performance – year to 31 May 2024

Contributors	Contribution to absolute performance % *	Absolute performance % †
NVIDIA	6.4	182.7
Space Exploration Technologies Ⓤ	2.0	32.2
Amazon	1.9	42.4
Netflix	1.6	58.0
DoorDash	1.4	64.1

Detractors	Contribution to absolute performance % *	Absolute performance % †
Convoy Ⓤ	(1.3)	(100.0)
Novocure	(1.0)	(80.0)
Denali Therapeutics	(0.4)	(40.2)
Indigo Agriculture Ⓤ	(0.4)	(94.5)
Solugen Ⓤ	(0.4)	(19.2)

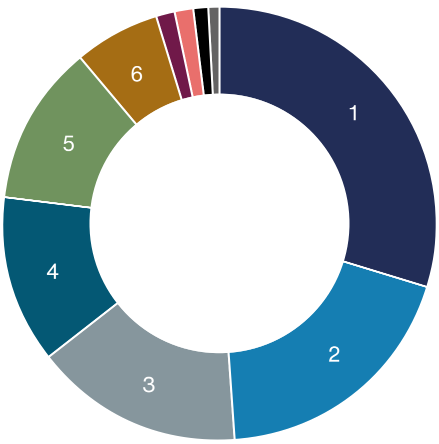
* Contribution to absolute performance (in sterling terms) has been calculated to illustrate how an individual stock has contributed to the overall return. It is influenced by both share price performance and the weighting of the stock in the portfolio, taking account of any purchases or sales over the period.

† Absolute performance (in sterling terms) has been calculated on a total return basis over the period 1 June 2023 to 31 May 2024. For the definition of total return see Glossary of terms and alternative performance measures on pages 124 to 127. Table ordered by contribution to performance.

Ⓤ Denotes private company investment.

Source: Revolution.

Distribution of total assets* by sector 2024



	Industry	2024 %	2023 %
1	Information technology	29.9	31.3
2	Consumer discretionary	19.0	18.8
3	Communication services	15.6	11.7
4	Industrials	12.5	16.2
5	Healthcare	12.1	13.7
6	Financials	6.2	3.9
7	Real estate	1.6	0.3
8	Materials	1.4	2.3
9	Consumer staples	1.0	1.3
10	Net liquid assets	0.7	0.5

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 120.

* For a definition of terms see Glossary of terms and alternative performance measures on pages 124 to 127.

New buys

- **Block**
- **Guardant Health**
- **Human Interest** Ⓤ
- **Inspire Medical Systems**
- **Insulet**
- **Meta Platforms**
- **Samsara**
- **Sprout Social**
- **YETI Holdings**

Additions

- **Amazon**
- **Aurora Innovation** Ⓟ
- **BillionToOne** Ⓤ
- **Cloudflare**
- **Coursera**
- **Databricks** Ⓤ
- **Doximity**
- **Honor Technology** Ⓤ
- **Moderna**
- **Pinterest**
- **Roblox**
- **Sana Biotechnology**
- **Sweetgreen**

Complete sales

- Convoy* Ⓤ
- **Chegg**
- **Illumina**
- **MarketAxess**
- **Novocure**
- **Redfin**
- **Snap**
- **Twilio**
- **Warby Parker** Ⓟ
- **Zoom Video Communications**

Reductions

- **10X Genomics**
- Affirm Ⓟ
- **Alnylam Pharmaceuticals**
- Chewy
- **CoStar Group**
- Datadog
- Denali Therapeutics
- DoorDash
- **Duolingo**
- Ginkgo Bioworks Ⓟ
- **HashiCorp**
- Lemonade
- **Netflix**
- **NVIDIA**
- Oddity Ⓟ
- Penumbra
- Recursion Pharmaceuticals
- Rivian Automotive
- Roku
- **Shopify**
- Snowflake Ⓟ
- **Tesla**
- **The Trade Desk**
- **Watsco**
- Wayfair
- Workday

Assets highlighted in bold indicate an investment decision.

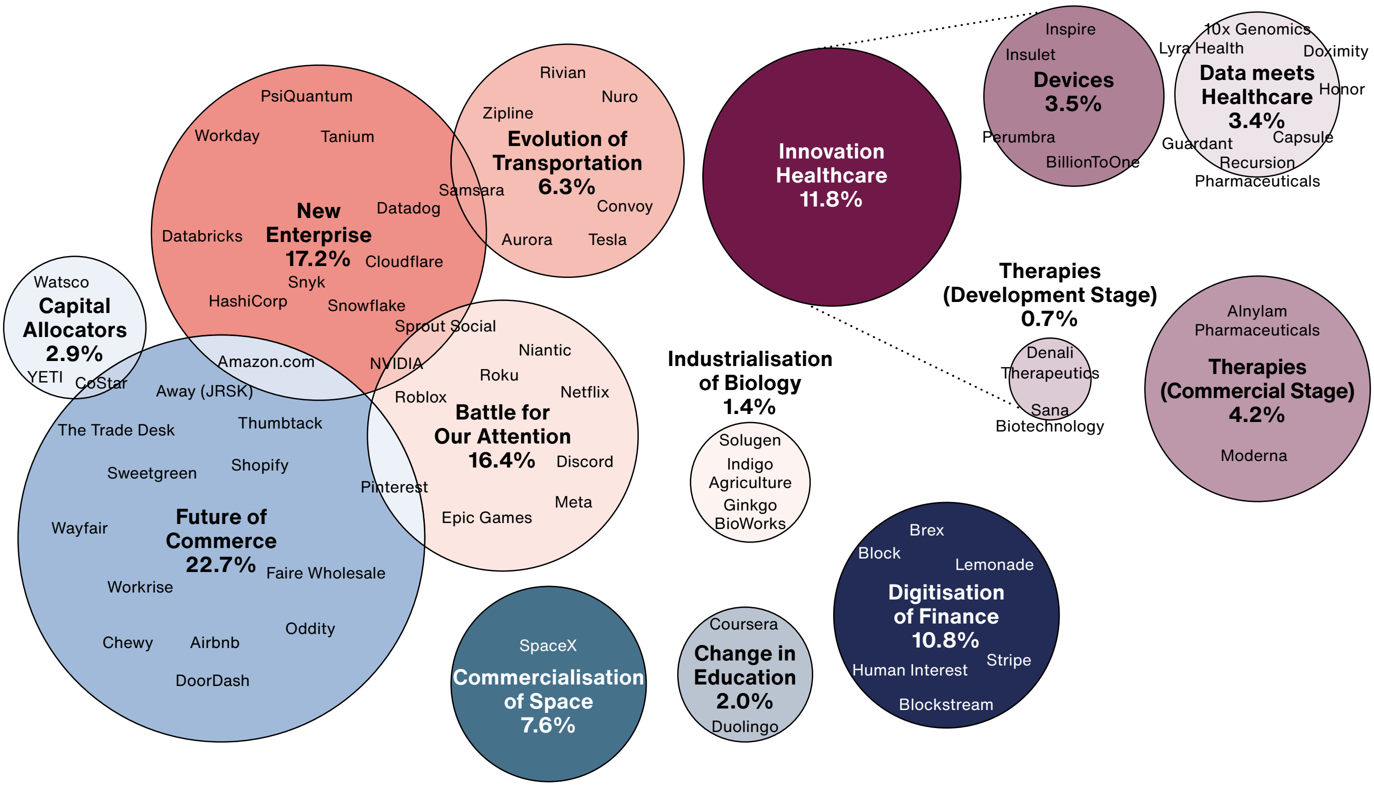
* The Convoy holdings were written off during the period subsequent to the company ceasing operations.

Ⓤ Denotes private company investment.

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

Growth drivers 2024

The illustration below groups companies by the long-term growth drivers identified during investment research. This is a subjective process, but we believe it is more consistent with our view that the real risk in the portfolio lies in the growth opportunities identified for individual companies not playing out, rather than how index providers choose to classify companies.



This thematic risk analysis is reflective of the Managers' views. Companies may appear in more than one circle if they are exposed to the same thematic risk. Figures represent percentage of total investments excluding cash.

Source: Baillie Gifford.

Baillie Gifford – valuing private companies

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

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

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

Beyond the regular cycle, the valuations team also monitors the portfolio for certain 'trigger events'. These may include: changes in fundamentals; a takeover approach; an intention to carry out an Initial Public Offering ('IPO'); company news which is identified by the valuation team or by the portfolio managers; or meaningful changes to the valuation of comparable public companies. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published net asset value.

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

Periods of market volatility during the year have meant that valuations continue to be reviewed much more frequently, in some instances resulting in a further valuation movement. The data below quantifies the revaluations carried out during the year to 31 May 2024, but does not reflect the ongoing monitoring of the private investment portfolio that has not resulted in a change in valuation.

Baillie Gifford US Growth Trust*	
Instruments held	56
Number of revaluations	288
Percentage of portfolio valued up to 4 times	30.4%
Percentage of portfolio valued 5+ times	69.6%

* Data reflecting period 1 June 2023 to 31 May 2024 to align with the Company's reporting period end.

Whilst pockets of heightened volatility remain, the general improvement in market sentiment is reflected in the private company valuations at 31 May 2024. The average movement in company valuations and share prices across the portfolio are shown below.

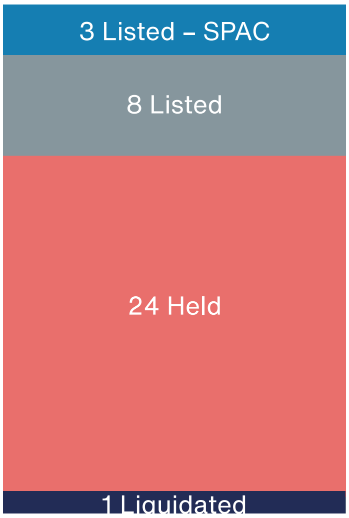
	Average movement in company valuation	**Average movement in share price**
Baillie Gifford US Growth Trust*	15.7%	22.2%

* Data reflecting period 1 June 2023 to 31 May 2024 to align with the Company's reporting period end.

Private companies summary

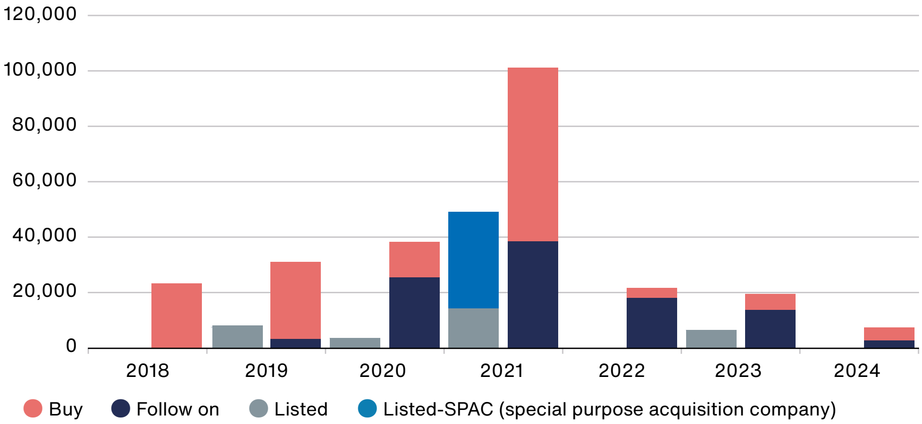
Historical snapshot

Since our first investment in private companies in 2018, Baillie Gifford US Growth has deployed £242.5m of capital in this area.



Transaction value

Showing all transactions prior to 31 May 2024 (£'000).
(Graph plotted in calendar years)



Portfolio activity – year to 31 May 2024

£8.2m of new capital was deployed in private companies during the year.

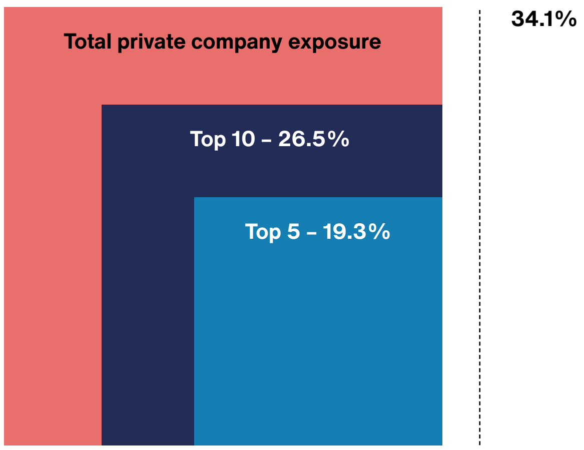
New buys	Follow on funding rounds	
Human Interest	BillionToOne	Databricks
	Honor Technology	

Oddity listed during the period. Subsequent to Convoy ceasing operations the holdings in it were written off during the year (see note 9 of the Financial Statements on page 100).

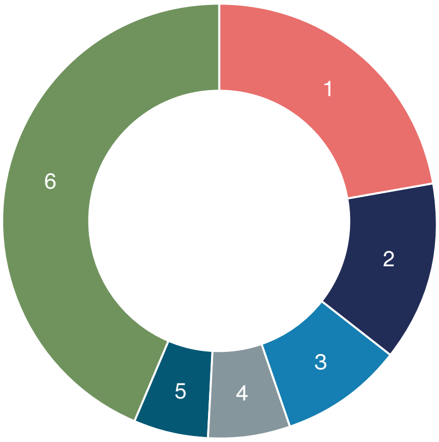
Concentration

At 31 May 2024 we held 24 private companies which equated to 34.1% of total assets.

- Five companies account for 57.3% of the private company exposure.
- Ten companies account for 78.1% of the private company exposure.



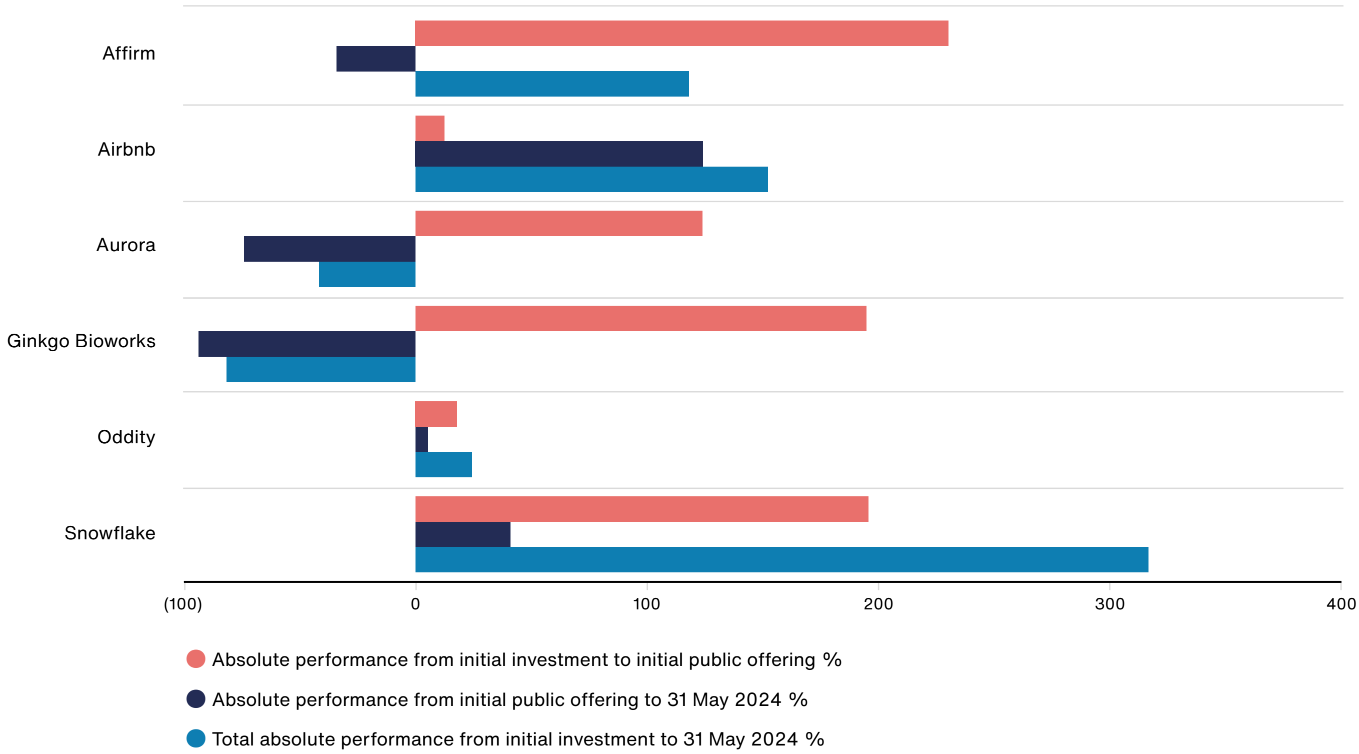
All figures stated as percentage of total assets, as at 31 May 2024.



		Private exposure	31 May 2024 %	31 May 2023 %
●	1	Space Exploration Technologies	7.6	6.5
●	2	Stripe	4.6	4.2
●	3	Brex	3.1	2.6
●	4	Zipline	2.1	2.3
●	5	Faire Wholesale	1.9	2.2
●	6	Other	14.8	16.7

Performance of listed holdings at 31 May 2024 held previously as private company investments from date of initial investment of each holding to 31 May 2024

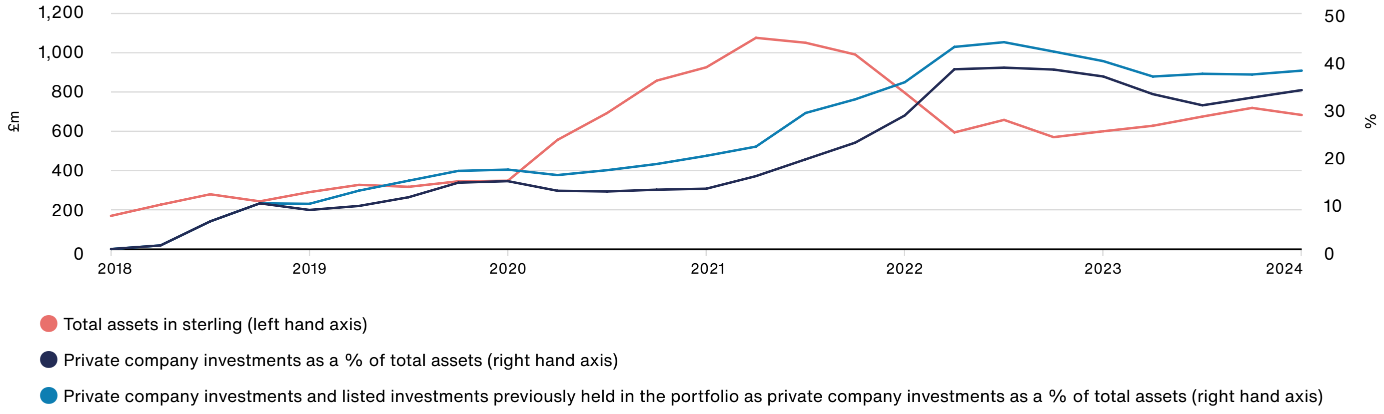
(absolute performance in sterling terms %)



Source: Revolution/Baillie Gifford.

Note: Absolute performance returns cannot be added together as they are geometric.

Private company investments and listed investments previously held as private company investments as a percentage of total assets*
(plotted quarterly from March 2018)



Source: Baillie Gifford.

