

RNS Announcement

Edinburgh Worldwide Investment Trust plc

Legal Entity Identifier: 213800JUA8RKIDDLH380

Regulated Information Classification: Interim Financial Report

Results for the six months to 30 April 2023

The Company is invested in a diversified portfolio of companies which individually offer significant long term growth potential and typically have a market capitalisation of less than US\$5bn at the time of initial investment.

- Over the six month period, the Company's net asset value per share decreased by 7.5% while the comparative index* decreased by 1.5%. The share price fell by 13.6%. Over the five year period, the Company's net asset value per share increased by 21.8% while the comparative index* increased by 33.8%. The share price decreased by 4.8%. Invested gearing as at 30 April 2023 was 12.4%.
- The market environment remains largely as it was six months earlier: a dynamic post-pandemic adjustment period where companies and stock markets are navigating inflationary and geopolitical challenges. This is sculpting a new investment environment. One where capital is less freely available, the hurdle rate for returns is higher and the tolerance of uncertainty is markedly lower.
- The notable contributors to absolute returns over the period was led by Exact Sciences, a developer of non-invasive molecular tests for early cancer detection. Alnylam Pharmaceuticals, a developer of drugs focused on harnessing gene silencing technology, was the largest detractor to absolute returns. 44 names in the portfolio generated positive absolute returns in sterling terms over the six months. Eight stocks fell more than 50%.
- During the period, the Company bought back for treasury 2,865,382 shares. 16,334,054 shares were held in treasury as at 30 April 2023. As at close of business on 6 June 2023, the discount was 18.8%.
- The net revenue return per share was a negative 0.31p (six months to 30 April 2022: negative 0.23p). No interim dividend is being recommended.
- As at 30 April 2023 the Company's investment in unlisted companies was 20.9% of total assets (30 April 2022: 19.3%).
- The Board and Managers remain confident that the holdings in the portfolio represent a collection of some of the most exciting and transformational long-term investment opportunities available.

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

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

Past performance is not a guide to future performance.

Edinburgh Worldwide aims to achieve long term capital growth by investing primarily in listed companies throughout the world. The Company has total assets of £808.8 million (before deduction of loans of £97million) as at 30 April 2023.

Edinburgh Worldwide is managed by Baillie Gifford, the Edinburgh based fund management group with around £233 billion under management and advice as at 7 June 2023.

Edinburgh Worldwide Investment Trust plc is a listed UK company. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. Investment in investment trusts should be regarded as medium to long-term. The Company's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater. The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority. You can find up to date performance information about Edinburgh Worldwide on the Edinburgh Worldwide page of the Managers' website at edinburghworldwide.co.uk‡

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

7 June 2023

For further information please contact:

Anzelm Cydzik, Baillie Gifford & Co

Tel 0131 275 2000

Jonathan Atkins, Four Communications

Tel: 020 3103 9553 or 07872 495 396

The following is the unaudited Interim Financial Report for the six months to 30 April 2023 which was approved by the Board on 7 June 2023.

Responsibility Statement

We confirm that to the best of our knowledge:

- a) the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';

- b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c) the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board

Henry CT Strutt

Chairman

7 June 2023

Interim Management Report

Over the six months to 30 April 2023, the Company's net asset value per share* decreased by 7.5%, which compares to a fall of 1.5% in the S&P Global Smaller Companies Index, total return in sterling terms, over the same period. The share price over the six months fell by 13.6% to 149.20p representing a discount of 18.4% to the net asset value at 30 April 2023. This compares to a 12.7% discount at the beginning of the period. The Company buys back its own shares when the discount is substantial in absolute terms and relative to its peers; 2,865,382 shares were bought back in the period and are held in treasury.

Over the five-year period to 30 April 2023, the Company's net asset value per share* increased by 21.8% while the comparative index increased by 33.8%. The share price decreased by 4.8% over this period.

The market environment remains largely as discussed in the 2022 Annual Report: a dynamic post-pandemic adjustment period where companies and stock markets are navigating inflationary and geopolitical challenges. This is sculpting a new investment environment. One where capital is less freely available, the hurdle rate for returns is higher and the tolerance of uncertainty is markedly lower. The immediate manifestation of this is a shortening of the time horizons of many investors, lulling them into a mindset where the near-term resiliency of what they invest in is paramount and the future is approached with a large dose of pessimism.