Size

Our private company exposure tends to be weighted to the upper end of the maturity curve, focused on late stage private companies which are scaling up and becoming profitable.

Cap	Total equity value (USD)	% of total assets*	Number of holdings
Micro	<300m	0.5	3
Small	300m–2bn	5.2	7
Medium	2bn–10bn	10.3	9
Large	>10bn	18.1	5
		34.1	**24**

*Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

Valuation movements – year to 31 May 2024

Source: Baillie Gifford. Baillie Gifford US Growth private company valuation changes, year to 31 May 2024.

Top 10 private companies progress – year to 31 May 2024

	Operational highlights	Financial highlights
SpaceX	• World record number of launches in a single year with 96 launches made in 2023. • Starlink now has 3 million customers in 99 countries. • Starship flight test 4 took place in June 2024 and both the booster and the upper stage ship completed a successful splashdown.	• In November 2023, Elon Musk confirmed via X that Starlink had achieved cash flow breakeven. The company has ample liquidity to fund the business over the medium term.
stripe	• In 2023, Stripe passed the milestone of $1 trillion in total payment volume ('TPV'), up 25% versus the prior year. • At $1 trillion TPV, the output of businesses that run on Stripe equates to roughly 1% of global gross domestic product ('GDP').	• Tender offer in March 2024 valued the company at $65 billion.
Brex	• Fintech company Brex has enhanced its offerings with features like Auto Transfers for business accounts, new card management tools, budget notification options and enhancements for Brex travel. • The company also launched Brex Assistant, an AI-powered expense management tool, and announced a new iteration of the Brex business account with features like AI-powered accounting in 2024. • In January 2024, Brex announced it was laying off about 20% of its staff in an effort to innovate and streamline its services amidst a more challenging economic environment.	• The changes announced in January 2024 are designed to "make Brex more agile and accelerate our path to profitability, building on the growth we had in 2023. We grew our revenue 35%+ in 2023 while gross profit increased by 75%. This reduction in force puts us on a clear path towards profitability." • "Brex's financial plan is to be well above cash flow positive with the current cash we have, which calls for around 4 years of runway."
Zipline	• Zipline's drones have now logged 70 million miles, making more than 1 million deliveries. • In early 2023, Zipline unveiled the next generation platform, dubbed Platform 2 or P2 Zip. • In September 2023, Zipline obtained authorisation from the Federal Aviation Administration ('FAA') to operate 'beyond the visual line of sight' flights.	• In April 2023, Zipline announced a funding round raising $330 million at a $4.2 billion post money valuation – this was a 55% increase from its 2021 round which valued the company at $2.7 billion.

Top 10 private companies progress – year to 31 May 2024 (continued)

	Operational highlights	Financial highlights
FAIRE	• Faire Market, the company's summer virtual trade show, was the largest so far. Nearly 53,000 retailers bought stock during the show, with around 290,000 orders placed. There are over 100,000 brands on Faire's platform. • Faire is building more tools for its brands and retailers. It is rolling out analytics tools for its top brands and has improved its 'Collections' tool to help brands curate their products.	• The e-commerce platform Shopify invested in Faire in September 2023. Faire is now the recommended wholesale marketplace for Shopify merchants, bringing a huge customer network to the brands selling via Faire. • Faire trimmed its workforce by 20% in November 2023 to operate with a leaner management structure.
databricks	• In June 2023, Databricks acquired generative AI company MosaicML for $1.3 billion. The company will help make generative AI accessible for all organisations enabling it to build, own and secure AI models with its own proprietary data. • In March 2024, Databricks and NVIDIA announced an expanded collaboration to optimise data and AI workloads on the Databricks platform (NVIDIA also participated in the September 2023 funding round).	• In September 2023, Databricks announced the closing of its Series I funding round which raised over $500 million and valued the company at $43 billion. • Financials continue to be impressive – at the end of July 2023, the company confirmed that it had crossed $1.5 billion revenue run rate with over 50% year on year growth.
Discord	• As at May 2024 Discord had 200 million monthly active users (from 152 million in January 2023), rolling out several speed and feature improvements. • Over 90% of users play games on the platform, spending a total of 1.5 billion hours gaming each month.	• October 2023 saw the company launch an app-store allowing subscribers to purchase digital items for their avatar and accounts. Discord plans to open this new revenue stream to non-Nitro subscribers. • It will also begin inviting eligible developers in the UK and Europe to share in company revenue by building apps on top of the platform and letting users subscribe to them (this is already available in the US).

Top 10 private companies progress – year to 31 May 2024 (continued)

	Operational highlights	Financial highlights
BILLIONTOONE	• Over 500,000 people have now received BillionToOne tests. Its Northstar cancer screening tests have been available for patient use since early 2023. • Announced a collaboration with Johnson & Johnson that will see its UNITY tests used as part of a Johnson & Johnson clinical trial. This important validation opens up the opportunity to support more clinical trials.	• Annual recurring revenue has grown to $125 million, from zero four years ago.
lyra	• As of May 2024, Lyra, the leading provider of innovative Workforce Mental Health solutions for employers, had more than 300 companies partnered to offer Lyra's mental health benefits to their employees, giving 15 million people access to this care. • In May 2024, a four-year independent study from AON showed that employers offering Lyra's workforce mental health solutions saw an average annual health care cost reduction of 26%, sustained consistently over four years.	• As of May 2024, Lyra has raised a total of $907 million, with the last funding round being a $235 million round in January 2022.
Solugen	• In April 2024, Solugen broke ground on its new biomanufacturing facility in Minnesota – 'Bioforge Marshall'. • Solugen's first commercial production plan 'Bioforge Houston' opened in 2021 and it has demonstrated an over 80% reduction in greenhouse gas emissions compared to conventional petroleum-based methods. Bioforge Marshall will be six times the size of Bioforge Houston and aims to produce bio-based chemical products for use in wastewater treatment, construction, agriculture and energy sectors. • In August 2023 CEO Gaurab Chakrabarti noted Solugen's Houston facilities were producing over 10,000 tons of chemicals per year, removing more carbon from the environment than they put in.	• In August 2023 Chakrabati noted its 10,000 gallon Bioforge Houston "can produce the chemicals at enormous volumes, and do so profitably." • Solugen secured a $214 million loan from the Department of Energy to support the construction of Bioforge Marshall.

List of investments

as at 31 May 2024

Name	Business	2024 Value £'000	% of total assets*	2023 Value £'000
Space Exploration Technologies Series J PreferredⓊ	Rocket and spacecraft company	26,502	3.9	20,041
Space Exploration Technologies Series N PreferredⓊ	Rocket and spacecraft company	15,214	2.2	11,505
Space Exploration Technologies Series K PreferredⓊ	Rocket and spacecraft company	6,040	0.9	4,568
Space Exploration Technologies Class A CommonⓊ	Rocket and spacecraft company	3,139	0.5	2,374
Space Exploration Technologies Class C CommonⓊ	Rocket and spacecraft company	969	0.1	732
		51,864	7.6	39,220
NVIDIA	Graphics chips	44,715	6.5	24,334
Amazon	Online retailer and cloud computing provider	35,710	5.2	22,361
The Trade Desk	Advertising technology company	34,288	5.0	32,448
Stripe Series G PreferredⓊ	Online payment platform	13,984	2.0	11,110
Stripe Series I PreferredⓊ	Online payment platform	13,625	2.0	10,860
Stripe Class B CommonⓊ	Online payment platform	2,871	0.4	2,281
Stripe Series H PreferredⓊ	Online payment platform	1,527	0.2	1,430
		32,007	4.6	25,681
Meta Platforms	Social networking websites	25,369	3.7	–
Moderna	Therapeutic messenger RNA	23,506	3.4	21,025
Netflix	Subscription service for TV shows and movies	23,441	3.4	17,247
Shopify	Cloud-based commerce platform provider	21,747	3.1	33,135
Brex Class B CommonⓊ	Corporate credit cards for start-ups	10,648	1.6	8,050
Brex Series D PreferredⓊ	Corporate credit cards for start-ups	10,018	1.5	7,574
		20,666	3.1	15,624
DoorDash	Online local delivery	17,845	2.6	11,482
Tesla	Electric cars, autonomous driving and solar energy	17,239	2.4	24,967
Zipline International Series C PreferredⓊ	Drone-based medical delivery	8,910	1.3	8,771
Zipline International Series E PreferredⓊ	Drone-based medical delivery	5,049	0.7	4,970
Zipline International Series F PreferredⓊ	Drone-based medical delivery	820	0.1	807
		14,779	2.1	14,548

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

Ⓤ Denotes private company investment.

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

Past performance is not a guide to future performance.

Name	Business	2024 Value £'000	% of total assets*	2023 Value £'000
Cloudflare	Cloud-based provider of network services	13,357	1.9	12,589
Faire Wholesale Series F PreferredⓊ	Online wholesale marketplace	4,972	0.7	5,114
Faire WholesaleⓊ	Online wholesale marketplace	4,429	0.6	4,546
Faire Wholesale Series G PreferredⓊ	Online wholesale marketplace	3,684	0.6	3,789
		13,085	1.9	13,449
Workday	Enterprise information technology	12,450	1.8	13,548
Pinterest	Image sharing and social media company	12,273	1.8	5,698
Databricks Series H PreferredⓊ	Data and AI platform	11,647	1.7	7,974
Databricks Series I PreferredⓊ	Data and AI platform	435	0.1	–
		12,082	1.8	7,974
CoStar Group	Commercial property information provider	10,776	1.6	15,817
Duolingo	Mobile learning platform	10,743	1.6	11,944
Watsco	Air conditioning, heating and refrigeration equipment distributor	10,611	1.5	11,076
Discord Series I PreferredⓊ	Communication software	9,448	1.4	11,006
Sweetgreen	Salad fast food chain	9,370	1.4	1,212
BillionToOne Series C PreferredⓊ	Molecular diagnostics technology platform	3,984	0.6	3,438
BillionToOne Series D PreferredⓊ	Molecular diagnostics technology platform	2,749	0.4	–
BillionToOne Series C-1 PreferredⓊ	Molecular diagnostics technology platform	2,533	0.4	–
		9,266	1.4	3,438
Lyra Health Series E PreferredⓊ	Digital mental health platform for enterprises	7,136	1.1	6,688
Lyra Health Series F PreferredⓊ	Digital mental health platform for enterprises	1,664	0.2	1,591
		8,800	1.3	8,279
Datadog	IT monitoring and analytics platform	8,768	1.3	8,193
Solugen Series C-1 PreferredⓊ	Combines enzymes and metal catalysts to make chemicals	5,821	0.9	7,257
Solugen Series D PreferredⓊ	Combines enzymes and metal catalysts to make chemicals	2,827	0.4	3,487
		8,648	1.3	10,744
Snyk Series F PreferredⓊ	Developer security software	5,055	0.8	4,061
Snyk Ordinary SharesⓊ	Developer security software	3,016	0.4	2,424
		8,071	1.2	6,485
Affirm Class BⓅ	Consumer finance	4,543	0.7	2,373
AffirmⓅ	Consumer finance	3,477	0.5	2,116
		8,020	1.2	4,489
OddityⓅ	Online cosmetics and skincare company	7,072	1.0	5,648
Roblox	User generated content game company	6,900	1.0	8,115
Epic GamesⓊ	Video game platform and software developer	6,741	1.0	6,060
Wayfair	Online furniture and homeware retailer	6,552	0.9	4,831
Block	Financial services merchant and mobile payment company	6,127	0.9	–
Inspire Medical Systems	Medical technology company	6,054	0.9	–

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

Ⓤ Denotes private company investment.

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

Past performance is not a guide to future performance.

Name	Business	2024 Value £'000	% of total assets*	2023 Value £'000
Snowflake🅟	Developer of a SaaS-based cloud data warehousing platform	5,771	0.8	7,598
Insulet	Medical device company	5,736	0.8	–
Samsara	Connected operations cloud software company	5,430	0.8	–
Alnylam Pharmaceuticals	Therapeutic gene silencing	5,248	0.8	11,066
Human Interest Series E Preferred🅤	Retirement benefits platform	4,713	0.7	–
Human Interest Warrants for Series E/E-1🅤	Retirement benefits platform	–	–	–
		4,713	0.7	–
Guardant Health	Biotechnology company	4,645	0.7	–
Tanium Class B Common🅤	Online security management	4,548	0.7	3,814
Roku	Online media player	4,451	0.7	4,895
Nuro Series C Preferred🅤	Self-driving vehicles for local delivery	2,509	0.4	2,040
Nuro Series D Preferred🅤	Self-driving vehicles for local delivery	1,939	0.3	1,645
		4,448	0.7	3,685
HashiCorp	Open source infrastructure software	4,360	0.6	4,709
Workrise Technologies Series E Preferred🅤	Jobs marketplace for the energy sector	1,975	0.3	2,741
Workrise Technologies Series D Preferred🅤	Jobs marketplace for the energy sector	1,895	0.3	2,662
Workrise Technologies Series D-1 Preferred🅤	Jobs marketplace for the energy sector	421	<0.1	592
		4,291	0.6	5,995
Chewy	Online pet supplies retailer	4,084	0.6	6,168
Thumbtack Class A Common🅤	Online directory service for local businesses	2,437	0.4	810
Thumbtack Series I Preferred🅤	Online directory service for local businesses	1,293	0.2	1,113
Thumbtack Series A Preferred🅤	Online directory service for local businesses	174	<0.1	58
Thumbtack Series C Preferred🅤	Online directory service for local businesses	51	<0.1	17
Thumbtack Series B Preferred🅤	Online directory service for local businesses	12	<0.1	4
		3,967	0.6	2,002
PsiQuantum Series D Preferred🅤	Silicon photonic quantum computing	3,872	0.6	3,535
YETI Holdings	Consumer products for the outdoor and recreation markets	3,726	0.6	–
Airbnb Class B Common🅟	Online market place for travel accommodation	3,501	0.6	2,725
Away (JRSK) Series D Preferred🅤	Travel and lifestyle brand	1,072	0.2	1,698
Away (JRSK) Convertible Promissory Note🅤	Travel and lifestyle brand	1,039	0.2	1,075
Away (JRSK) Convertible Promissory Note 2021🅤	Travel and lifestyle brand	1,039	0.2	1,075
Away (JRSK) Series Seed Preferred🅤	Travel and lifestyle brand	234	<0.1	1,165
		3,384	0.6	5,013
Denali Therapeutics	Clinical stage neurodegeneration company	3,321	0.5	5,803
Penumbra	Medical tools to treat vascular diseases	3,178	0.5	5,696

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.

🅤 Denotes private company investment.

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

Past performance is not a guide to future performance.

Name	Business	2024 Value £'000	% of total assets*	2023 Value £'000
Doximity	Social network and digital workflow tools for medical professionals	3,136	0.5	2,680
Niantic Series C Preferred(U)	Augmented reality games	3,026	0.4	2,608
Aurora Innovation(P)	Self-driving technology	1,668	0.2	368
Aurora Innovation Class B Common(P)	Self-driving technology	1,317	0.2	785
		2,985	0.4	1,153
Coursera	Online educational services provider	2,842	0.4	4,176
Sprout Social	Social media management firm	2,777	0.4	–
Lemonade	Insurance company	2,068	0.3	2,335
Recursion Pharmaceuticals	Drug discovery platform	1,891	0.3	2,111
Honor Technology Series D Preferred(U)	Home care provider	1,158	0.2	609
Honor Technology Series E Preferred(U)	Home care provider	502	0.1	264
Honor Technology Subordinated Convertible Promissory Note(U)	Home care provider	198	<0.1	–
		1,858	0.3	873
10X Genomics	Single cell sequencing company	1,714	0.3	4,361
Capsule Series 1-D Preferred(U)	Digital pharmacy	824	0.1	1,305
Capsule Series E Preferred(U)	Digital pharmacy	509	0.1	807
		1,333	0.2	2,112
Sana Biotechnology	Gene editing technology	1,239	0.2	929
Rivian Automotive	Electric vehicle manufacturer	1,078	0.2	1,560
Ginkgo Bioworks(P)	Bioengineering company developing micro organisms that produce various proteins	930	0.1	2,946
Blockstream Series B-1 Preferred(U)	Bitcoin and digital asset infrastructure	163	<0.1	1,140
Indigo Agriculture Class A Common(U)	Agricultural technology company	130	<0.1	2,375
Abiomed CVR(U)	Manufacturer of heart pumps	–	–	–
Total investments		**678,234**	**99.3**	
Net liquid assets†		4,970	0.7	
Total assets*		**683,204**	**100.0**	

	Listed equities %	Private company investments # %	Net liquid assets † %	Total assets* %
31 May 2024	**65.2**	**34.1**	**0.7**	**100.0**
31 May 2023	65.0	34.5	0.5	100.0

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and alternative performance measures on pages 124 to 127.
† See Glossary of terms and alternative performance measures on pages 124 to 127.
\# Includes holdings in ordinary shares, preference shares and convertible promissory notes.
(U) Denotes private company investment.
(P) Denotes listed investment previously held in the portfolio as a private company investment.
Past performance is not a guide to future performance.

Business review

Business model

Business and status

Baillie Gifford US Growth Trust plc is a public company limited by shares and is incorporated in England and Wales. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund for the purposes of the UK Alternative Investment Fund Managers Regulations.

Purpose

Baillie Gifford US Growth aims to deliver above average long-term returns for shareholders by keeping fees and costs low and harnessing the long-term growth potential of companies.

Objective and policy

The Company's investment objective is to produce long-term capital growth.

The Company invests predominantly in equities of companies which are incorporated or domiciled, or which conduct a significant portion of their business, in the United States and which the Company believes have the potential to grow substantially faster than the average company over the long term. Such investment is typically direct, but may be indirect, including through investment in funds.

The maximum direct investment in any one company or fund is limited to 10% of the Company's total assets measured at the time of investment.

The portfolio consists of direct holdings in listed securities and unlisted securities in up to a combined maximum of 90 companies or funds, typically with 30 or more listed security holdings. The maximum amount which may be invested directly in unlisted securities shall not exceed 50% of the total assets of the Company, measured at the time of investment.

The Company will at all times be invested in several sectors. While there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

With prior approval of the Board, the Company may use derivatives for the purposes of efficient portfolio management (in order to reduce, transfer or eliminate investment risk in the Company's portfolio). Derivative instruments in which the Company may invest may include foreign exchange forwards, exchange-listed and over-the-counter options, futures, options on futures, swaps and similar instruments. The Board, however, currently does not expect to enter into derivative or hedging transactions to mitigate against currency or interest rate risk.

The Board intends to employ gearing in the normal course of events. The Company may in aggregate borrow amounts equalling up to 30% of the net asset value of the listed securities held by the Company, calculated at the time of drawdown, although the Board expects that borrowings will typically represent an amount in the range of 10% to 20% of the net asset value of the listed securities held by the Company.

While it is intended that the Company will be fully invested in normal market conditions, the Company may hold cash on deposit or invest on a temporary basis in a range of cash equivalent instruments. The Board does not expect that the Company will hold cash or cash equivalent instruments, but there is no restriction on the amount of cash or cash equivalent instruments that the Company may hold.

Culture and values

In the context of a company with no employees, culture and values are expressed by the Company's Directors and the service providers with whom shareholders and other stakeholders interact, and through the relationships between the Board and those service providers, including the Managers. As noted in more detail in the section 172 statement on pages 53 to 56, the Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, and to maintain the highest standards of business conduct.

Dividend policy

The Company's priority is to produce capital growth over the long term. The Company therefore has no dividend target and will not seek to provide shareholders with a particular level of distribution. However, the Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the UK Corporation Tax Act 2010 regarding distributable income. The Company will therefore distribute as a final dividend amounts such that it does not retain, in respect of an accounting period, an amount greater than 15% of its income (as calculated for UK tax purposes) for that period. As the revenue account is again running at a deficit, the Board is recommending that no final dividend be paid.

Liquidity policy

The Board recognises the need to address any sustained and significant imbalance of buyers and sellers which might otherwise lead to shares trading at a material discount or premium to net asset value per share. While it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to purchase shares or issue further shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate in such a way as to mitigate the effects of any such imbalance. In considering whether buy-back or issuance might be appropriate in any particular set of circumstances, the Board will take into account, inter alia: the prevailing market conditions; whether the discount is substantial relative to the Company's peers; the degree of net asset value accretion that will result from the buy-back or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; the level of the Company's existing borrowings; and the working capital requirements of the Company. The Board will continue to monitor the discount and the application of the liquidity policy and will amend the approach to discount management in response to the prevailing market conditions and other factors noted above.

The Board will keep shareholders appraised, on a regular and ongoing basis, of the approach which it has adopted in implementing this liquidity policy, principally through commentary in its Annual and Interim reports.

Share buy-backs – at the Annual General Meeting held on 18 September 2023 the Company was granted a general authority to make purchases of up to 45,742,539 shares, being approximately 14.99% of the issued ordinary share capital as at 4 August 2023. This authority expires at the forthcoming Annual General Meeting. In exercising the Company's power to buy back shares, the Board has complete discretion as to the timing, price and volume of shares so purchased. If the Company does purchase its own shares it may hold them in treasury rather than purchase them for cancellation. Shares may only be sold from treasury at a price which, after costs, is not less than the net asset value per share at the relevant time.

All share repurchases are conducted in accordance with the Companies Act 2006 and the UK Listing Rules applicable to closed-ended investment funds from time to time and are announced to the market via a Regulatory Information System on the same or the following business day.

7,925,000 were bought back during the year under review. At 31 May 2024 10,131,300 shares were held in treasury. Between 1 June 2024 and 16 August 2024 1,950,000 shares were bought back.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 14.99% of the ordinary shares in issue as at 16 August 2024 (being the latest practicable date prior to the publication of this document) or, if less, up to 14.99% of the ordinary shares in issue (excluding treasury shares) on the date on which the authority is granted, such authority to expire at the date of the Annual General Meeting in 2025. Such purchases will only be made at a discount to the prevailing net asset value. Any such shares which are bought back may be held in treasury and may subsequently then either be sold for cash or cancelled.

Share issuance – the Directors will again be seeking authorities at the forthcoming Annual General Meeting for issuance and disapplication of pre-emption rights to sell any shares held in treasury and allot new shares at a premium to the net asset value per share with debt valued at fair value. These authorities will expire at the conclusion of the 2025 Annual General Meeting or on the expiry of 15 months from the passing of the resolutions, whichever is earlier. Should shareholder approval be granted it will allow the Directors to issue new ordinary shares at a premium to net asset value or C shares convertible into ordinary shares, in order to satisfy investor demand over the year should the Company be in a position to do so.

No new ordinary shares will be issued at a price which (after costs and expenses) is less than the net asset value per existing ordinary share at the time of the issue of the new shares, unless the new shares are first offered pro-rata to shareholders on a pre-emptive basis. C shares will be issued at a price of £1 per C share. As mentioned above, the Company has the authority to raise further funds through the issue of C shares rather than ordinary shares. C shares are designed to overcome the potential disadvantages that may arise out of a fixed price issue of further shares for cash. These disadvantages relate primarily to the effect that an injection of substantial uninvested cash may have on the net asset value per ordinary share performance of an otherwise fully invested portfolio (commonly referred to as 'cash drag').

During the year to 31 May 2024 the Company issued no shares. Between 1 June 2024 and 16 August 2024 no shares were issued.

Borrowings

Borrowings are typically invested in securities when it is considered that investment grounds merit the Company taking a geared position to securities. Gearing levels, and the extent of equity gearing, are discussed by the Board and Managers at every Board meeting. The Managers are tasked with ensuring that gearing is managed efficiently and within the parameters set by the Board and any loan covenants.

Facility amount	Facility type	Lender	Maturing	Drawings
$25 million	Revolving credit	ING Bank N.V.	31 July 2026	Fully drawn
$25 million	Revolving credit	The Royal Bank of Scotland International Limited	18 October 2026	Fully drawn

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key performance indicators

The key performance indicators ('KPIs') used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in the net asset value per ordinary share;
- the movement in the share price;
- performance compared to the comparative index;
- the premium/discount of the share price to the net asset value per share; and
- the ongoing charges ratio.

An explanation of these measures can be found in the Glossary of terms and alternative performance measures on pages 124 to 127.

The KPIs for the year to 31 May 2024 and since inception, 28 March 2018, are shown on pages 20 to 25.

In addition to the above, the Board considers peer group comparative performance.

Value assessment

Baillie Gifford & Co Limited undertakes regular value assessments of its products. Following the assessment in 2024, it was concluded that the Company was expected to provide fair value for a reasonably foreseeable period.

Principal and emerging risks

As explained on pages 70 and 71 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no material changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below.

The Board considers the heightened macroeconomic and geopolitical concerns to be factors which exacerbate existing risks, rather than discrete risks, within the context of an investment trust. Their impact is considered within the relevant risks.

	What is the risk?	How is it managed?	Current assessment of risk
Financial risk	The Company's assets consist mainly of listed securities and its principal financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 17 to the Financial Statements on pages 104 to 111.	The Board has, in particular, considered the impact of heightened market volatility during recent months due to macroeconomic factors such as higher inflation, interest rates and geopolitical concerns. To mitigate this risk the Board considers at each meeting various portfolio metrics including individual stock performance and weightings, the top and bottom contributors to performance, purchases and sales of investments and relative sector weightings against the comparative index. The portfolio managers provide their rationale for stock selection decisions. A comprehensive strategy meeting is held annually to facilitate challenge of the Company's strategy. The value of the Company's investment portfolio would be affected by any impact, positively or negatively, on sterling but such impact would be partially offset by the effect of exchange rate movements on the Company's dollar denominated borrowings.	This risk is considered to be high but unchanged as a result of heightened macroeconomic and geopolitical concerns which continue to create a challenging environment for businesses, but with some signs that interest rate pressures, for example, may be starting to recede.

Increasing Risk Decreasing Risk No Change

Private company investment risk

What is the risk?

The Company's liquidity risk could be increased by its investment in private company securities. These assets may be more difficult to buy or sell, so changes in their prices may be greater than for listed investments.

How is it managed?

To mitigate this risk, the Board considers the private company securities in the context of the overall investment strategy and provides guidance to the Managers on the maximum exposure to private company securities. The investment policy limits the amount which may be invested in private company securities to 50% of the total assets of the Company in aggregate, measured at the time of investment.

Current assessment of risk

There has been no significant change to the number of private company investments during the period. At 31 May 2024, private company investments comprised 34.1% of total assets.

Investment strategy risk

What is the risk?

Pursuit of an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a wide discount to their net asset value.

How is it managed?

To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register and raises any matters of concern with the Managers.

Current assessment of risk

This risk is considered to be stable as there are signs that the market's appetite for growth stocks, typically held by the Company, is recovering following the recent period of heightened macroeconomic and geopolitical concerns.

Environmental social and governance risk

What is the risk?

Perceived problems on environmental, social and governance ('ESG') matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price, in addition to potential valuation issues arising from any direct impact of the failure to address the ESG weakness on the operations or management of the investee company (for example a failure to identify a pathway to Net Zero or poor employment practices). Repeated failure by the Managers to identify ESG weaknesses in investee companies could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price.

How is it managed?

This is mitigated by the Managers' strong ESG stewardship and engagement policies which are available to view on the Managers' website, **bailliegifford.com**, and which have been reviewed and endorsed by the Company, and which have been fully integrated into the investment process as well as the extensive up-front and ongoing due diligence which the Managers undertake on each investee company. Due diligence includes assessment of the risks inherent in climate change as well as ongoing positive engagement on ESG-related issues (see pages 17 to 19).

Current assessment of risk

The Managers continue to embed analysis of ESG factors within the investment process. Although climate activists have recently targeted the Managers' sponsorship of cultural events, media coverage has been balanced and has largely recognised that the objective is not to seek perfection but to focus on materiality and the direction of travel, with the understanding that engagement can encourage responsibility and meaningful change.

Increasing Risk   Decreasing Risk   No Change

Discount risk

What is the risk?

The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a wide discount is that it may undermine investor confidence in the Company and shareholders selling their shares will get less than the net asset value of those shares.

How is it managed?

To manage this risk, the Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders. The liquidity policy is set out on page 46.

Current assessment of risk

The Company's discount narrowed during the year. Over the year to 31 May 2024 the Company bought back 7,925,000 shares to be held in treasury. The Board continues to monitor closely the discount and the impact of the current liquidity policy being applied.

Regulatory risk

What is the risk?

Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UK Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains.

How is it managed?

To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

Current assessment of risk

All control procedures are working effectively. There have been no material regulatory changes that impacted the Company during the year.

Custody and Depositary risk

What is the risk?

Safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security.

How is it managed?

To mitigate this risk, the Audit Committee receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated private portfolio holdings to confirmations from investee companies. The Custodian's assured internal controls reports are reviewed by Baillie Gifford's Business Risk department and a summary of the key points is reported to the Audit Committee and any concerns investigated.

Current assessment of risk

All control procedures are working effectively.

Increasing Risk   Decreasing Risk   No Change

	What is the risk?	How is it managed?		Current assessment of risk
Operational risk	Failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.	To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption. The Audit Committee reviews Baillie Gifford's Report on Internal Controls and reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated.	No Change	All control procedures are working effectively. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.
Cyber security risk	A cyber attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems.	To mitigate this risk, the Audit Committee reviews reports on Internal Controls published by Baillie Gifford and other third party service providers. Baillie Gifford's Business Risk department reports to the Audit Committee on the effectiveness of information security controls in place at Baillie Gifford and its business continuity framework. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.	Increasing Risk	This risk is seen as increasing due to recent indications that the continuation of geopolitical tensions could lead to cyber attacks. Emerging technologies, including AI, could potentially increase information security risks.

Increasing Risk Decreasing Risk No Change

Leverage risk

What is the risk?

The Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the impact of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts. The use of such contracts may have a gearing effect so as to enhance, or worsen, returns relative to the amount invested in this way.

How is it managed?

To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 119 and the Glossary of terms and alternative performance measures on pages 124 to 127.

Current assessment of risk

No significant change in risk level. The Company refinanced its existing loan facilities with revolving credit facilities during the period.

Political and associated economic risk

What is the risk?

The Board is of the view that political change in areas in which the Company invests or may invest may have financial consequences for the Company.

How is it managed?

Political developments are closely monitored and considered by the Board. The Board has particular regard to macroeconomic and geopolitical tensions, and monitors portfolio diversification.

Current assessment of risk

This risk is increasing as governments and consumers around the world continue to assess the impact of heightened geopolitical tensions and conflicts as well as challenging macroeconomic conditions.

Emerging risk

As explained on pages 70 and 71 the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from the interconnectedness of global economies and the related exposure of the investment portfolio to external and emerging threats such as the societal and financial implications of escalating geopolitical tensions, cyber security risks including developing AI and quantum computing capabilities and new infectious diseases or similar public health threats. This is mitigated by the Managers' close links to the investee companies and their ability to ask questions on contingency plans. The Managers believe the impact of such events may be to slow growth rather than to invalidate the investment rationale over the long term.

Increasing Risk Decreasing Risk No Change

Viability statement

Having regard to provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a five year period. The Directors continue to consider this period to be appropriate, as it is reflective of the longer-term investment strategy of the Company, and to be a period during which, in the absence of any adverse change to the regulatory environment and to the favourable tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal risks facing the Company nor to the adequacy of the mitigating controls in place. Furthermore, the Directors do not reasonably envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the Company's principal and emerging risks and uncertainties as detailed on pages 70 and 71 and in particular the impact of market risk where a significant fall in American equity markets would adversely impact the value of the Company's investment portfolio. The Directors have also considered the Company's leverage and liquidity in the context of the unsecured floating rate loan facilities which expire in July and October 2026, the income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted equity securities which can be sold to meet funding requirements if necessary. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of further market deterioration. The leverage stress testing identified the impact on leverage in scenarios where gross assets fall by 25% and 50%, reflecting a range of market conditions that may adversely impact the portfolio. The liquidity stress testing identified the reduction in the value of assets that can be liquidated within one month that would result in the value of those assets falling below the value of the borrowings. The stress testing did not indicate any matters of concern. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, this allows key service providers to be replaced at relatively short notice where necessary.

Based on the Company's processes for monitoring operating costs, share price discount/premium, the Managers' compliance with the investment objective, asset allocation, the portfolio risk profile, leverage, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years as a minimum.

Promoting the success of the Company (section 172 statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to: a) the likely consequences of any decision in the long term, b) the interests of the company's employees, c) the need to foster the company's business relationships with suppliers, customers and others, d) the impact of the company's operations on the community and the environment, e) the desirability of the company maintaining a reputation for high standards of business conduct and f) the need to act fairly as between members of the company.

In this context and having regard to Baillie Gifford US Growth being an externally-managed investment company with no employees, the Board considers that the Company's key stakeholders are its existing and potential new shareholders, its externally-appointed Managers (Baillie Gifford) and other professional service providers (corporate broker, registrar, Auditor, Custodian and Depositary), lenders, portfolio companies, AIC/industry peers, investment platforms, wider society and the environment.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements.

The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out on the following pages.

Stakeholder	Why we engage	How we engage and what we do
Shareholders	Shareholders are, collectively, the Company's owners: providing them with a return for their investment in accordance with the Company's investment policy and objective is the reason for its existence.	The Board places great importance on communication with shareholders. The Annual General Meeting provides an opportunity for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. The Chair is available to meet with shareholders as appropriate. The Managers meet regularly with shareholders and their representatives, reporting their views back to the Board. Directors also attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.
Baillie Gifford – Managers and Secretaries	The Company's Board has delegated the management of the Company's portfolio, and the administration of the Company's operations including fulfilment of regulatory and taxation reporting requirements, to Baillie Gifford. Baillie Gifford is therefore responsible for the substantial activities of the Company and has the most immediate influence on its conduct towards the other stakeholders, subject to the oversight and strategic direction provided by the Board.	The Board seeks to engage with its Managers, in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Managers, with a view to ensuring the interests of the Company's shareholders are best served, by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Portfolio companies	As all of the Company's operations are conducted by third party service providers, it is the companies held in its investment portfolio which have the primary real-world impact in terms of social and environmental change, both positively and negatively, as well as generating, through their commercial success, the investment growth sought by the Company's shareholders. The investee companies have an interest in understanding their shareholders' investment rationale in order to assure themselves that long-term business strategies will be supported.	The Board is cognisant of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders. The Board's review of the Managers includes an assessment of their ESG approach and its application in making investment decisions. The Board regularly reviews Governance Engagement reports, which document the Managers' interactions with investee companies on ESG matters (see pages 14 to 19).
Broker	The Company's broker provides an interface between the Company's Board and its institutional shareholders.	The Company's broker regularly attends Board meetings, and provides reports to those meetings, in order to keep the Board apprised of shareholder and wider market sentiment regarding the Company. They also arrange forums for shareholders to meet the Chair, or other Directors, outwith the normal general meeting cycle.
Registrar	The Company's registrar provides an interface with those shareholders who hold the Company's shares directly.	The Company Secretaries liaise with the registrar to ensure the frequency and accuracy of communications to shareholders is appropriate, and monitor shareholder correspondence to ensure that the level of service provided by the registrar is acceptable. The Managers' risk function reviews the registrars' internal controls report and reports on the outcome of this review to the Board.

Stakeholder	Why we engage	How we engage and what we do
Auditor	The Company's Auditor has a responsibility to provide an opinion on the Financial Statements as set out in the Auditor's report to the members on pages 83 to 89.	The Company's Auditor meets with the Audit Committee Chair and the Board, in the absence of the Managers where deemed necessary, and the Managers undertake to provide all information requested by the Auditor in connection with the Company's annual audit promptly and to ensure that it is complete and accurate in all respects.
Depositary and Custodian	The Depositary is responsible for the safekeeping of the Company's financial instruments, as set out in more detail on page 62.	The Depositary provides the Audit Committee with a report on its monitoring activities. The Board and Managers seek to engage with the Depositary and Custodian in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Depositary and Custodian, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Lenders	Lenders such as banks providing fixed or revolving credit facilities provide the Company's gearing as described on page 47 and have an interest in the Company's ongoing financial health and viability.	The Company's legal advisers review all legal agreements in connection with the Company's debt arrangements and advise the Board on the appropriateness of the terms and covenants therein. The Managers and Secretaries ensure that the frequency and accuracy of reporting on, for example, covenant certification is appropriate and that correspondence from the lenders receives a prompt response.
AIC/industry peers	The Association of Investment Companies ('AIC') and the Company's investment trust industry peers have an interest in the Company's conduct and performance, as adverse market sentiment towards one investment trust can affect attitudes towards the wider industry.	The Company is a member of the AIC, and the Directors and/or the Managers and Secretaries (as appropriate) participate in technical reviews, requests for feedback on proposed legislation or regulatory developments, corporate governance discussions and/or training.
Investment platforms	Investment platforms provide an interface with shareholders who invest in the Company indirectly.	The Managers liaise with the various investment platforms on strategies for improving communications with the Company's shareholders who hold their shares via these platforms. An annual timetable of key dates is published on the Company's website, for the ease of reference of such shareholders.
Wider society and the environment	No entity, corporate or otherwise, can exist without having an influence on the society in which it operates or utilising the planet's resources. Through its third-party relationships, as noted above, the Company seeks to be a positive influence and, in circumstances where that is not possible, to mitigate its negative impacts insofar as is possible.	The Board's and Managers' interactions with the various stakeholders as noted above form the principal forms of direct engagement with wider society and in respect of the environment (commercial, financial and in terms of planetary health and resources).

The Board recognises the importance of keeping the interests of the Company and its stakeholders, in aggregate, firmly front of mind in its key decision making. The Company Secretaries are available at all times to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which required the Directors to have regard to applicable section 172 factors included:

- the buying back of 7,925,000 of the Company's own shares into treasury at a discount to net asset value, for subsequent reissue, in order to ensure the Company's shareholders found liquidity for their shares when natural market demand was insufficient, and on terms that enhance net asset value for remaining shareholders; and
- refinancing the expiring revolving credit facilities from ING Bank N.V. with a three-year US$25 million unsecured revolving credit facility from ING Bank N.V. and a three-year US$25 million unsecured revolving credit facility from The Royal Bank of Scotland International Limited, for the purpose of investing in exciting growth opportunities, which the Board believes will enhance long-term returns for shareholders.