We are unashamedly long-term investors with our analytical radar tuned towards high-potential early-stage growth opportunities. The current myopic environment described above is not conducive to our approach. We are accustomed to having a time horizon and investment style that can be out of sync with broader equity markets. In many ways, this seems an unavoidable aspect of contemporary equity investing. As bruising as this can feel in the near term, it ultimately creates the opportunity. It shapes the returns available to those willing to postulate how industries might evolve and actively seek out those companies driving that change.

For such companies, it's the fundamental path of progress that ultimately matters most not the prevailing stock market narrative. That progress naturally takes time to manifest but we remain confident that the holdings in the portfolio represent a collection of some of the most exciting and transformational long-term investment opportunities available.

Some Reflections on Growth and Technology

We have frequently noted how innovation and the application of technology is a structural force that largely sits outside of conventional business cyclicality. But recent headlines on technology sector job losses and retrenchment indicate that many tech-led companies have not been immune from current pressures. In some cases, the reasons for this cyclicality directly relate to end product demand, but in many other areas we suspect it represents a period of adaption to a new normal that we would ultimately expect to see replicated more broadly across the economy.

That 'new normal' will likely favour efficiency in pursuing business growth. In an era of zero-cost money, a surplus of labour and an economic tailwind, the issue of productivity was primarily addressed indirectly through the expansionary pursuit of scale: grow bigger and operational leverage would ultimately drive productivity. Direct investments in productivity tools to drive unit economic efficiencies were generally less popular as they were less likely to yield near-term expansionary growth. Furthermore, they often carried a risk of disrupting an organisation as old processes and workflows are ripped and replaced.

We sense that the broad premise of technology adaptation sitting outside of conventional cyclicality still holds. But we would concede that the dynamics of growth and business scaling are adapting to the higher direct costs of expansion (e.g. higher borrowing costs and wage inflation). Technology companies are among the first to adjust to this, mainly because they were also the ones at the forefront of pursuing expansionary- based scale.

We should not confuse this as being the end of a technology cycle, far from it. As the focus shifts from the pursuit of scale towards tools of efficiency, we think companies that offer or exploit deep productivity- enhancing solutions will come to the fore. You might argue that this has long been the case (e.g. the rise of software tools since the 80s) but productivity growth in most major developed market economies has been lacklustre for several decades¹. With looming huge improvements in intelligent automation as discussed below, the prospects for meaningful productivity gains look much brighter and we see the role of automation shifting from the current model of assisting humans with mundane tasks towards more value-added assistance or task displacement. You will have likely heard about some of the recent advances in AI, particularly in the field of generative AI and local language models through tools such as ChatGPT. While AI and machine learning have been in their ascendancy in recent years, their relevance has primarily centred upon narrow probabilistic prediction – with the accuracy of that prediction being most influenced by the intrinsic data quality and manual labelling of data used to train a specific algorithm.

Generative AI is focused on building novel content like art, an essay, or lines of code. When challenged, a sophisticated generative AI engine will draw upon the vast breadth of data it has been exposed to, generate an approximate answer and then seek to refine this through critical challenge. Such an iterative process distances generative AI from the narrower predictive AI on several fronts. Strikingly, it can make linkages between discrete observations and deal with areas of ambiguity in what it observes. Moreover, by mimicking mechanisms of natural conscious learning and seeking resolution not statistical perfection, generative AI outputs instinctively feel much more human-like, and it has proven itself to be especially adept at mastering language and dialogue.

At its core, generative AI advances are about delivering context-relevant, digestible outputs that seek to answer real-world queries. Its power can be pointed in many directions, whether creating novel digital content at a hitherto unimaginable scale or as a user-friendly distiller of complexity. The former could see it garner a role in the production of software code or in-silico screening of vast libraries of compounds for use in areas such as drug discovery or battery

technology. The latter uniquely positions it to offer a scalable user interface that could ultimately perform various functions such as knowledge search or fully automated customer service. This is fundamentally different from most current technology interfaces which are about delivering blunt and narrow approximations.