Employees, human rights and community issues

The Board recognises the requirement to provide information about employees, human rights and community issues. The Company has no employees. All its Directors are non-executive and all its functions are outsourced. There are, therefore, no disclosures to be made in respect of employees, human rights and community issues.

Board representation

At 31 May 2024 the Board comprises five Directors, three male and two female. The Company has no employees. The Board's policy and disclosures on diversity are set out on page 69.

Environmental, social and governance policy

Details of the Company's policy on socially responsible investment can be found under 'Corporate governance and stewardship' on page 72 and the Managers' approach to stewardship and examples of portfolio company engagement are set out on pages 14 to 19.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at **bailliegifford.com**.

Future developments of the Company

The outlook for the Company for the next year is set out in the Chair's statement on pages 7 and 8 and in the Managers' review on pages 9 to 12.

The Strategic report which includes pages 7 to 56 was approved by the Board on 21 August 2024.

Tom Burnet
Chair

Governance report

This Governance report, which includes pages 58 to 81 outlines the Board's approach to the governance of your Company. We believe that good governance builds better outcomes and we are committed to high standards of corporate governance and transparency.

Directors and management

Tom Burnet
Chair

Appointed 2018

Tom Burnet was appointed a Director and Chair on 5 March 2018 and is also Chair of the Nomination Committee. He is chair of Kainos Group plc, a London listed IT services business, and a non-executive director of CT Private Equity Trust PLC. Tom is also chair of two privately owned technology businesses. Previously, Tom was managing director of Serco's Defence Services division. He started his career as an Army Officer serving in the Black Watch (R.H.R.), having graduated with an MBA from the University of Edinburgh.

Sue Inglis
Director

Appointed 2018

Sue Inglis was appointed a Director on 5 March 2018 and is the Senior Independent Director. She has a wealth of experience from more than 30 years advising listed investment companies and financial institutions. Before embarking on a non-executive career, her executive roles included managing director – Corporate Finance in the Investment Companies teams at Cantor Fitzgerald Europe (2012–2018) and Canaccord Genuity (2009–2012). Sue is a qualified lawyer, and was a partner and head of the funds and financial services group at Shepherd & Wedderburn, a leading Scottish law firm. In 1999 she was a founding partner of Intelli Corporate Finance, an advisory boutique firm focusing on the asset management and investment company sectors, which was acquired by Canaccord Genuity in 2009. Sue is currently a non-executive director of CT Global Managed Portfolio Trust PLC and Seraphim Space Investment Trust PLC.

Graham Paterson
Director

Appointed 2018

Graham Paterson was appointed a Director on 5 March 2018 and is Chair of the Audit Committee. He is an investment and financial services professional with over 20 years' experience in the private equity industry. A chartered accountant, Graham was one of the founding partners of SL Capital Partners LLP (formerly Standard Life Investments (Private Equity) Ltd), where he was a partner and board member until 2010. During his 13 years at SL Capital, he was one of the managers of Standard Life Private Equity Trust plc and was a member of the advisory boards to a number of leading private equity fund managers. In 2013, Graham co-founded TopQ Software Ltd, a technology company which develops software for the private equity industry. TopQ Software was acquired by eVestment Inc (now part of NASDAQ Inc) in 2015, where Graham was a director of the private markets data and analytics business until early 2018. Graham is currently Senior Independent Director of The Income & Growth VCT plc and a non-executive director of Invesco Perpetual UK Smaller Companies Investment Trust plc and Diaceutics PLC.

Chris van der Kuyl
Director

Appointed 2021

Chris van der Kuyl was appointed a Director on 1 June 2021. He is one of Scotland's leading entrepreneurs working across the technology, media, gaming and entertainment sectors. Chris is most notably co-founder and chair of multiple award-winning games developer 4J Studios, best known for developing Minecraft for Microsoft, Sony and Nintendo games consoles. He and fellow co-founder, Paddy Burns, launched Chroma Ventures, the investment arm of 4J Studios, in 2021. Chris is also chair of Puny Astronaut, Broker Insights, Stormcloud Games and Ace Aquatec and sits on the boards of Blippar, Ant Workshop, Parsley Box Plc and Chroma Developments. Alongside his commercial roles, he was the founding chair of Entrepreneurial Scotland and is currently a member of multiple advisory and local charity boards.

Rachael Palmer
Director

Appointed 2021

Rachael Palmer was appointed a Director on 1 June 2021. She is an experienced strategy, marketing and business development professional with extensive experience working within the technology sector. Most recently, Rachael led Google's VC and Startup Partnerships for the Europe, Middle East and Africa region. Before Google, Rachael consulted to numerous start-ups and led marketing and business development efforts for EY's world famous Entrepreneur of the Year Program. Rachael has also held positions at American Express and Microsoft where she held various product, marketing and business development roles. Rachael received her MBA from The Wharton School and her BSE in Computer Science & Engineering from the University of Pennsylvania.

All the Directors above and on the prior page served on the Board throughout the year. All Directors are non-executive and, in the opinion of the Board, are independent of the Managers. All Directors are members of the Nomination and Audit Committees.

Portfolio managers

Gary Robinson
Portfolio manager

Appointed 2018

Gary is a partner and US Equity Growth investment manager. Gary joined Baillie Gifford in 2003 and spent time working in the Japanese, UK and European Equity teams before moving to the US Equity Team in 2008. Gary is a generalist investor but retains a special interest in the healthcare sector, dating back to his undergraduate degree. He graduated MBiochem in Biochemistry from Oxford University in 2003.

Kirsty Gibson
Portfolio manager

Appointed 2021

Kirsty is a portfolio manager in the US Equity Growth team. Kirsty joined Baillie Gifford in 2012 and began her career on the US Equity team, moving on to spend several years in the small and large cap global equities departments, before returning to the US Equity team. She graduated MA (Hons) in Economics in 2011 and MSc in Carbon Management in 2012, both from the University of Edinburgh.

Managers and secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. 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. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages thirteen closed-ended investment companies. Baillie Gifford also manages open-ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled around £217.8 billion. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 58 partners and a staff of around 1,700.

Baillie Gifford & Co Limited and Baillie Gifford & Co are both authorised and regulated by the Financial Conduct Authority.

Directors' report

The Directors present their report together with the Financial Statements of the Company for the year to 31 May 2024.

Corporate governance

The Corporate governance report is set out on pages 66 to 72 and forms part of this report.

Managers and Company Secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. 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 Investment Management Agreement between the AIFM and the Company sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than six months' notice. Compensation fees would only be payable in respect of the notice period if termination by the Company were to occur within a shorter notice period.

The annual management fee is 0.70% on the first £100 million of net assets, 0.55% on the next £900 million of net assets and 0.50% on the remaining net assets. Management fees are calculated and payable quarterly. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance.

The Board as a whole fulfils the functions of the Management Engagement Committee. The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted at least annually.

The Board considers, amongst others, the following topics in its review:

- the quality of the personnel assigned to handle the Company's affairs;
- the investment process and the results achieved to date;
- the administrative services provided by the Secretaries; and
- the marketing effort undertaken by the Managers.

Following the most recent review, it is the opinion of the Directors that the continuing appointment of Baillie Gifford & Co Limited as AIFM and Company Secretaries and the delegation of the investment management services to Baillie Gifford & Co, and the further sub-delegation of dealing activity and transaction reporting to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited, on the terms agreed, is in the interests of the Company and the shareholders as a whole due to the strength of the investment management team, the Managers' commitment to the investment trust sector, the quality of the secretarial and administrative functions and the marketing efforts undertaken by the Managers.

Depositary

In accordance with the Alternative Investment Fund Managers Directive, the AIFM must appoint a Depositary to the Company. The Bank of New York Mellon (International) Limited has been appointed as the Company's Depository.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The custody function is also undertaken by The Bank of New York Mellon (International) Limited (the 'Custodian').

Directors

The names and biographical details of the Board members who served on the Board as at the year end and up to the date the Financial Statements were signed can be found on pages 58 and 59.

Each Director shall retire from office at each Annual General Meeting and offer themselves for re-election.

Following formal performance evaluation, the Board concluded that the performance of the Directors continues to be effective and each remains committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders.

Directors' indemnity and insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 31 May 2024 and up to the date of approval of this report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him or her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company maintains Directors' and Officers' liability insurance.

Conflicts of interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them, and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year.

Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Share capital

Capital structure

The Company's capital structure (excluding treasury shares) as at 31 May 2024 consisted of 297,228,700 ordinary shares of 1p each (see note 12 to the Financial Statements on page 102). At 31 May 2024, 10,131,300 shares were held in treasury. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas any proposed final dividend is subject to shareholder approval. The Company's objective is to produce capital growth and the policy is only to distribute, by way of a final dividend, the minimum permissible to maintain investment trust status. No dividends were declared during, or in respect of, the period.

Capital entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Information on the deadlines for proxy appointments for the forthcoming AGM can be found on pages 116 and 117.

Major interests disclosed in the Company's shares

Name	Ordinary 1p shares held at 31 May 2024	% of issue at 31 May 2024
Saba Capital Management, L.P. (indirect)	39,339,754	13.2
Brewin Dolphin Limited (indirect)	27,039,346	9.1
Quilter plc (indirect)	14,967,518	5.0

Subsequent to the year end on 12 June 2024 the Company received notification that Quilter plc held 14,812,038 shares, being 4.98% of the shares in issue. On 19 June 2024 the Company received notification Saba Capital Management, L.P. held 41,894,682 shares, being 14.1% of the shares in issue. The Company received further notification on 13 August 2024 that Saba Capital Management, L.P. held 44,308,785, being 15.0% of the shares in issue. There have been no further notifications of major interests in the Company's shares intimated up to 16 August 2024.

Analysis of shareholders at 31 May

	2024 Number of shares held	2024 %	2023 Number of shares held	2023 %
Institutions	36,077,259	12.1	45,557,960	14.9
Intermediaries	218,868,169	73.6	240,643,562	78.9
Individuals	432,785	0.2	1,552,388	0.5
Marketmakers	41,850,487	14.1	17,399,790	5.7
	297,228,700	100.0	305,153,700	100.0

Annual General Meeting

Issuance of shares

At the last Annual General Meeting, the Directors were granted shareholders' approval for a general authority to allot shares and also an authority to issue shares or sell shares held in treasury on a non pre-emptive basis (without first offering such shares to existing shareholders pro rata to their existing holdings). No shares were issued during the year (2023 – no shares were issued).

Both authorities expire at the forthcoming Annual General Meeting and the Directors are seeking shareholders' approval to renew them for a further year, as detailed below.

Resolution 10 in the Notice of Annual General Meeting seeks a general authority in substitution to the Company's existing authorities for the Directors to issue ordinary shares or C shares up to an aggregate nominal amount of £984,262.33. This amount represents one-third of the Company's total ordinary share capital in issue (excluding treasury shares) at 16 August 2024 and meets institutional guidelines. This authority would be in substitution for the existing authority and will continue until the conclusion of the Annual General Meeting to be held in 2025 or on the expiry of 15 months from the passing of the resolution, if earlier.

Resolution 11, which is proposed as a special resolution, seeks authority for the Directors to allot equity securities or sell treasury shares on a non pre-emptive basis for cash up to an aggregate nominal amount of £295,278.70 (representing 10% of the issued ordinary share capital of the Company excluding treasury shares as at 16 August 2024). This authority would be in substitution for the existing authority and will continue until the conclusion of the Annual General Meeting to be held in 2025 or on the expiry of 15 months from the passing of the resolution, if earlier.

The Directors consider that the authorities proposed to be granted by Resolutions 10 and 11 continue to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand.

Such authorities will only be used to issue ordinary shares or sell ordinary shares from treasury at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company to do so. The Directors believe that the ability to buyback shares at a discount and re-sell them or issue new ordinary shares at a premium are useful tools in smoothing supply and demand.

12,081,300 shares were held in treasury as at 16 August 2024.

Market purchases of shares by the Company

At the last Annual General Meeting the Company was granted authority to purchase up to 45,742,539 ordinary shares (equivalent to approximately 14.99% of the ordinary shares in issue (excluding treasury shares) as at 14 August 2023). This authority expires at the forthcoming Annual General Meeting. 7,925,000 shares were bought back during the year under review and 10,131,300 shares are held in treasury at 31 May 2024. Between 1 June 2024 and 16 August 2024 a further 1,950,000 shares were bought back.

Share buy-backs may be made principally:

i. to enhance net asset value for continuing shareholders by purchasing shares at a discount to the prevailing net asset value; and

ii. to address any imbalance between the supply of and the demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per share.

The Company may hold bought back shares in treasury and then:

i. sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or

ii. cancel the shares (or any of them).

Shares will only be re-sold from treasury at a premium to net asset value per ordinary share.

Treasury shares do not receive distributions and the Company is not entitled to exercise voting rights attaching to them.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 44,262,277 ordinary shares in issue (excluding treasury shares) as at 16 August 2024, being the latest practicable date prior to the publication of this document (or, if less, the number representing approximately 14.99% of the Company's ordinary shares in issue (excluding treasury shares) at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in 2025.

In accordance with the UK Listing Rules, the maximum price (excluding expenses) that may be paid on the exercise of the authority must not exceed the higher of:

i. 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

ii. an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The minimum price (exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 12 in the Notice of Annual General Meeting.

Recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do where possible in respect of their own beneficial shareholdings.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 17 to the Financial Statements on pages 104 to 111.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Disclosure of information to Auditor

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, Ernst & Young LLP, is willing to continue in office and, in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning Ernst & Young LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

Post balance sheet events

The Directors confirm that there have been no post Balance Sheet events which require adjustment of in, the Financial Statements or notes thereto up to 21 August 2024.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Report ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013. For the reasons set out above, the Company considers itself to be a low energy user and, therefore, is not required to disclose energy and carbon information under the SECR regulations.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

On behalf of the Board
Tom Burnet
Chair
21 August 2024

Corporate governance report

The Board is committed to achieving and demonstrating high standards of corporate governance. The Association of Investment Companies ('AIC') Code of Corporate Governance ('AIC Code') provides a framework of best practice for investment companies and can be found at theaic.co.uk. The Financial Reporting Council ('FRC') has confirmed that AIC members who report against the AIC Code, as is the case with the Company, will be meeting their obligations in relation to the 2018 UK Corporate Governance Code (the UK 'Code'), which can be found at frc.org.uk.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code (with the exception of the membership of the Audit Committee noted below) and the recommendations of the AIC Code. The Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. Given that the Company is an externally managed investment trust, the Board considers these provisions are not relevant to the Company. The need for an internal audit function specific to the Company has been addressed on page 73. Although the AIC Code permits the Chair of the Board to be a member of the Audit Committee, the Code does not. The Board believes it is appropriate for Mr TJW Burnet to be a member of the Audit Committee due to the small size of the Board and his knowledge, experience and professional expertise being a significant benefit to the Committee. Mr TJW Burnet was and continues to be considered independent.

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters formally reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. A separate strategy session is held annually. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

At 31 May 2024 the Board comprised five Directors all of whom are non-executive.

The Chair, Mr TJW Burnet, is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda.

The executive responsibilities for investment management have been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and, in the context of a Board comprising entirely non-executive Directors, there is no chief executive officer. The Senior Independent Director is Ms SP Inglis.

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 58 and 59.

Board of Directors

Comprises independent non-executive directors*

Chair: Tom Burnet

Senior Independent Director: Sue Inglis

Audit Committee

Chair: Graham Paterson

Purpose: The primary purpose of the Company's Audit Committee is to provide oversight of the financial reporting process, the audit process, the Company's system of internal controls and compliance with laws and regulations.

Nomination Committee

Chair: Tom Burnet

Purpose: The main purpose of the Nomination Committee is to oversee Board recruitment and succession planning as well as Board appraisals including identifying training needs.

Third-party service providers appointed by the Board

Alternative Investment Fund Managers and Company Secretaries:
Baillie Gifford & Co Limited (wholly owned subsidiary of Baillie Gifford & Co)

Dealing activity and transaction reporting:
Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited

Portfolio management:
Baillie Gifford & Co

Ernst & Young LLP

Auditor

The Bank of New York Mellon (International) Limited

Depositary and Custodian

Computershare Investor Services PLC

Registrar

Panmure Liberum Limited

Company broker

* The independent non-executive directors are made up of Tom Burnet, Sue Inglis, Chris van der Kuyl, Rachael Palmer and Graham Paterson. Further details on their experience and contribution to the Board can be found on pages 58 and 59.

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense. No such advice was sought in the year to 31 May 2024 or 31 May 2023.

Appointments to the Board

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the period is required to retire and seek election by shareholders at the next Annual General Meeting. In accordance with the Code, all Directors will retire from office at each Annual General Meeting and, if appropriate, offer themselves for re-election.

The reasons why the Board supports the Directors re-election are set out on page 62.

Directors are not entitled to any termination payments in relation to their appointment.

Chair and Directors' tenure

The Nomination Committee has considered the question of tenure for Directors and has concluded that there should not be a set maximum time limit for a Director or Chair to serve on the Board. The Nomination Committee keeps under review the balance of skills, knowledge, experience, performance and length of service of the Directors ensuring the Board has the right combination of skills and preservation of knowledge and experience balanced with the appointment of new Directors bringing in fresh ideas and perspective.

Independence of Directors

All of the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and reviews the Board composition annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be a benefit to the Board.

Following formal performance evaluation the Board considers that each Director continues to be independent in character and judgement and their skills and experience are a significant benefit to the Board.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The following table shows the attendance record for the Board and Committee meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all the Directors with the exception of Mr van der Kuyl.

Directors' attendance at meetings

	Board	Audit Committee	Nomination Committee
Number of meetings	4	4	1
TJW Burnet	4	4	1
SP Inglis	4	4	1
GD Paterson	4	4	1
CRD van der Kuyl	3	4	1
RL Palmer	4	4	1

Nomination Committee

The Nomination Committee consists of the whole Board due to its relatively modest size. The Chair of the Board is Chair of the Committee. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the composition of the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, Board independence, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised.

The Committee's terms of reference are available on request from the Company and on the Company website: **bgusgrowthtrust.com.**

Board diversity

Diversity policy

Appointments to the Board are made on merit with due regard for the benefits of diversity including gender, social and ethnic backgrounds and cognitive and personal strengths. The priority in appointing new Directors is to identify the candidate with the best range of skills and experience to complement existing Directors, with a view to ensuring that the Board remains well placed to help the Company achieve its investment and governance objectives.

The following disclosures are provided in respect of the UK Listing Rules targets that: i) 40% of a board should be women; ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics (ONS) criteria.

The breakdown of gender diversity and ethnic background on the Board is shown below.

Gender	Number	% of the Board	Senior roles
Men	3	60%	1 *
Women	2	40%	1
	5	**100%**	

* The Board Chair, being a senior position in accordance with the UK Listing Rules. The Board also considers the Nomination Committee and Audit Committee Chairs to be senior positions. The Nomination Committee Chair is also the Board Chair. The Audit Committee Chair is a man.

Ethnic background	Number	% of the Board	Senior roles
White British or Other White (including minority white groups)	4	80%	2 *
Black/African/ Caribbean/Black British	1	20%	–
	5	**100%**	

* The Board Chair and SID, being senior positions in accordance with the UK Listing Rules. The Board also considers the Nomination Committee and Audit Committee Chairs to be senior positions. The Nomination Committee Chair is also the Board Chair. The Audit Committee Chair's ethnic background is White.

As at 31 May 2024, the Board complied with the UK Listing Rule target with respect to ethnic background and the 40% target for women. The Board also meets the UK Listing Rules target for a woman holding a senior role on the Board (Ms SP Inglis is the Senior Independent Director).

As an externally managed investment company with no chief executive officer (CEO) or chief financial officer (CFO), the Board considers the Chairs of the Audit Committee and Nomination Committee to be senior roles in addition to the roles of Senior Independent Director and Board Chair identified as such by the FCA.

Board composition

In order to fulfil its obligations, the Board recognises the importance of having a range of skilled and experienced Directors, balancing the benefits of length of service and knowledge of the Company with the desirability of ensuring regular refreshment of the Board.

The Board reviewed the composition of the Board during the year in consideration of succession planning and developing a diverse pipeline.

In line with the AIC Corporate Governance Code principle that 'a successful company is led by an effective Board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society' the Board will be undertaking a recruitment process in the coming years to allow time for an appropriate transition period. The intention of the Board is that Director retirements will be staggered, ensuring the experience and diversity of the Board is maintained and effective succession planning occurs.

Performance evaluation

An appraisal of the Chair, each Director and a performance evaluation and review of the Board as a whole and its Committees was carried out during the year. After completing an evaluation questionnaire the results were discussed and reviewed by the Board. The appraisal of the Chair was led by Ms SP Inglis, the Senior Independent Director.

The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and its Committees. Following this process it was concluded that the performance of each Director, the Chair, the Board and its Committees continues to be effective and the Chair and each of the other Directors remains committed to the Company.

A review of the Chair's and the other Directors' commitments was carried out and the Nomination Committee is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chair's other commitments during the year.

The Company became a constituent of the FTSE 350 Index in January 2024. The Board intends that an independent external agency will be engaged to carry out the evaluation following the third anniversary of the Company's addition to the FTSE 350 Index.

Induction and training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. Regular briefings were provided during the year on industry and regulatory matters. Directors receive other relevant training as necessary.

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration report on page 77.

Audit Committee

The report of the Audit Committee is set out on pages 73 to 75.

Internal controls and risk management

The Directors acknowledge their responsibility for the Company's risk management and internal controls systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'. No significant weaknesses were identified in the year under review and up to the date of this report.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls, have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the UK Alternative Investment Fund Managers Regulations (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's auditor and a copy is submitted to the Audit Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this report.

To comply with the UK Alternative Investment Fund Managers Regulations, The Bank of New York Mellon (International) Limited acts as the Company's Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Company's Depositary also acts as the Company's Custodian. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by its appointed auditor. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns are investigated.

The Depositary provides the Audit Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see page 119) are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken. No exceptions occurred during the year.

Going concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is set out on pages 48 to 52 and contained in note 17 to the Financial Statements on pages 104 to 111.

The Board has considered in particular, the impact of heightened market volatility due to macroeconomic and geopolitical concerns, 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. As at 31 May 2024, the Company had a net current liability of £34.3 million primarily as a result of the two US$25 million revolving credit facilities. 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 Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters set out in the viability statement on page 53, which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of the Financial Statements.

Relations with shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and their representatives and report shareholders' views to the Board. The Chair is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any member of the Board may do so by writing to them at the Company's registered office or through the Company's broker, Panmure Liberum Limited (see contact details on page 129).

The Company's Annual General Meeting provides a forum for communication with all shareholders. The level of proxies lodged for each resolution will be announced at the Meeting and is published on the Company website **bgusgrowthtrust.com** subsequent to the meeting.

The notice period for the Annual General Meeting is at least twenty working days.

Shareholders and potential investors may obtain up-to-date information on the Company at **bgusgrowthtrust.com**.

Corporate governance and stewardship

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests and report their actions to the Board.

The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors, including climate change, when selecting and retaining investments and has asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long term investment returns. The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**. The Managers' policy has been reviewed and endorsed by the Board. Baillie Gifford & Co has considered the Sustainable Finance Disclosure Regulation ('SFDR') and further details can be found on page 121.

Climate change

The Board recognises that climate change poses a serious threat to our environment, our society and economies and companies around the globe. Addressing the underlying causes is likely to result in companies that are high emitters of carbon facing greater societal and regulatory scrutiny and higher costs to account for the true environmental impact of their activities. The Managers pursuit of long-term growth opportunities typically involves investment in entrepreneurial, disruptive and technology-driven businesses. These companies are often capital-light with a low carbon footprint.

The Managers' utilise data sourced from a third party provider to map the carbon footprint of the equity portfolio, using the information to prioritise engagement and understand what higher emitting companies are doing to manage climate risk better. Best practice in this area is evolving rapidly, and it is therefore challenging to establish reliable comparisons company-to-company and year-on-year. Based on the most recent analysis, as at 31 May 2024 the carbon intensity of Baillie Gifford US Growth Trust's portfolio was 89.4% lower than the Company's benchmark (S&P 500 Index). This analysis estimate is based on the 64% of the value of the Company's portfolio which reports on carbon emissions and other carbon-related characteristics and Scope 1&2 Weighted Average Carbon Intensity (WACI) by Revenue. Carbon intensity measures the carbon efficiency of the portfolio per unit of output and assesses the portfolio's exposure to carbon-intensive companies.

Baillie Gifford's Task Force on Climate-Related Financial Disclosures ('TCFD') Climate report is available on the Managers' website at **bailliegifford.com**. A TCFD climate report for Baillie Gifford US Growth is available on the Company website at **bgusgrowthtrust.com**.

The Managers, Baillie Gifford & Co, are signatories to the Principles for Responsible Investment, the Net Zero Asset Managers initiative and the Carbon Disclosure Project and are also members of the Asian Corporate Governance Association and the International Corporate Governance Network.

On behalf of the Board
Tom Burnet
Chair
21 August 2024

Audit Committee report

The Audit Committee consists of all the independent Directors. The 2019 AIC Code of Corporate Governance permits the Chair of the Board to be a member of the Audit Committee. The Board believes that Mr TJW Burnet's knowledge, experience and professional expertise is a significant benefit to the Committee. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mr GD Paterson, Chair of the Committee, is a Chartered Accountant.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at **bgusgrowthtrust.com**. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year, where deemed necessary, the Committee meets with the external Auditor without any representative of the Managers being present.

Main activities of the Committee

The Committee met twice during the year, and the external Auditor, Ernst & Young LLP, attended both meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for these meetings. In addition, the external Auditor met with the Audit Committee Chair on an ad hoc basis to discuss matters pertinent to the Committee as they arose.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

- the results announcements and the Annual and Interim Reports;
- the Company's accounting policies and practices and the implementation of the Managers' valuation policy for investments in unlisted (private) companies;
- the regulatory changes impacting the Company;
- the fairness, balance and understandability of the Annual Report and Financial Statements and whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the effectiveness of the Company's internal control environment;
- the appointment, remuneration and terms of engagement of the external Auditor;
- the policy on the engagement of the external Auditor to supply non-audit services;
- the independence and objectivity of the external Auditor and the effectiveness of the audit process;
- the need for the Company to have its own internal audit function;
- internal controls reports received from the Managers and other service providers; and
- the arrangements in place within Baillie Gifford & Co whereby its staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Internal audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

Financial reporting

The Committee considers that the most significant area of risk likely to impact the Financial Statements is the existence, ownership and valuation of investments as they represent 99.3% of total assets.

Unlisted (private company) investments

The Committee reviewed the Managers' valuation approach for investments in unquoted companies (as described on pages 34, 95 and 96) and approved the valuations of the unlisted investments following a detailed review of the valuation of each investment and relevant challenge where appropriate.

The Auditor agreed the holdings in certificated form to confirmations from the Company's Custodian and holdings of uncertificated unlisted investments to confirmations from the relevant investee companies.

Listed investments

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed Baillie Gifford's report on Internal Controls which details the controls in place regarding the recording and pricing of investments.

The Managers agreed the prices of all the listed investments at 31 May 2024 to external price sources and the holdings were agreed to confirmations from the Company's Custodian or Transfer Agent.

FRC Audit Quality Review

The Financial Reporting Council ('FRC') reviewed the audit of the Company's Financial Statements for the year to 31 May 2023. The audit for the year to 31 May 2023 was performed by KPMG LLP.

The FRC assessed the audit as good. A good quality assessment indicates that no key or other findings were identified.

Other matters

The Committee reviewed the Managers' report on Internal Controls which details the controls in place regarding completeness and accurate recording of investment income. The accounting treatment of any special dividends received or receivable during the year is reviewed by the Managers as they arise.

The Committee considered the factors that might affect the Company's viability over a period of five years and its ability to continue as a going concern for at least twelve months from the date of signing of the Financial Statements, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the viability statement on page 53 and statement on going concern on page 71. Following this assessment, the Committee recommended to the Board the appropriateness of the going concern basis in preparing the Financial Statements and confirmed the accuracy of the viability statement and statement on going concern.

The Managers and Auditor confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

Internal controls and risk management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on pages 70 and 71. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence of the external Auditor, the Committee reviewed:

- the Auditor's audit strategy for the year to 31 May 2024 which included a report from the Auditor describing their arrangements to manage Auditor independence and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditor. There were no non-audit fees paid to the external Auditor in the year to 31 May 2024 or the year to 31 May 2023.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

- the Auditor's fulfilment of the agreed audit plan;
- the Audit Quality Inspection report on Ernst & Young LLP issued by the FRC's Audit Quality Review team ('AQRT'); and
- detailed discussion with audit personnel to challenge audit processes and deliverables.

Non-audit service requests are considered on a case by case basis.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

- the Auditor's engagement letter;
- the Auditor's proposed audit strategy;
- the audit fee; and
- a report from the Auditor on the conclusion of the audit.

Ernst & Young LLP was appointed as the Company's Auditor, by the Directors, in October 2023. The audit partner responsible for the audit is to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Mr Ahmer Huda, the current audit partner, will continue as audit partner until the conclusion of the 2028 audit. Ernst & Young LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review described above, the Committee is satisfied that the Auditor has remained independent and effective for the purposes of this year's audit.

There are no contractual obligations restricting the Committee's choice of external Auditor.

Audit tender

The Committee acknowledges its responsibility to monitor and, at suitable junctures, to test the external audit market in order to ensure that the provision of external audit services to the Company remains of a high quality as well as cost proportionate, by reference to developing industry practice and expectations. The Committee is aware that the scope, complexity and associated cost of external audit engagements continues to increase across the market, driven by a number of factors including growing regulatory expectations, new auditing standards, the significant volume of work required to deliver a high-quality audit and a challenging audit labour market.

Following the audit tender process conducted during the year to 31 May 2023, the Board unanimously decided to appoint Ernst & Young LLP as Auditor with effect from the audit of the Financial Statements for the year to 31 May 2024.

In recognition of underlying audit rotation requirements, the Committee intends to undertake a further tender process no later than the year to 31 May 2033.

Regulatory compliance

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external Auditor and the setting of policy on the provision of non-audit services.

Accountability and audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 80 and 81.

On behalf of the Board
Graham Paterson
Audit Committee Chair
21 August 2024

Directors' remuneration report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chair

The Directors' remuneration policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The remuneration policy, which is set out below, was last approved at the Annual General Meeting in September 2022 and no changes to the policy are proposed. An ordinary resolution for the approval of the remuneration policy will be put to the members at the Annual General Meeting in September 2025.

For the year to 31 May 2024 the Directors' remuneration was set at £30,755 per annum for each Director other than the Chair, who received an additional £11,665 per annum, Chair of the Audit Committee, who received an additional £7,000 per annum, and the Senior Independent Director who received an additional £1,590 per annum.

The Board reviewed the level of fees during the year and agreed that, with effect from 1 June 2024 the fee for the Chair would increase to £43,777, the Directors' fees would increase to £31,739, the additional fee for the Chair of the Audit Committee would increase to £7,224 and the additional fee for the Senior Independent Director would increase to £1,641. The fees were last increased on 1 June 2023.

Directors' remuneration policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration. Baillie Gifford & Co Limited, the Company Secretaries, provides comparative information when the Board considers the level of Directors' fees.

Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and there are no long-term incentive schemes or pension schemes. There is no notice period and no compensation is payable on loss of office.

Limits on Directors' remuneration

The fees for the non-executive Directors are payable monthly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £300,000 per annum in aggregate. Any change to this limit requires shareholder approval.

The basic and additional fees payable to Directors in respect of the year ended 31 May 2024 and the fees payable in respect of the year ending 31 May 2025 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for the year ending 31 May 2025 £	**Fees for the year ended 31 May 2024 £**
Chair's fee	43,777	42,420
Non-executive Director fee	31,739	30,755
Additional fee for Audit Committee Chair	7,224	7,000
Additional fee for the Senior Independent Director	1,641	1,590
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' remuneration policy, as set out in the Company's Articles of Association	300,000	300,000

Directors' remuneration for the year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	For the year ended 31 May 2024 Fees £	Taxable benefits * £	Total £	For the year ended 31 May 2023 Fees £	Taxable benefits * £	Total £
TJW Burnet (Chair)	42,420	–	42,420	40,400	–	40,400
GD Paterson (Audit Committee Chair)	37,755	–	37,755	34,340	–	34,340
SP Inglis (Senior Independent Director)	32,345	–	32,345	30,805	77	30,882
CRD van der Kuyl	30,755	–	30,755	29,290	157	29,447
RL Palmer	30,755	4,782	35,537	29,290	6,288	35,578
	174,030	4,782	178,812	164,125	6,522	170,647

* Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings held at the offices of Baillie Gifford & Co Limited, the Company's Secretaries. These amounts have been grossed up for income tax. The taxable benefits in the prior year were grossed up for income tax and national insurance. The total taxable benefits payable to Directors for the year ended 31 May 2023 would have been £6,039 if prepared on the same basis as the current year.

Annual report on remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in Ernst & Young LLP's report on pages 83 to 89.

Directors' interests (audited)

The Directors at the financial year end, and their interests in the Company, were as shown below. There have been no changes intimated in the Directors' interests up to 16 August 2024.

Name	Nature of interest	Ordinary 1p shares held at 31 May 2024	Ordinary 1p shares held at 31 May 2023
TJW Burnet	Beneficial	126,040	126,040
SP Inglis	Beneficial	50,000	50,000
GD Paterson	Beneficial	80,000	80,000
CRD van der Kuyl	Beneficial	285,314	285,314
RL Palmer	n/a	–	–

Annual percentage change in remuneration

This represents the annual percentage change in the total remuneration paid to the Directors.

Name	% change from 2023 to 2024	% change from 2022 to 2023	% change from 2021 to 2022	% change from 2020 to 2021
TJW Burnet	5.0	1.0	15.9	–
SP Inglis	4.7	1.3	24.5 #	–
GD Paterson	9.9	1.0	17.2	–
CRD van der Kuyl (appointed 1 June 2021)	4.4	1.5	– *	n/a
RL Palmer (appointed 1 June 2021)	(0.1)	11.7	– *	n/a

* These percentage movements reflect the Directors' appointments in the period.

When the Board reviewed the level of fees during the year to 31 May 2021 an additional fee of £1,500 for the Senior Independent Director was introduced for the first time. In addition to this, Director fees were increased from £24,500 to £29,000 due to the increase in private company holdings.

Statement of voting at Annual General Meeting

At the Annual General Meeting held on 16 September 2022 of the proxy votes received in respect of the Directors' remuneration policy, 99.77% were in favour, 0.20% were against and votes withheld were 0.03%. At the Annual General Meeting held on 18 September 2023, of the proxy votes received in respect of the Directors' remuneration report, 99.66% were in favour, 0.28% were against and votes withheld were 0.06%.

Relative importance of spend on pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The Directors' remuneration for the year and the expected fees for the year to 31 May 2025 are set out on page 77. The table below shows the actual expenditure during the year in relation to Directors' remuneration and distributions to shareholders.

	2024 £'000	2023 £'000	Change %
Directors' remuneration	179	171	4.7
Share buy-backs	14,550	–	n/a

Directors' service details

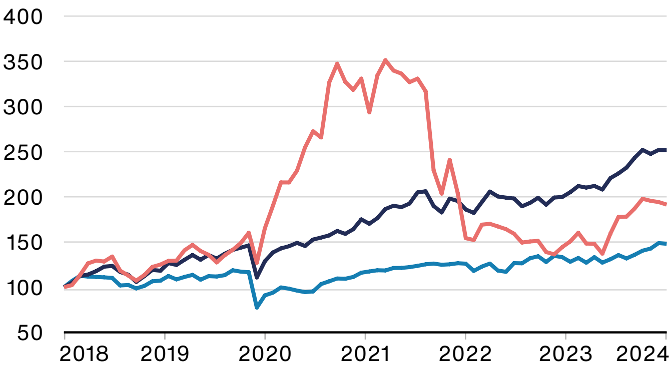
Name	Date of appointment	Due date for re-election
TJW Burnet	5 March 2018	AGM in 2024
SP Inglis	5 March 2018	AGM in 2024
CRD van der Kuyl	1 June 2021	AGM in 2024
RL Palmer	1 June 2021	AGM in 2024
GD Paterson	5 March 2018	AGM in 2024

Company performance

The following graph compares, for the period from 23 March 2018, launch date and first trade date, to 31 May 2024, the share price total return (assuming all dividends are reinvested) to the Company's ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies. Comparative index provided for information purposes only.

Performance graph

The Company's share price, FTSE All-Share Index and comparative index*
(figures have been rebased to 100 at 23 March 2018)



BG US Growth share price
Comparative index*
FTSE All-Share Index

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 120.

All figures are total returns (see Glossary of terms and alternative performance measures on pages 124 to 127).

*S&P 500 Index total return (in sterling terms). See disclaimer on page 120.

Past performance is not a guide to future performance.

Approval

The Directors' remuneration report on pages 76 to 79 was approved by the Board of Directors and signed on its behalf on 21 August 2024.

Tom Burnet
Chair

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, a Directors' remuneration report and a Corporate governance statement that complies with that law and those regulations.

The Directors have delegated responsibility to the Managers for the maintenance and integrity of the corporate and financial information included on the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that, to the best of our knowledge:

- the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
Tom Burnet
21 August 2024

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

- The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the Auditors does not involve consideration of these matters and accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial report

The Financial Statements for the year to 31 May 2024 are set out on pages 90 to 111 and have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Independent Auditor's report

to the members of Baillie Gifford US Growth Trust plc

Opinion

We have audited the financial statements of Baillie Gifford US Growth Trust plc (the 'Company) for the year ended 31 May 2024 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and the related notes 1 to 17, including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 May 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment. We considered whether the factors taken account of in the Directors' assessment addressed those matters which we considered important.
- Inspecting the Directors' assessment of going concern, including the revenue forecast, for the period to 21 August 2025 which is at least 12 months from the date the financial statements were authorised for issue. The Company has concluded that it is able to continue to meet its financial obligations as they fall due.
- Reviewing the factors and assumptions applied to the Company's forecast, liquidity review and covenant compliance assessment as prepared by the Company Secretary. We considered the appropriateness of the methods, used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.