What are the implications of all this? Our initial sense is that these impressive but still nascent advances will lay new foundations for how individuals and businesses engage with technology. Much like the arrival of the internet 30 years ago, we see generative AI as a horizontal technology tool that optically lowers the entry barriers within a range of verticals/industries. Traditionally, such a dynamic would be expected to favour nimble disruptors and disadvantage stale incumbents. Yet to borrow further from the experience of internet-based digitisation, while barriers to entry were initially lowered, we suspect that barriers to scale are likely to prove to be much harder to break down and will likely be better determinants when filtering winners from losers within this technology evolution.

While a clear advantage of generative AI is the ability to train it on vast broad data sources, real-world commercial use cases of this technology will likely have a requirement for domain-relevant digital data with which to hone the algorithms. This proprietary data likely exists within businesses that currently cater to their respective end markets. Furthermore, many incumbents (or at least those that remain/have emerged over the past few decades) are digital native businesses – they are unlikely to be refuseniks when experimenting with what AI offers. Taken together our initial view is that for digitally savvy, forward-thinking businesses we suspect that generative AI is more opportunity than a threat. For such companies, this opportunity should be about making deeper engagements with their customers and better leveraging the assets they already have with the prize being to better their offering, take share, and drive deep productivity savings. Given the importance of this topic, we expect it to be a recurring theme in our dialogue with holdings over the coming year.

Portfolio Update

Novocure disclosed encouraging clinical trial results for its tumour-treating technology in lung cancer patients. Most relevantly, Novocure's device appears to be synergistic with immune checkpoint-blocking antibodies, a class of drugs that have emerged as the primary therapeutic backbone in numerous cancer treatment regimes. Exact Sciences received a boost when an aspiring competitor in the colon cancer screening area revealed the underwhelming performance of its blood-based test. This was further bolstered through encouraging progress from Exact in bringing forward its profitability and targets.

As at 30 April 2023 the Company's investment in unlisted companies was 20.9% of total assets and the names held were unchanged versus 31 October 2022. The end of the period saw both of the portfolio's rocket companies begin test-flight campaigns on the next generation of launch vehicles. SpaceX debuted its massive Starship stack and Relativity Space its entirely 3D-printed Terran-1 rocket. Both are following a rapidly iterative and intentionally destructive development process in order to deliver significant cost and capability improvements in the years ahead. More recently, Astranis, the next-generation satellite company, has launched its first MicroGEO platform into orbit over Alaska where it will triple the available satellite bandwidth.

We remain broadly happy with how the portfolio companies are navigating the current environment and have invested gearing of 12%. However, we have seen a handful of holdings experience large negative price moves following company-specific challenges. Trupanion's profitability has been hit as high levels of inflation in veterinary bills have been hard to pass on via insurance premium increases. Chegg's growth has been impacted by two years of pandemic-impacted enrolment in the US college system. While we expect this to ultimately wash through, the picture has been further complicated by some college students experimenting with generative AI tools for homework and coursework. Kroger, Ocado's grocery partner in the US, announced that it is not planning to open any additional Ocado-powered facilities in 2023 as it digests the lessons from its initial warehouse deployments. With Kroger currently engaged in a proposed merger with its competitor Alberstons (a move that will give it a meaningful expansion in its store base and national presence) we suspect commitments to additional facilities will be pushed back until after the merger completes.

We took a holding in Hashicorp, a provider of cloud infrastructure automation and management tools. It designs cloud-agnostic products which span the entire spectrum of cloud infrastructure automation – from infrastructure provisioning to networking, security, and application deployment – and make it easy for companies to build in the cloud in a standardised and efficient manner. It benefits from powerful secular trends, such as the continued digital transformations of IT systems across industries and the shift to a hybrid or a multi-cloud environment which are inherently complex processes.

We added to the holdings in Novocure, Schrödinger, Progyny and Appian as we felt the stock market was failing to keep pace with the strategic progress these companies are demonstrating. We exited four positions during the interim period including Galapagos, Morphosys, Temenos and Oxford Instruments.

¹ Since 2005, US labour productivity has grown at a modest 1.4% per annum. In 2022 it dipped to -1.3%, its weakest since 1974.

*Net asset value after deducting borrowings at fair value.