- Assessing the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We calculated and reviewed the Company's compliance with debt covenants throughout the year, validated the inputs used to the underlying information and we performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Considering the mitigating factors that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- Reviewing the Company's going concern disclosures included in the annual report to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 21 August 2025, which is at least 12 months from the approval of these financial statements on 21 August 2024.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incorrect valuation or ownership of the investment portfolio • Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement
Materiality	• Overall materiality of £6.44m which represents 1% of shareholders' funds

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team which included our valuation specialists.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that climate problems may impact investee company valuations and in turn the Company's own share price. This is explained on page 49 in the principal and emerging risks section, which form part of the "Other information", rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially consistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in Note 1a and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS 102. Unquoted investments are valued with reference to recent transaction prices, market approaches using comparable trading multiples and benchmark performance and therefore are reflective of market participants views. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 74 in the report of the Audit Committee and as per the accounting policy set out on page 95). The valuation of the investment portfolio at 31 May 2024 was £678.23m (2023: £605.91m) consisting of quoted investments with an aggregate value of £447.04m (2023: £396.27m) and unquoted investments with an aggregate value of £231.19m (2023: £209.64m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of quoted investments is determined by reference to bid value or the last traded price depending on the convention of the exchange on which the investment is quoted. Unquoted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Baillie Gifford private company valuations group ('the valuation group'). The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation ('IPEV') guidelines and FRS 102. The valuation of unquoted investments, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements and has been classified as an area of fraud risk as highlighted below on page 88.	**We performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding legal title and pricing of quoted and unquoted investments by performing walkthrough procedures in which we evaluated the design of controls. For all quoted investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We reviewed the prices for all quoted investments in the portfolio near the year end of the Company to identify any stale prices. Our testing of quoted investments did not identify any prices for which there was no active market. For the unquoted investments held as at 31 May 2024 the audit team, with the assistance of our valuation specialists, reviewed and challenged a sample of the the valuations. This included: • Reviewing the valuation papers prepared by the valuation group to gain an understanding of, and comment on, the valuation methodologies and assumptions. • We have assessed the competence, capability and objectivity of the valuations group. • Discussing the unquoted valuations with the valuations group to understand their valuation approach and a follow up meeting to challenge certain areas of their approach, documentation and valuation conclusions. • Assessing whether the valuations have been performed in line with the valuation approaches as set out in the International Private Equity and Venture Capital ('IPEV') guidelines and FRS 102. • Assessing the appropriateness of the data inputs (including supporting evidence) and challenging the assumptions used to support the valuations. • Assessing other facts and circumstances, such as market movement and comparative company information, that have an impact on the fair market value of the investments and assessing whether managements, valuation is reasonable. We recalculated the unrealised gains/(losses) on investments as at the year-end using the book-cost reconciliation. We compared the Company's investment holdings at 31 May 2024 to independent confirmations received directly from the Company's Custodian or from the investee company.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (per the Audit Committee report set out on page 74 and the accounting policy set out on page 96). The total revenue for the year to 31 May 2024 was £0.60m (2023: £0.85m). There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. When received, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement and has been classified as an area of fraud risk as highlighted below on page 88.	**We have performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding revenue recognition performing walkthrough procedures. For all dividends, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source. To test completeness of recorded income, we tested that dividends had been recorded for a sample of investee companies with reference to investee company announcements obtained from an independent data vendor. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 31 May 2024. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements. For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify any which were 'special'. We confirmed there were no special dividends in the accounting period.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition.

In the prior year, the predecessor did not include a key audit matter on revenue recognition or the valuation of quoted assets but did include a key audit matter on unlisted investments. There have been no other changes to the areas of audit focus raised in the above risk table.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £6.44 million, which is 1% of shareholders' funds. We believe that shareholders' funds provides us with a materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% of our planning materiality, namely £4.83m. We have set performance materiality at this percentage due to our experience of working in prior years with the key service providers that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have applied a separate testing threshold for the revenue column of the Income Statement of £0.32m, being our reporting threshold.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.32m (2023 predecessor auditor: £0.31m) which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 71;
- Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 53;
- Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 71;
- Directors' statement on fair, balanced and understandable set out on pages 80 and 81;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 48 to 52;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 70 and 71; and
- the section describing the work of the Audit Committee set out on page 73.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 80, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the UK Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Corporate Governance Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. We also identified a fraud risk with respect to the incorrect valuation of the unquoted investments and the resultant impact on unrealised gains/(losses). Further discussion of our approach is set out in the section on key audit matters above which include our response to the fraud risks and other areas of audit focus.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters we are required to address

Following the recommendation from the Audit Committee, we were appointed by the Company to audit the financial statements for the year ending 31 May 2024 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 1 year, covering the year ending 31 May 2024.

The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ahmer Huda (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
21 August 2024

Income statement

For the year ended 31 May

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Gains/(losses) on investments	9	–	95,288	**95,288**	–	(10,169)	**(10,169)**
Currency gains/(losses)	15	–	878	**878**	–	(700)	**(700)**
Income	2	603	–	**603**	850	–	**850**
Investment management fee	3	(3,581)	–	**(3,581)**	(3,345)	–	**(3,345)**
Other administrative expenses	4	(726)	–	**(726)**	(670)	–	**(670)**
Net return before finance costs and taxation		**(3,704)**	**96,166**	**92,462**	**(3,165)**	**(10,869)**	**(14,034)**
Finance costs of borrowings	5	(2,528)	–	**(2,528)**	(1,482)	–	**(1,482)**
Net return before taxation		**(6,232)**	**96,166**	**89,934**	**(4,647)**	**(10,869)**	**(15,516)**
Tax on ordinary activities	6	(50)	–	**(50)**	(71)	–	**(71)**
Net return after taxation		**(6,282)**	**96,166**	**89,884**	**(4,718)**	**(10,869)**	**(15,587)**
Net return per ordinary share	7	**(2.07p)**	**31.73p**	**29.66p**	**(1.55p)**	**(3.56p)**	**(5.11p)**

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return 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 all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 94 to 111 are an integral part of the Financial Statements.

Balance sheet

As at 31 May

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		678,234		605,908
Current assets					
Debtors	10	605		657	
Cash and cash equivalents	17	6,620		3,440	
		7,225		4,097	
Creditors					
Amounts falling due within one year	11	(41,526)		(41,406)	
Net current liabilities			(34,301)		(37,309)
Net assets			**643,933**		**568,599**
Capital and reserves					
Share capital	12		3,073		3,073
Share premium account	13		250,827		250,827
Special distributable reserve	13		168,942		168,942
Capital reserve	13		247,547		165,931
Revenue reserve	13		(26,456)		(20,174)
Total shareholders' funds			**643,933**		**568,599**
Net asset value per ordinary share*	14		**216.65p**		**186.33p**

The Financial Statements of Baillie Gifford US Growth Trust plc (Company Registration number 11194060) were approved and authorised for issue by the Board and were signed on 21 August 2024.

Tom Burnet
Chair

* Net asset value per ordinary share after deducting borrowings at book value. See Glossary of terms and alternative performance measures on pages 124 to 127.

The accompanying notes on pages 94 to 111 are an integral part of the Financial Statements.

Statement of changes in equity

For the year ended 31 May 2024

	Notes	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 2023		3,073	250,827	168,942	165,931	(20,174)	**568,599**
Ordinary shares bought back into treasury	13	–	–	–	(14,550)	–	**(14,550)**
Net return after taxation		–	–	–	96,166	(6,282)	**89,884**
Shareholders' funds at 31 May 2024		**3,073**	**250,827**	**168,942**	**247,547**	**(26,456)**	**643,933**

For the year ended 31 May 2023

	Notes	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 2022		3,073	250,827	168,942	176,800	(15,456)	**584,186**
Ordinary shares bought back into treasury	13	–	–	–	–	–	**–**
Net return after taxation		–	–	–	(10,869)	(4,718)	**(15,587)**
Shareholders' funds at 31 May 2023		**3,073**	**250,827**	**168,942**	**165,931**	**(20,174)**	**568,599**

The accompanying notes on pages 94 to 111 are an integral part of the Financial Statements.

Cash flow statement

For the year ended 31 May

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Cash flows from operating activities					
Net return before taxation			89,934		(15,516)
Adjustments to reconcile company profit before tax to net cash flow from operating activities					
Net (gains)/losses on investments			(95,288)		10,169
Currency (gains)/losses			(878)		700
Finance costs of borrowings			2,528		1,482
Other capital movements					
Overseas withholding tax incurred			(50)		(71)
Changes in debtors			51		(298)
Changes in creditors			191		(10)
Cash from operations*			(3,512)		(3,544)
Finance costs paid			(2,308)		(1,481)
Net cash outflow from operating activities			**(5,820)**		**(5,025)**
Cash flows from investing activities					
Acquisitions of investments		(95,852)		(63,894)	
Disposals of investments		118,814		69,383	
Net cash inflow from investing activities			**22,962**		**5,489**
Cash flows from financing activities					
Ordinary shares bought back into treasury and stamp duty thereon	13	(13,769)		–	
Bank loans drawn down		20,577		–	
Bank loans repaid		(20,577)		–	
Net cash outflow from financing activities			**(13,769)**		**–**
Increase in cash and cash equivalents			**3,373**		**464**
Exchange movements			(193)		(31)
Cash and cash equivalents at 1 June	15		3,440		3,007
Cash and cash equivalents at 31 May	15		**6,620**		**3,440**

* Cash from operations includes dividends received of £331,000 (2023 – £472,000) and interest received of £35,000 (2023 – £154,000).

The accompanying notes on pages 94 to 111 are an integral part of the Financial Statements.

Notes to the Financial Statements

Baillie Gifford US Growth Trust plc was incorporated under the Companies Act 2006 in England and Wales as a public limited company with registered number 1194060. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust.

01 Principal accounting policies

The Financial Statements for the year to 31 May 2024 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

a. Basis of accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of heightened market volatility due to macroeconomic and geopolitical concerns 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. As at 31 May 2024 the Company had a net current liability of £34.3 million primarily as a result of the two US$25 million revolving credit facilities. 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 Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters set out in the viability statement on page 53 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards, the Association of Investment Companies ('AIC') Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in July 2022 with consequential amendments, except for certain financial information required by paragraph 82(c) regarding unquoted holdings with a value greater than 5% of the portfolio or included in the top 10, where information is not publicly available (see note 9 on page 101). In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

Although the Company invests in US dollar investments, the Directors have determined the Company's functional currency to be sterling, as the Company's share capital is denominated in sterling, the entity is listed on a sterling stock exchange in the UK, the Company's shareholders are predominantly based in the UK and the Company and its Managers, who are subject to the UK's regulatory environment, are also UK based.

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

b. Significant accounting estimates and judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the fair valuation of the unlisted investments.

Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

(i) the determination of the functional currency of the Company as sterling (see rationale in 1a above); and

(ii) the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

(i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines 2022 to each unlisted investment;

(ii) the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used (see 1c below) for determining the fair value of each unlisted investment can have a significant impact upon the valuation;

(iii) the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns; and

(iv) the selection of a revenue metric (either historical or forecast).

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (i.e. for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

(i) the application of an appropriate discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;

(ii) the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;

(iii) the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

(iv) the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other Price Risk Sensitivity in note 17 on pages 106 to 109 to illustrate the effect on the Financial Statements of an over or under estimation of fair values. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

Assumptions

The determination of fair value by the Managers involves key assumptions dependent upon the valuation technique used. As explained in 1c below, the primary technique applied under the IPEV Guidelines is the multiples approach. Where the multiples approach is used the valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate starting point for estimating fair value. The multiples approach involves subjective inputs and therefore presents a greater risk of over or under estimation and particularly in the absence of a recent transaction.

The key assumptions for the multiples approach are that the selection of comparable companies provides a reasonable basis for identifying relationships between enterprise value, revenue and growth to apply in the determination of fair value. Other assumptions include the discount applied for reduced liquidity versus listed peers.

Valuations are cross-checked for reasonableness to alternative market-based approaches or benchmark index movements as appropriate.

c. Investments

The Company's investments are classified, recognised and measured at fair value through profit or loss in accordance with sections 11 and 12 of FRS 102. Changes in fair value of investments and gains and losses on disposal are recognised as capital items in the Income Statement.

Recognition and initial investment

Purchases and sales of investments are accounted for on a trade date basis. Upon initial recognition investments in securities are recognised at fair value, which is transaction value. Expenses incidental to purchase and sale are written off to capital at the time of acquisition or disposal. All investments are classified as valued at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

Measurement and valuation

Listed investments

The fair value of listed security investments is the last traded price on recognised overseas exchanges.

Unlisted investments

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment valuation policy applies techniques consistent with the IPEV Guidelines.

The techniques applied are predominantly market-based approaches. The market-based approaches available under the IPEV guidelines are set out below and are followed by an explanation of how they are applied to the Company's unlisted portfolio:

- Multiples;
- Industry Valuation Benchmarks; and
- Available Market Prices.

The nature of the unlisted portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various market-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the industry valuation benchmarks technique and an absence of observable prices may preclude the available market prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

The unlisted investments are valued according to a three monthly cycle of measurement dates. The fair value of the unlisted investments will be reviewed before the next scheduled three monthly measurement date on the following occasions:

(i) at the year end and half year end of the Company; and

(ii) where there is an indication of a change in fair value as defined in the IPEV Guidelines (commonly referred to as 'trigger' events).

Gains and losses

Gains and losses on investments, including those arising from foreign currency exchange differences, are recognised in the Income Statement as capital items.

The Managers monitor the investment portfolio on a fair value basis and use the fair value basis for investments in making investment decisions and monitoring financial performance.

d. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

e. Financial liabilities

Bank loans are classified as loans and are measured at amortised cost. They are initially recorded at the proceeds received net of direct costs.

f. Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

(ii) If scrip dividends are taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess or shortfall in the value of the shares received over the amount of the cash dividend foregone is recognised as capital.

(iii) Special dividends are treated as repayments of capital or income depending on the facts of each particular case.

(iv) Overseas dividends include the taxes deducted at source.

(v) Interest receivable on bank deposits and underwriting commission are recognised on an accruals basis.

g. Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except where:

(i) they relate directly to the acquisition or disposal of an investment (transaction costs), in which case they are recognised as capital within losses/gains on investments; and

(ii) they relate directly to the buy-back/issuance of shares, in which case they are added to the buy-back cost or deducted from the share issuance proceeds.

h. Finance costs

Finance costs are accounted for on an accruals basis and on an effective interest rate basis and are charged through the revenue account.

i. Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted at the reporting date.

Deferred taxation is provided on an undiscounted basis on all timing differences which have originated but not reversed by the Balance Sheet date, calculated at the tax rates expected to apply when the timing differences reverse, based on what has been enacted or substantially enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

j. Foreign currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or revenue reserve as appropriate. Foreign exchange movements on investments are included in the Income Statement within gains or losses on investments.

k. Special distributable reserve

The special distributable reserve can be used for the repurchase of shares and may be distributed by way of dividend.

l. Capital reserve

Gains and losses on disposal of investments, changes in the fair value of investments held and realised and unrealised foreign exchange differences of a capital nature are dealt with in this reserve after being recognised in the Income Statement. Purchases of the Company's own shares may be funded from this reserve

m. Revenue reserve

The revenue profit or loss for the year is taken to or from this reserve. The revenue reserve, when in surplus, may be distributed by way of a dividend.

n. Single segment reporting

The Company is engaged in a single segment of business, being investment business, consequently no business segmental analysis is provided.

02 Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	536	472
Overseas interest	32	224
	568	**696**
Other income		
Deposit interest	35	154
Total income	**603**	**850**

03 Investment management fee

	2024 £'000	2023 £'000
Investment management fee	**3,581**	**3,345**

Details of the Investment Management Agreement are set out on page 61. The annual management fee is 0.70% on the first £100 million of net assets, 0.55% on the next £900 million of net assets and 0.50% on the remaining net assets. Management fees are calculated and payable quarterly.

04 Other administrative expenses

	2024 £'000	2023 £'000
Directors' fees (see Directors' remuneration report page 78)	174	164
Auditor's remuneration for audit services	158	135
General administrative expenses	198	179
Marketing*	110	84
Custody fees	12	10
Depositary fees	58	82
Registrar fees	16	16
	726	**670**

* The Company is part of a marketing programme which includes all the investment trusts managed by the Managers. The marketing strategy has an ongoing objective to stimulate demand for the Company's shares. The cost of this marketing strategy is borne in partnership by the Company and the Managers. The Managers match the Company's marketing contribution and provide the resource to manage and run the programme.

There were no non-audit fees paid to the external auditor in the year to 31 May 2024 or 2023.

05 Finance costs of borrowings

	2024 £'000	2023 £'000
Interest on bank loans (see note 11)	**2,528**	**1,482**

Finance costs include the initial arrangement fee and non-utilisation fees.

06 Tax

	2024 £'000	2023 £'000
Analysis of charge in year		
Overseas withholding tax	50	71
Factors affecting the tax charge for the year		
The tax charge for the year is higher than the standard rate of corporation tax in the UK of 25% (2023 – 20%). The differences are explained below:		
Net return before taxation	**89,934**	**(15,516)**
Net return before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2023 – 20%)	22,484	(3,103)
Capital returns not taxable	(24,042)	2,174
Overseas dividends not taxable	(134)	(95)
Current year management expenses and non-trade loan relationship deficit not utilised	1,692	1,024
Overseas withholding tax incurred	50	71
Tax charge for the year	**50**	**71**

As an investment trust, the Company's capital gains are not taxable in the United Kingdom.

Factors that may affect future tax charges

At 31 May 2024 the Company had surplus management expenses and losses on non-trading loan relationships of £29,164,000 (2023 – £22,395,000). No deferred tax asset has been recognised in respect of these amounts because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

07 Net return per ordinary share

	2024 Revenue	2024 Capital	2024 Total	2023 Revenue	2023 Capital	2023 Total
Net return after taxation	**(2.07p)**	**31.73p**	**29.66p**	**(1.55p)**	**(3.56p)**	**(5.11p)**

Revenue return per ordinary share is based on the net revenue loss after taxation of £6,282,000 (2023 – net revenue loss after taxation of £4,718,000) and on 303,075,968 (2023 – 305,153,700) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

Capital return per ordinary share is based on the net capital profit for the financial period of £96,166,000 (2023 – net capital loss of £10,869,000) and on 303,075,968 (2023 – 305,153,700) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

Total return per ordinary share is based on the total profit for the financial period of £89,884,000 (2023 – total loss of £15,587,000) and on 303,075,968 (2023 – 305,153,700) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

There are no dilutive or potentially dilutive shares in issue.

08 Ordinary dividends

There are no dividends paid or proposed in respect of the financial year. There is no investment income available for distribution by way of dividend for the year to 31 May 2024 due to the revenue loss of £6,282,000 in the year (2023 – revenue loss of £4,718,000).

09 Fixed assets – investments

As at 31 May 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	447,044	–	–	**447,044**
Unlisted ordinary shares	–	–	38,928	**38,928**
Unlisted preference shares*	–	–	189,986	**189,986**
Unlisted convertible promissory notes	–	–	2,276	**2,276**
Unlisted CVR†	–	–	–	–
Total financial asset investments	**447,044**	**–**	**231,190**	**678,234**

As at 31 May 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	396,272	–	–	**396,272**
Unlisted ordinary shares	–	–	37,307	**37,307**
Unlisted preference shares*	–	–	168,162	**168,162**
Unlisted convertible promissory notes	–	–	4,167	**4,167**
Unlisted CVR†	–	–	–	–
Total financial asset investments	**396,272**	**–**	**209,636**	**605,908**

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

† The Abiomed CVR (see 'Contingent value rights' on page 127 for details) had a fair value of nil at 31 May 2024 and 31 May 2023.