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

The principal risks and uncertainties facing the Company are set out below.

For a definition of terms see Glossary of Terms and Alternative Performance Measures.

Total return information sourced from Refinitiv/Baillie Gifford and relevant underlying index providers.

Past performance is not a guide to future performance.

Valuing Private Companies

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

The valuation process is overseen by a valuations committee at Baillie Gifford which takes advice from an independent third party (S&P Global). The portfolio managers feed into the process, but the valuations committee owns the process and the portfolio managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. 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 committee 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'; or 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. There is no delay.

The valuations committee 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. When market volatility is particularly pronounced the team undertakes these checks daily.

Recent market volatility has meant that recent pricing has moved much more frequently than would have been the case with the quarterly valuations cycle.

Edinburgh Worldwide Investment Trust*	
Instruments valued	25
Quantum of individual (lines of stock) reviewed	65

Quantum of revaluations post review	51
Percentage of portfolio revalued 2+ times	100%
Percentage of portfolio revalued 3+ times	52%

* Data reflecting period 1 November 2022 to 30 April 2023 to align with the Company's reporting period end.

A handful of companies have raised capital at an increased valuation, reflecting exceptional performance. The average movement in both valuation and share price for those which have decreased in value is shown below.

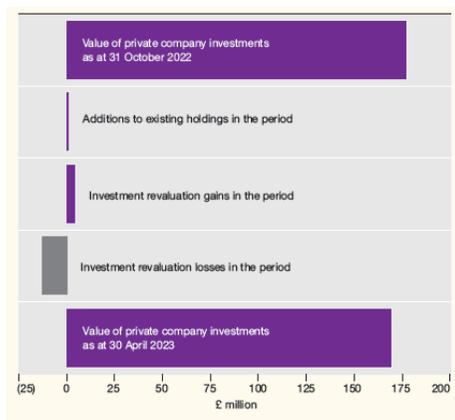
	Average Movement in Investee Company Valuation	Average Movement in Investee Company Share Price
Instruments valued†	1.9%	(1.4%)

† Data reflecting period 1 November 2022 – 30 April 2023 to align with the Trust's half-year reporting period.

Share prices have decreased more than headline valuations which have increased slightly on average, which is partially a result of holding classes of stock with less preferential liquidation rights and therefore less downside protection.

The share price movement reflects a probability weighted average of both the regular valuation, which would be realised in an IPO, and the downside protected valuation, which would normally be triggered in the event of a corporate sale or liquidation.

The following chart quantifies the movements over the period influencing the fair value of the private company investments at 30 April 2023.



Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

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

Our Stewardship Principles

Prioritisation of Long-Term Value Creation

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

A Constructive and Purposeful Board

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

Long-Term Focused Remuneration with Stretching Targets

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

Fair Treatment of Stakeholders

We believe it is in the long-term interests of all enterprises to maintain strong relationships with all stakeholders – employees, customers, suppliers, regulators and the communities they exist within. We do not believe in one-size-fits all policies and recognise that operating policies, governance and ownership structures may need to vary according to circumstance. Nonetheless, we believe the principles of fairness, transparency and respect should be prioritised at all times.

Sustainable Business Practices

We believe an entity's long-term success is dependent on maintaining its 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. We expect all holdings to consider how their actions impact society, both directly and indirectly, and encourage the development of thoughtful environmental practices and 'net-zero' aligned climate strategies as a matter of priority. Climate change, environmental impact, social inclusion, tax and fair treatment of employees should be addressed at board level, with appropriately stretching policies and

targets focused on the relevant material dimensions. Boards and senior management should understand, regularly review and disclose information relevant to such targets publicly, alongside plans for ongoing improvement.