During the year to 31 May 2024 investments with a book cost of £5,725,000 (31 May 2023 – no investments) were transferred from Level 3 to Level 1 on becoming listed. Investments in securities are financial assets held at fair value through profit or loss. In accordance with FRS 102, the tables above provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

Fair value hierarchy

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

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

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

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

The valuation techniques used by the Company are explained in the accounting policies on pages 95 and 96. A sensitivity analysis by valuation technique of the unlisted securities is given on pages 106 to 109.

09 Fixed assets – investments (continued)

	Listed securities £'000	Unlisted securities* £'000	2024 Total £'000	2023 Total £'000
Cost of investments at start of year	376,349	203,001	**579,350**	**608,422**
Investment holding gains at start of year	19,923	6,635	**26,558**	**13,165**
Value of investments at start of year	**396,272**	**209,636**	**605,908**	**621,587**
Movements in year:				
Purchases at cost	87,608	8,244	**95,852**	**63,894**
Sales – proceeds received	(118,814)	–	**(118,814)**	**(69,383)**
– realised losses on sales	(15,089)	(8,010)†	**(23,099)**	**(23,583)**
Gains on investments	91,342	27,045	**118,387**	**13,393**
Change in categorisation#	5,725	(5,725)	–	–
Value of investments at end of year	**447,044**	**231,190**	**678,234**	**605,908**
Cost of investments at end of year	335,779	197,510	**533,289**	**579,350**
Investment holding gains at end of year	111,265	33,680	**144,945**	**26,558**
Value of investments at end of year	**447,044**	**231,190**	**678,234**	**605,908**

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

† Loss arose from the investment in Convoy which was written off in the period subsequent to the company ceasing operations.

During the year to 31 May 2024 investments with a book cost of £5,725,000 and fair value of £6,314,000 (31 May 2023 – no investments) were transferred from Level 3 to Level 1 on becoming listed.

The Company received £118,814,000 from investments sold in the year (2023 – £69,383,000). The book cost of these investments when they were purchased was £141,913,000 (2023 – £92,966,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs of £21,000 (2023 – £12,000) and £28,000 (2023 – £14,0000) were suffered on purchases and sales respectively.

	2024 £'000	2023 £'000
Net gains/(losses) on investments		
Losses on sales*	(23,099)	(23,583)
Changes in investment holding gains	118,387	13,393
Provision for Stripe put right	–	21
	95,288	**(10,169)**

* Includes losses on Convoy which was written off in the period subsequent to the company ceasing operations. The holdings in Convoy had a book cost of £8,010,000 when written off.

09 Fixed assets – investments (continued)

Significant holdings

Details of significant holdings are noted below in accordance with the disclosure requirements of paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in July 2022), in relation to unlisted investments included in the twenty largest holdings within the list of investments disclosed on pages 41 to 44. As required, this disclosure includes turnover, pre-tax profits and net assets attributable to investors as reported within the most recently audited financial statements of the investee companies, where possible.

As at 31 May 2024

Name	Business	Latest financial statements	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover £'000	Pre-tax profit/ (loss) £'000	Net assets attributable to shareholders £'000
Space Exploration Technologies	Rocket and spacecraft company	n/a	11,225	51,864	Nil	Information not publicly available*		
Stripe	Online payment platform	n/a	25,463	32,007	Nil	Information not publicly available*		
Brex	Corporate credit cards for start-ups	n/a	14,536	20,666	Nil	Information not publicly available*		
Zipline	Drone-based medical delivery	n/a	6,131	14,779	Nil	Information not publicly available*		
Faire Wholesale	Online wholesale marketplace	n/a	17,699	13,085	Nil	Information not publicly available*		
Databricks	Data and AI platform	n/a	10,140	12,082	Nil	Information not publicly available*		

As at 31 May 2023

Name	Business	Latest financial statements	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover £'000	Pre-tax profit/ (loss) £'000	Net assets attributable to shareholders £'000
Space Exploration Technologies	Rocket and spacecraft company	n/a	11,225	39,220	Nil	Information not publicly available*		
Stripe	Online payment platform	n/a	25,463	25,681	Nil	Information not publicly available*		
Brex	Corporate credit cards for start-ups	n/a	14,536	15,624	Nil	Information not publicly available*		
Zipline	Drone-based medical delivery	n/a	6,131	14,548	Nil	Information not publicly available*		
Faire Wholesale	Online wholesale marketplace	n/a	17,699	13,449	Nil	Information not publicly available*		
Discord	Communication software	n/a	11,551	11,006	Nil	Information not publicly available*		

* Confidentiality agreements prevent the disclosure of this information.

10 Debtors

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Income accrued (net of withholding taxes)	427	472
Other debtors and prepayments	178	185
	605	**657**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value. There are no debtors that were past due or impaired at 31 May 2024 or 31 May 2023.

11 Creditors – amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans	39,271	40,342
Investment management fee	923	819
Other creditors and accruals	560	245
Buyback payable	772	–
	41,526	**41,406**

Borrowing facilities

The US$25 million five-year revolving credit facility with ING Bank N.V., London Branch matured on 31 July 2023 and was refinanced with a new unsecured US$25 million three-year revolving credit facility from ING Bank N.V., London Branch on 26 July 2023. At 31 May 2024 there were drawings of US$25 million at an interest rate of 7.01% (2023 – US$25 million at an interest rate of 6.87%). The US$25 million three-year fixed rate facility with ING Bank N.V., London Branch matured on 23 October 2023 and was refinanced with a new unsecured US$25 million three-year revolving credit facility, from The Royal Bank of Scotland International Limited, on 18 October 2023. At 31 May 2024 there were drawings of US$25 million at an interest rate of 6.61% (2023 – US$25 million at an interest rate of 1.90%).

The main covenants relating to the loans are that borrowings should not exceed 30% of the Company's adjusted net asset value or adjusted portfolio value and the Company's minimum adjusted net asset value or adjusted portfolio value shall be £140 million. The adjusted net asset value and adjusted portfolio value calculations include the deduction of 100% of the value of any unlisted securities. There were no breaches in the loan covenants during the year to 31 May 2024 (31 May 2023 – none).

12 Share capital

	2024 Number	2024 £'000	2023 Number	2023 £'000
Allotted, called up and fully paid ordinary shares of 1p each	297,228,700	2,972	305,153,700	3,051
Treasury shares of 1p each	10,131,300	101	2,206,300	22
	307,360,000	**3,073**	**307,360,000**	**3,073**

In the year to 31 May 2024, the Company issued no shares (2023 – nil).

Over the period from 1 June 2024 to 16 August 2024 the Company has issued no 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 18 September 2023. In the year to 31 May 2024, 7,925,000 shares with a nominal value of £79,250 were bought back at a total cost of £14,550,000 and held in treasury (2023 – nil). At 31 May 2024 the Company had authority to buy back 37,817,539 ordinary shares.

Over the period from 1 June 2024 to 16 August 2024 the Company bought back 1,950,000 shares.

13 Capital and reserves

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 31 May 2023	3,073	250,827	168,942	165,931	(20,174)	**568,599**
Net loss on sales of investments	–	–	–	(23,099)	–	**(23,099)**
Changes in investment holding gains	–	–	–	118,387	–	**118,387**
Exchange differences on bank loans	–	–	–	1,071	–	**1,071**
Other exchange differences	–	–	–	(193)	–	**(193)**
Ordinary shares bought back into treasury	–	–	–	(14,550)	–	**(14,550)**
Revenue return after taxation	–	–	–	–	(6,282)	**(6,282)**
At 31 May 2024	**3,073**	**250,827**	**168,942**	**247,547**	**(26,456)**	**643,933**

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 31 May 2022	3,073	250,827	168,942	176,800	(15,456)	**584,186**
Net loss on sales of investments	–	–	–	(23,583)	–	**(23,583)**
Changes in investment holding gains	–	–	–	13,393	–	**13,393**
Provision for Stripe put right released	–	–	–	21	–	**21**
Exchange differences on bank loans	–	–	–	(669)	–	**(669)**
Other exchange differences	–	–	–	(31)	–	**(31)**
Revenue return after taxation	–	–	–	–	(4,718)	**(4,718)**
At 31 May 2023	**3,073**	**250,827**	**168,942**	**165,931**	**(20,174)**	**568,599**

The capital reserve includes investment holding gains on fixed asset investments of £144,945,000 (2023 – gains of £26,558,000) as disclosed in note 9.

The revenue reserve, the capital reserve (to the extent it constitutes realised profits) and the special distributable reserve may be distributed by way of dividend.

The special distributable reserve and the capital reserve can be used for the repurchase of shares.

14 Net asset value per ordinary share

The net asset value per ordinary share and the net asset value attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2024	2023	2024 £'000	2023 £'000
Shareholders' funds	**216.65p**	**186.33p**	**643,933**	**568,599**

The movements during the period of the assets attributable to the ordinary shares are shown in note 13.

Net asset value per ordinary share is based on the net assets as shown above and on 297,228,700 (2023 – 305,153,700) ordinary shares, being the number of ordinary shares in issue (excluding treasury shares) at 31 May 2024 and 31 May 2023 respectively.

15 Analysis of change in net debt

	At 31 May 2023 £'000	Cash flows £'000	Exchange movement £'000	At 31 May 2024 £'00
Cash and cash equivalents	3,440	3,373	(193)	**6,620**
Loans due within one year	(40,342)	–	1,071	**(39,271)**
	(36,902)	**3,373**	**878**	**(32,651)**

16 Transactions with related parties and the Managers and Secretaries

The Directors' fees and shareholdings are detailed in the Directors' remuneration report on pages 76 to 79. No Director has a contract of service with the Company. During the period no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Baillie Gifford & Co Limited has been appointed as the Company's Alternative Investment Fund Managers and Company Secretaries. Details of the terms of the Investment Management Agreement are set out on page 61 and details of the fees during the period and the balance outstanding at the period end are shown in notes 3 and 11 respectively.

17 Financial instruments

As an investment trust, the Company invests in listed and unlisted securities and makes other investments so as to achieve its investment objective of maximising capital appreciation from a focussed and actively managed portfolio of investments predominantly in listed and unlisted US companies. The Company may borrow money when the Board and Managers have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise short-term volatility. Risk provides the potential for both losses and gains. In assessing risk, the Board encourages the Managers to exploit the opportunities that risk affords.

The risk management policies and procedures outlined in this note have not changed significantly from the previous accounting period.

Market risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis.

Details of the Company's investment portfolio are shown in note 9. The Company may, from time to time, enter into derivative transactions to hedge specific market, currency or interest rate risk. In the year to 31 May 2024 and the year to 31 May 2023 no such transactions were entered into. The Company's Managers may not enter into derivative transactions without the prior approval of the Board.

i. Currency risk

The Company's assets, liabilities and income are principally denominated in US dollars. The Company's functional currency and presentational currency is sterling. Consequently, movements in the US dollar/sterling exchange rate will affect the sterling value of those items.

The Managers monitor the Company's US dollar exposure (and any other overseas currency exposure) and report to the Board on a regular basis. The Managers assess the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

US dollar borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

17 Financial instruments (continued)

i. Currency risk (continued)

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

At 31 May 2024	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors* £'000	Net exposure £'000
US dollar	678,234	6,237	(39,271)	171	645,371
Total exposure to currency risk	**678,234**	**6,237**	**(39,271)**	**171**	**645,371**
Sterling	–	383	–	(1,821)	(1,438)
	678,234	**6,620**	**(39,271)**	**(1,650)**	**643,933**

* Includes non-monetary assets of £172,000.

At 31 May 2023	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors* £'000	Net exposure £'000
US dollar	605,908	3,074	(40,342)	(556)	568,084
Total exposure to currency risk	**605,908**	**3,074**	**(40,342)**	**(556)**	**568,084**
Sterling	–	366	–	149	515
	605,908	**3,440**	**(40,342)**	**(407)**	**568,599**

* Includes non-monetary assets of £172,000.

Currency risk sensitivity

At 31 May 2024, if sterling had strengthened by 5% against the US dollar, with all other variables held constant, total net assets and total return would have decreased by £32,269,000 (2023 – £28,404,000). A 5% weakening of sterling against the US dollar, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The analysis is performed on the same basis as it was for 2023.

A change of 5% in foreign currency rates has been considered to be a reasonably plausible change.

ii. Interest rate risk

Interest rate movements may affect directly the level of income receivable on cash deposits and the interest payable on any variable rate borrowings.

They may also impact upon the market value of investments as the effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering into borrowing agreements.

The Board reviews on a regular basis the amount of investments in cash.

The Company finances part of its activities through borrowings within approved levels. The amount of any such borrowings and the approved levels are monitored and reviewed regularly by the Board.

The interest rate risk profile of the Company's financial assets and liabilities at 31 May 2024 and 31 May 2023 are shown below.

Financial assets

	2024 Fair value £'000	2024 Weighted average interest rate	2024 Weighted average period until maturity	2023 Fair value £'000	2023 Weighted average interest rate	2023 Weighted average period until maturity
Cash						
US dollar	6,237	2.2%	n/a	3,074	2.3%	n/a
Sterling	383	1.0%	n/a	366	1.1%	n/a
	6,620			**3,440**		

The cash deposits generally comprise overnight call or short-term money market deposits and earn interest at floating rates based on prevailing bank base rates. The table above does not include interest bearing investments because these investments have fixed interest rates and therefore are not subject to interest rate sensitivity.

17 Financial instruments (continued)

Financial liabilities

	2024 Book value £'000	2024 Weighted average interest rate	2024 Weighted average period until maturity*	2023 Book value £'000	2023 Weighted average interest rate	2023 Weighted average period until maturity*
Bank loans						
Floating rate – US$ denominated	39,271	6.8%	826 days	20,171	5.2%	61 days
Fixed rate – US$ denominated	–	–	–	20,171	1.9%	145 days
	39,271			**40,342**		

* Based on expected maturity date. The three-year floating rate facilities are rolled forward on a three-monthly basis. The amount drawn down over the term of the facilities is reviewed at every roll forward date.

Interest rate risk sensitivity

An increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Company's total net assets and total return for the year ended 31 May 2024 by £307,000 (2023 – decreased by £146,000). This is due to the Company's exposure to interest rates on its revolving floating rate bank loans and cash balances. A decrease of 100 basis points would have had an equal but opposite effect.

iii. Other price risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Managers. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment portfolio positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the comparative index. Investments are selected based upon the merit of individual companies and therefore performance may well diverge from the comparative index.

Other price risk sensitivity

A full list of the Company's investments is given on pages 41 to 44. In addition, an analysis of the investment portfolio by broad industrial or commercial sector is shown on page 32.

69.4% (2023 – 69.7%) of the Company's net assets are invested in quoted equities. A 5% increase in quoted equity valuations at 31 May 2024 would have increased total assets and total return by £22,352,000 (2023 – £19,814,000). A decrease of 5% would have had an equal but opposite effect.

35.9% (2023 – 36.7%) of the Company's net assets are invested in private company investments. The fair valuation of the private company investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1b on pages 94 and 95).

17 Financial instruments (continued)

iii. Other price risk (continued)

Other price risk sensitivity (continued)

The private company sensitivity analysis below recognises that the valuation methodologies employed involve different levels of subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs as it involves more significant subjective estimation than the recent transaction method. The inputs have been flexed by +/-10%. The table also provides the range of values for the key unobservable inputs.

As at 31 May 2024	**Significant unobservable inputs***						
Valuation technique	**Fair value of investments £'000**	**Key unobservable inputs**	**Other unobservable inputs†**	**Range**	**Weighted average range#**	**Sensitivity %**	**Sensitivity to changes in significant unobservable inputs**
Recent transaction price	119,699	n/a^	a,b	n/a	n/a	10.0%	If the recent transaction price changed by +/- 10%, the fair value would change by £11,896,255 and -£11,593,406.
Benchmark performance	86,637	Selection of comparable companies and relevant indices‡	a,b,c,f	(26.0%) – 15.8%	(0.7%)	10.0%	If input comparable company performance changed by +/- 10%, the fair value would change by £7,117,989 and -£6,908,997.
Market approach using comparable trading multiples	24,854	EV/LTM revenue multiple¶	a,b,c,d	1.6x – 8.1x	5.6x	10.0%	If EV/LTM multiples changed by +/- 10%, the fair value would change by £1,878,772 and -£1,838,372.
		EV/NTM revenue multiple§	a,b,c,d	6.9x	6.9x	10.0%	If EV/NTM multiples changed by +/- 10%, the fair value would change by £221,252 and -£221,232.
		Illiquidity discount	e	(10.0%)	(10.0%)	10.0%	If the illiquidity discount is changed by -/+ 10%, the fair value would change by £219,574 and -£191,262.
		Transaction implied premiums and discounts	g	(49.7%)	(49.7%)	10.0%	If a +/- 10% adjustment is applied to the calculated premiums and discounts, the fair value would change by £133,781 and -£120,733.

† See explanation of significant unobservable inputs on page 109 (sections 'a' to 'g' as relevant).

\# Weighted average is calculated by reference to the fair value of holdings as at the respective year end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

‡ See explanation for the selection of comparable companies on page 109, section 'c'. The percentage movements reflect the movement in overall company value for the basket of comparable companies relevant to each holding since the most recent transaction or since the last assessed.

¶ Enterprise value (EV) divided by the last twelve months (LTM) revenue.

§ Enterprise value (EV) divided by the next twelve months (NTM) forecast revenue.

^ Whilst a recent transaction price may be the most appropriate basis for a valuation, it will be corroborated by other techniques which factor in the unobservable inputs noted in the above table. However, the transaction price itself is observable.

* Significant unobservable inputs
The unobservable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key unobservable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1b on pages 94 and 95.

17 Financial instruments (continued)

As at 31 May 2023 Valuation technique	Fair value of investments £'000	Key unobservable inputs	Other unobservable inputs†	Range	Weighted average range#	Sensitivity %	Sensitivity to changes in significant unobservable inputs
	Significant unobservable inputs*						
Recent transaction price	95,711	n/a^	a,b	n/a	n/a	n/a	n/a
Benchmark performance	83,399	Selection of comparable companies and relevant indices‡	a,b,c,f	(36.3%)–21.2%	(9.8%)	10.0%	If input comparable company performance changed by +/-10%, the fair value would change by £5,463,779 and -£5,331,196.
Market approach using comparable trading multiples	30,526	EV/LTM revenue multiple¶	a,b,c,d	1.9x–6.9x	4.8x	10.0%	If EV/LTM multiples changed by +/-10%, the fair value would change by £1,418,080 and -£1,390,974.
		EV/NTM revenue multiple§	a,b,c,d	4.4x–4.9x	4.6x	10.0%	If EV/NTM multiples changed by +/-10%, the fair value would change by £715,920 and -£715,110.
		Illiquidity discount	e	(10.0%)	(10.0%)	10.0%	If the transaction implied premium/discount is changed by -/+ 10%, the fair value would change by £241,009 and -£237,884.
		Transaction implied premiums and discounts**	g	n/a	n/a	n/a	n/a

† See explanation of significant unobservable inputs on page 109 (sections 'a' to 'g' as relevant).

Weighted average is calculated by reference to the fair value of holdings as at the respective year end. This therefore gives a clearer indication of the typical multiple or adjustment being applied across the portfolio.

‡ See explanation for the selection of comparable companies on page 109, section 'c'. The percentage movements reflect the movement in overall company value for the basket of comparable companies relevant to each holding since the most recent transaction or since the last assessed.

¶ Enterprise value (EV) divided by the last twelve months (LTM) revenue.

§ Enterprise value (EV) divided by the next twelve months (NTM) forecast revenue.

^ Whilst a recent transaction price may be the most appropriate basis for a valuation, it will be corroborated by other techniques which factor in the unobservable inputs noted in the above table. However, the transaction price itself is observable.

** Due to fewer transactions in the last 12 months and to avoid stale valuations, there were no transaction implied premiums or discounts directly impacting the valuations.

* Significant unobservable inputs
The unobservable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key unobservable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(b) on pages 94 and 95.

17 Financial instruments (continued)

a. *Application of valuation basis*

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

b. *Probability estimation of liquidation events*

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the transaction-based and multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario. The Company typically invests in higher ranking preference shares which carry more protection, and this can therefore influence the end valuation. Option pricing models are used to corroborate the valuations where there has been more notable company underperformance to ensure that the economic reality of the shares held by Baillie Gifford US Growth remain appropriate.

c. *Selection of comparable companies*

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between four and ten comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified.
The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in.

d. *Estimated sustainable earnings*

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

e. *Application of liquidity discount*

The application of an illiquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration (see 'g' below) is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

f. *Selection of appropriate benchmarks*

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison where applicable.

g. *Transaction implied premium and discount*

Where there is an implied company valuation available as a result of an external arm's length transaction, the ongoing valuation will be calibrated to this by deriving a company valuation with reference to the average multiple from a set of comparable companies and comparing this to a transaction implied valuation, and could result in an implied premium or discount compared to comparable companies at the point of transaction. This discount or premium will be considered in future valuations, and may be reduced due to factors such as period of time since the transaction and company performance. Where a calibrated approach is not appropriate, a discount for illiquidity will be applied as noted in 'e' above.

17 Financial instruments (continued)

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. 65.2% of the Company's total assets as at 31 May 2024 were investments in quoted securities that are readily realisable mitigating liquidity risk. The Board provides guidance to the Managers as to the maximum exposure to any one holding and to the maximum aggregate exposure to substantial holdings.

The Company has the power to take out borrowings, which give it access to additional funding when required. The Company's current borrowing facilities are detailed in note 11. Under the terms of the borrowing facility, borrowings are repayable on demand at their current carrying value.

Credit risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

(i) where the Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;

(ii) the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Managers monitor the Company's risk by reviewing the Custodian's internal control reports and reporting its findings to the Board;

(iii) investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;

(iv) the creditworthiness of the counterparty to transactions involving derivatives, structured notes and other arrangements, wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Managers; and

(v) cash is only held at banks that are regularly reviewed by the Managers. At 31 May 2024 and 31 May 2023 all cash deposits were held with the Custodian bank.

The Company owns a number of unquoted preference share securities. Some of these may have been classified as debt by the issuer. There are no material amounts past due in relation to these securities. As these instruments (alongside the ordinary share securities) have been recognised at fair value through profit and loss, the fair value takes into account credit, market and other price risk.

Credit risk exposure

The maximum exposure to credit risk at 31 May was:

	2024 £'000	**2023 £'000**
Fixed interest investments	2,276	4,167
Cash and short term deposits	6,620	3,440
Debtors and prepayments	605	657
	9,501	**8,264**

The maximum exposure to cash during the year to 31 May 2024 was £15,196,000 (31 May 2023 – £23,049,000) and the minimum was -£5,015,000 (31 May 2023 – £1,213,000). None of the Company's financial assets are past due or impaired.

17 Financial instruments (continued)

Fair value of financial assets and financial liabilities

The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the Balance Sheet with the exception of long-term borrowings. The fair values of the Company's borrowings are shown below.

	2024 Book value £'000	2024 Fair value £'000	2023 Book value £'000	2023 Fair value £'000
Floating rate multi-currency loan*	39,271	39,271	20,171	20,171
Fixed rate multi-currency loan	–	–	20,171	19,733
	39,271	**39,271**	**40,342**	**39,904**

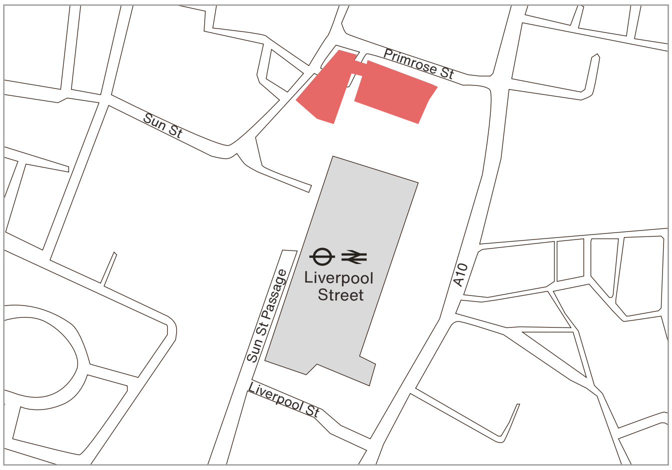
* All short-term floating rate borrowings are stated at book cost which is considered to be equal to their fair value given the facilities are revolving credit facilities.

Capital management

The capital of the Company is its share capital and reserves as set out in notes 12 and 13 together with its borrowings (see note 11). The objective of the Company is to invest predominantly in listed and unlisted US companies in order to achieve capital growth. The Company's investment policy is set out on pages 45 and 46. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 48 to 53. The Company has the authority to issue and buy back its shares and changes to the share capital during the period are set out in notes 12 and 13. The Company does not have any externally imposed capital requirements other than the covenants on its loans which are detailed in note 11.

Shareholder information

Notice of Annual General Meeting



Baillie Gifford™

The Annual General Meeting of the Company will be held at the offices of Herbert Smith Freehills in London (Exchange House, Primrose Street, London, EC2A 2EG) on Friday, 27 September 2024, at 9.00am. You will find directions to the venue by scanning the QR code above.

The Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 9.00am on 25 September 2024. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to **trustenquiries@bailliegifford.com** or call 0800 917 2112. Baillie Gifford may record your call.

Notice is hereby given that the sixth Annual General Meeting of Baillie Gifford US Growth Trust plc (the 'Company') will be held at the offices of Herbert Smith Freehills in London (Exchange House, Primrose Street, London, EC2A 2EG) on Friday, 27 September 2024 at 9.00am for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions.

Ordinary business

1. To receive and adopt the Annual Report and Financial Statements of the Company for the financial year ended 31 May 2024 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 May 2024.
3. To re-elect Mr TJW Burnet as a Director of the Company.
4. To re-elect Ms SP Inglis as a Director of the Company.
5. To re-elect Mr GD Paterson as a Director of the Company.
6. To re-elect Mr CRD van der Kuyl as a Director of the Company.
7. To re-elect Ms RL Palmer as a Director of the Company.
8. To re-appoint Ernst & Young LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
9. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.
10. That, in substitution to any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot ordinary shares in the capital of the Company, or C shares convertible into ordinary shares, provided that such authority shall be limited to the allotment of ordinary shares and grant of rights in respect of ordinary shares with an aggregate nominal value of up to £984,262.33 (representing approximately one-third of the nominal value of the issued share capital excluding treasury shares as at 16 August 2024), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require ordinary shares or C shares to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant ordinary shares or C shares in pursuance of such an offer or agreement as if such authority had not expired.
11. That, subject to the passing of Resolution 10 above, and in substitution to any existing authorities but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act, and including ordinary shares and C shares)

for cash pursuant to the authority given by Resolution 10 above and to sell treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:

(a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

(b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £295,278.70 (representing approximately 10% of the nominal value of the issued share capital excluding treasury shares of the Company as at 16 August 2024).

12. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of 1p each in the capital of the Company ('ordinary shares') (either for retention as treasury shares for future reissue, resale or transfer or for cancellation) provided that:

(a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 44,262,277, or, if less, the number representing approximately 14.99% of the issued ordinary share capital (excluding treasury shares) of the Company as at the date of the passing of this Resolution;

(b) the minimum price (excluding expenses) which may be paid for each ordinary share shall be the nominal value of that share;

(c) the maximum price (excluding expenses) which may be paid for any ordinary share purchased pursuant to this authority shall not be more than the higher of:

(i) 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the day of purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 12 will be carried out; and

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract or contracts.

By Order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
28 August 2024

Notes

01. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Financial Statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.

02. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or **eproxyappointment.com**, not less than two days (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.

03. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website **euroclear.com/CREST**. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

04. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID 3RA50) no later than 9.00am two days (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

05. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

06. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

07. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish.

08. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than 9.00am two days (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

09. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.

10. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company website at **bgusgrowthtrust.com**.

11. Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act 2006

12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

13. As at 16 August 2024 (being the last practicable date prior to the publication of this notice) the Company's issued share capital (excluding treasury shares) consisted of 295,278,700 ordinary shares of 1p each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 16 August 2024 were 295,278,700 votes.

14. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his or her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

15. No Director has a contract of service with the Company.

Further shareholder information

Baillie Gifford US Growth Trust plc (‘Baillie Gifford US Growth’) is an investment trust. Investment trusts offer investors the following:

- participation in a diversified portfolio of shares;
- constant supervision by experienced professional managers; and
- the Company is free from capital gains tax on capital profits realised within its portfolio, although investors are still liable for capital gains tax on profits when selling their investment.

How to invest

The Company’s shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker, or by asking a professional adviser to do so. If you are interested in investing directly in Baillie Gifford US Growth Trust, you can do so online. There are a number of companies offering real time online dealing services. Find out more by visiting the investment trust pages at **bailliegifford.com**.

Sources of further information on the Company

The ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times. The price of shares can also be found on the Company website at **bgusgrowthtrust.com**, Trustnet at **trustnet.co.uk** and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Baillie Gifford US Growth share identifiers

ISIN	GB00BDFGHW41
Sedol	BDFGHW4
Ticker	USA
Legal Entity Identifier	213800UM1OUWXZPKE539

Key dates

The Company pays the minimum permissible level of final dividend and no interim dividend. If a dividend was payable this would be due soon after the Annual General Meeting.

Share register enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the registrar on 0370 707 1711.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance; and
- order change of address and stock transfer forms.

You can also check your holding on the registrar’s website at **investorcentre.co.uk**.

They also offer a free, secure share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- change address details; and
- use online dealing services.

To take advantage of this service, please log in at **investorcentre.co.uk** and enter your Shareholder Reference Number and Company Code (this information can be found on your share certificate).

Electronic proxy voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at **eproxyappointment.com**.

If you have any questions about this service please contact Computershare on 0370 707 1711.

CREST proxy voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as information only.

How to vote your shares

As a shareholder you have a say on how the Company is run. The following link will take you through to The Association of Investment Companies (AIC) website where there is information on how to vote your shares if you hold them via one of the major platforms: **theaic.co.uk/how-to-vote-your-shares**.

Alternative Investment Fund Managers (AIFM) Regulations

In accordance with the AIFM Regulations, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors.

AIFM remuneration

In accordance with the Regulations, the AIFM remuneration policy is available at **bailliegifford.com** or on request (see contact details in the 'Company information' section on page 129). The numerical remuneration disclosures in respect of the AIFM's reporting period are available at **bailliegifford.com**.

Leverage

The Company's maximum and actual leverage levels (see Glossary of terms and alternative performance measures on pages 124 to 127) at 31 May 2024 are shown below:

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.06:1	1.06:1

Automatic exchange of information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Baillie Gifford US Growth Trust plc is required to collect and report certain information about certain shareholders.

The legislation will require investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Baillie Gifford US Growth Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: **Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-accountholders.**

Data protection

The Company is committed to ensuring the confidentiality and security of any personal data provided to it. Further details on how personal data is held and processed on behalf of the Company can be found in the privacy policy available on the Company's website **bgusgrowthtrust.com**.

Third party data provider disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data.

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Sustainable Finance Disclosure Regulation ('SFDR')

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

The AIFM has adopted Baillie Gifford & Co's stewardship principles and guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

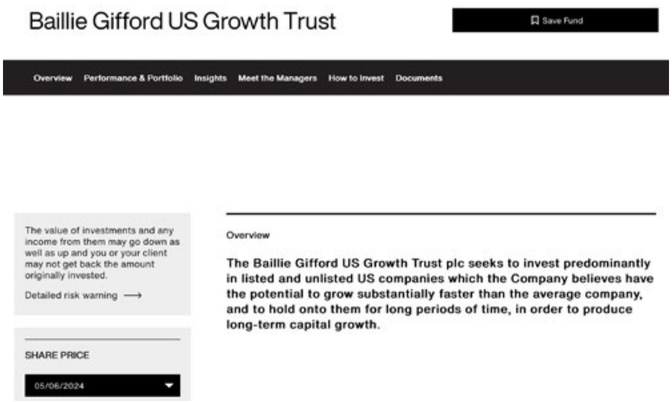
Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within in its investment objective & policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Managers' approach to sustainability can be found in the stewardship principles and guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com** and by scanning the QR code below.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities established under the EU Taxonomy Regulation.

Communicating with shareholders

Trust magazine



Baillie Gifford US Growth web page at **bgusgrowthtrust.com**

Trust magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to Baillie Gifford's investment approach by including interviews with Baillie Gifford's fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Baillie Gifford US Growth. *Trust* plays an important role in helping to explain Baillie Gifford's products so that readers can really understand them.

You can subscribe to *Trust* magazine or view a digital copy at **bailliegifford.com/trust**.

Suggestions and questions

Any suggestions on how communications with shareholders can be improved are welcomed, so please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have about Baillie Gifford US Growth.

Baillie Gifford US Growth on the Web

Up-to-date information about Baillie Gifford US Growth can be found on the Company website at **bgusgrowthtrust.com**. You will find full details on Baillie Gifford US Growth, including recent portfolio information and performance figures.

Client Relations Team contact details

You can contact the Baillie Gifford Client Relations Team by telephone, email or post:

Telephone: +44 (0)800 917 2112
Your call may be recorded for training or monitoring purposes.

Email: **trustenquiries@bailliegifford.com**
Website: **bailliegifford.com**

Baillie Gifford Client Relations Team
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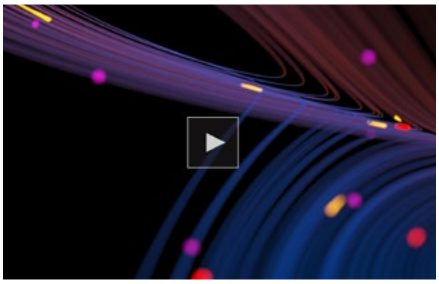
1 Greenside Row
Edinburgh EH1 3AN

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice, please ask an authorised intermediary.



A year of opportunity in US Growth

by Kirsty Gibson

Exploring the inefficiencies of the US stock market and the unique opportunities it presents for growth.

The American Dream made real

by Ben James

At the heart of the American Dream is the idea that anyone can start a business and change the world through ingenuity, hard work and investment.

The Long View

Articles by our US Equities Team exploring what matters most to optimistic, long-term investors.

Glossary of terms and alternative performance measures ('APM')

An alternative performance measure ('APM') 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 serve to improve comparability between investment trusts.

Total assets

This is the Company's definition of adjusted total assets, being 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.

Borrowings at book value

Borrowings are valued at adjusted net issue proceeds. The value of the borrowings at book is set out on page 111.

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 on page 111.

Net asset value (reconciliation of NAV at book value to NAV at fair value)

	2024	2023
Net asset value per ordinary share (borrowings at book value)	216.65p	186.33p
Shareholders' funds (borrowings at book value)	£643,933,000	£568,599,000
Add: book value of borrowings	£39,271,000	£40,342,000
Less: fair value of borrowings	(£39,271,000)	(£39,904,000)
Net asset value (borrowings at fair value)	**£643,933,000**	**£569,037,000**
Number of shares in issue	**297,228,700**	**305,153,700**
Net asset value per ordinary share (borrowings at fair value)	**216.65p**	**186.48p**

Net liquid assets

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

Discount/premium (APM)

As stock markets 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 NAV per share from the share price and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, it is said to be trading at a premium.

		2024	2023
Net asset value per ordinary share (after deducting borrowings at fair value)	a	216.65p	186.48p
Share price	b	192.40p	144.80p
Discount (borrowings at fair value)	**(b-a) ÷ a**	**11.2%**	**22.4%**

		2024	2023
Net asset value per ordinary share (after deducting borrowings at book value)	a	216.65p	186.33p
Share price	b	192.40p	144.80p
Discount (borrowings at book value)	**(b-a) ÷ a**	**11.2%**	**22.3%**

Total return (APM)

The total return is the return to shareholders after reinvesting any dividend on the date that the share price goes ex-dividend. The Company does not pay a dividend, therefore, the total returns for the share price and NAV per share at book and fair value are the same as the percentage movements in the share price and NAV per share at book and fair value as detailed on page 20.

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 debt at fair value).

		31 May 2024 £'000	31 May 2023 £'000
Investment management fee		3,581	3,345
Other administrative expenses		726	670
Total expenses	**a**	**4,307**	**4,015**
Average net asset value	b	616,958	578,722
Ongoing charges (a ÷ b expressed as a percentage)		**0.70%**	**0.69%**

Turnover (APM)

Annual turnover is a measure of portfolio change or trading activity in a portfolio. Turnover is calculated as the minimum of purchases and sales in a month, divided by the average market value of the portfolio, summed to get rolling 12 month turnover data.

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.

Gearing is the Company's borrowings at book value less cash and cash equivalents (including any outstanding trade settlements) expressed as a percentage of shareholders' funds.

	31 May 2024 £'000	31 May 2023 £'000
Borrowings (at book cost)	£39,271	£40,342
Less: cash and cash equivalents	(£6,620)	(£3,440)
Adjusted borrowings (a)	£32,651	£36,902
Shareholders' funds (b)	£643,933	£568,599
Gearing: (a) as a percentage of (b)	**5%**	**6%**

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

	31 May 2024 £'000	31 May 2023 £'000
Borrowings (at book cost) (a)	£39,271	£40,342
Shareholders' funds (b)	£643,933	£568,599
Gross gearing: (a) as a percentage of (b)	**6%**	**7%**

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.

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.

Treasury shares

The Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer or cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

Private (unlisted) company

An unlisted or private company means a company whose shares are not available to the general public for trading and are not listed on a stock exchange.

Contingent value rights

'CVR' after an instrument name indicates a security, usually arising from a corporate action such as a takeover or merger, which represents a right to receive potential future value, should the continuing company achieve certain milestones. The Abiomed CVR arose on Johnson & Johnson's takeover of Abiomed. The milestones relate to the performance of the technologies acquired through the takeover. Any value attributed to this holding reflects both the amount of the future value potentially receivable and the probability of the milestones being met within the time frames in the CVR agreement.

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SP Inglis
CRD van der Kuyl
RL Palmer
GD Paterson

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bgusgrowthtrust.com

Company Registration No. 11194060

ISIN: GB00BDFGHW41

Sedol: BDFGHW4

Ticker: USA

Legal Entity Identifier
213800UM1OUWXZPKE539

Registered office

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