Income Statement (unaudited)

	For the six months ended 30 April 2023			For the six months ended 30 April 2022			For the year ended 31 October 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	–	322	322	–	42,613	42,613	–	66,140	66,140
Movements in investment holding gains	–	(59,741)	(59,741)	–	(494,803)	(494,803)	–	(594,419)	(594,419)
Currency gains/(losses)	–	5,747	5,747	–	(2,230)	(2,230)	–	(6,070)	(6,070)
Income from investments and interest receivable	612	–	612	490	–	490	986	–	986
Investment management fee (note 3)	(563)	(1,690)	(2,253)	(685)	(2,054)	(2,739)	(1,277)	(3,830)	(5,107)
Other administrative expenses	(512)	–	(512)	(521)	–	(521)	(953)	–	(953)
Net return before finance costs and taxation	(463)	(55,362)	(55,825)	(716)	(456,474)	(457,190)	(1,244)	(538,179)	(539,423)
Finance costs of borrowings	(720)	(2,160)	(2,880)	(221)	(662)	(883)	(675)	(2,026)	(2,701)
Net return before taxation	(1,183)	(57,522)	(58,705)	(937)	(457,136)	(458,073)	(1,919)	(540,205)	(542,124)
Tax	(26)	–	(26)	(23)	–	(23)	(57)	–	(57)
Net return after taxation	(1,209)	(57,522)	(58,731)	(960)	(457,136)	(458,096)	(1,976)	(540,205)	(542,181)
Net return per ordinary share (note 4)	(0.31p)	(14.72p)	(15.03p)	(0.23p)	(112.80p)	(113.03p)	(0.49p)	(134.82p)	(135.31p)

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

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

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

Balance Sheet (unaudited)

	At 30 April 2023 £'000	At 31 October 2022 (audited) £'000
Fixed assets		
Investments held at fair value through profit or loss (note 6)	802,024	872,804
Current assets		
Debtors	7,983	4,882
Cash and cash equivalents	10,349	11,131
	18,332	16,013
Creditors		
Amounts falling due within one year (note 7)	(108,591)	(113,251)
Net current liabilities	(90,259)	(97,238)
Net assets	711,765	775,566
Capital and reserves		
Share capital	4,058	4,058
Share premium account	499,723	499,723
Special reserve	35,220	35,220
Capital reserve	180,062	242,654

Revenue reserve	(7,298)	(6,089)
Shareholders' funds	711,765	775,566
Net asset value per ordinary share	182.78p	197.70p
Ordinary shares in issue (note 8)	389,419,641	392,285,023

Statement of Changes in Equity (unaudited)

For the six months ended 30 April 2023

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2022	4,058	499,723	35,220	242,654	(6,089)	775,566
Ordinary shares bought back (note 8)	-	-	-	(5,070)	-	(5,070)
Net return after taxation	-	-	-	(57,522)	(1,209)	(58,731)
Shareholders' funds at 30 April 2023	4,058	499,723	35,220	180,062	(7,298)	711,765

For the six months ended 30 April 2022

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2021	4,052	497,999	35,220	808,197	(4,113)	1,341,355
Ordinary shares bought back (note 8)	6	1,724	-	(7,487)	-	(5,757)
Net return after taxation	-	-	-	(457,136)	(960)	(458,096)
Shareholders' funds at 30 April 2022	4,058	499,723	35,220	343,574	(5,073)	877,502

* The Capital Reserve as at 30 April 2023 includes investment holding losses of £62,965,000 (30 April 2022 – gains of £96,393,000)

Condensed Cash Flow Statement (unaudited)

	Six months to 30 April 2023 £'000	Six months to 30 April 2022 £'000
Cash flows from operating activities		
Net return before taxation	(58,705)	(458,073)
Net losses on investments	59,419	452,190
Currency (gains)/losses	(5,747)	2,230
Finance costs of borrowings	2,880	883
Overseas withholding tax incurred	(21)	(20)
Changes in debtors and creditors	(81)	(589)
Cash from operations*	(2,255)	(3,379)
Interest paid	(2,526)	(827)
Net cash outflow from operating activities	(4,781)	(4,206)
Net cash inflow/(outflow)from investing activities	10,582	(18,380)
Financing		
Ordinary shares bought back	(5,503)	(5,108)
Bank loans drawn down	198,589	135,346
Bank loans repaid	(200,000)	(135,346)
Net cash outflow from financing activities	(6,914)	(5,108)
Decrease in cash and cash equivalents	(1,113)	(27,694)
Exchange movements	331	1,301

Cash and cash equivalents at start of period 11,131 33,127

Cash and cash equivalents at end of period 10,349 6,734

* Cash from operations includes dividends received in the period of £382,000 (30 April 2022 – £503,000).

† Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

Performance of the Top 20 Holdings as at 30 April 2023 (unaudited)

Name	Business	Country	Value £'000	% of total assets*	Performance†	
					Absolute %	Relative %
Space Exploration Technologies ^u #	Designs, manufactures and launches advanced rockets and spacecraft	USA	63,341	7.8	30.0	32.0
Alylam Pharmaceuticals	Drug developer focused on harnessing gene silencing technology	USA	57,250	7.1	49.2	51.5
PsiQuantum ^u #	Developer of commercial quantum computing	USA	28,939	3.5	(26.2)	(23.6)
STAAR Surgical	Ophthalmic implants for vision correction	USA	28,218	3.5	23.3	25.1
MarketAxess	Electronic bond trading platform	USA	26,775	3.3	21.6	23.4
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	26,427	3.3	15.6	17.4
Novocure	Manufacturer of medical devices for cancer treatment	USA	25,554	3.2	(14.1)	(12.8)
Zillow#	US online real estate portal	USA	23,305	2.9	19.8	23.0
Ocado	Online grocery retailer and technology provider	UK	22,370	2.8	(44.6)	(43.8)
Axon Enterprises	Law enforcement equipment and software provider	USA	22,177	2.7	87.6	90.4
Genmab	Antibody based drug development	Denmark	18,068	2.2	15.8	17.5
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	17,654	2.2	25.2	27.1
Oxford Nanopore Technologies ^p	Novel DNA sequencing technology	UK	15,276	1.9	(25.1)	(24.0)
Schrödinger	Drug discovery ad simulation software	USA	12,640	1.6	18.7	20.5
Kingdee International Software	Enterprise management software provider	China	12,409	1.5	(26.6)	(25.5)
PureTech Health	IP commercialisation focused on healthcare	UK	12,074	1.5	21.4	23.2
Chegg	Online educational company	USA	11,884	1.4	(27.4)	(26.3)
Shine Technologies (Illuminated Holdings) ^u #	Medical radioisotope production	USA	11,404	1.4	(14.1)	(13.3)
BlackLine	Enterprise financial software provider	USA	10,584	1.3	(17.1)	(15.9)
Pacira BioSciences	Opioid free analgesics developer	USA	10,464	1.3	(39.2)	(38.3)
			456,813	56.5		

* Total assets before deduction of loans.

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2022 to 30 April 2023. Absolute performance is in sterling terms; relative performance is against S&P Global Small Cap Index (in sterling terms). Source: Baillie Gifford/StatPro and relevant underlying index providers. See disclaimer at the end of this announcement. Denotes private company (unlisted) security.

‡ Denotes private company (unlisted) security

More than one line of stock held. Holding information represents the aggregate of all lines of stock.

Past performance is not a guide to future performance.

List of Investments as at 30 April 2023 (unaudited)

Name	Business	Country	Value	% of total assets
Space Exploration Technologies Series N Preferred ‡	Designs, manufactures and launches advanced rockets and spacecraft	USA	36,303	4.5
Space Exploration Technologies Series J Preferred ‡	Designs, manufactures and launches advanced rockets and spacecraft	USA	16,468	2.0
Space Exploration Technologies Series K Preferred ‡	Designs, manufactures and launches advanced rockets and spacecraft	USA	7,507	0.9
Space Exploration Technologies Class A Common ‡	Designs, manufactures and launches advanced rockets and spacecraft	USA	2,341	0.3
Space Exploration Technologies Class C Common ‡	Designs, manufactures and launches advanced rockets and spacecraft	USA	722	0.1
			63,341	7.8
Alnylam Pharmaceuticals	Drug developer focused on harnessing gene silencing technology	USA	57,250	7.1
PsiQuantum Series C Preferred ‡	Developer of commercial quantum computing	USA	16,391	2.0
PsiQuantum Series D Preferred ‡	Developer of commercial quantum computing	USA	12,548	1.5
			28,939	3.5
STAAR Surgical	Ophthalmic implants for vision correction	USA	28,218	3.5
MarketAxess	Electronic bond trading platform	USA	26,775	3.3
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	26,427	3.3

Novocure	Manufacturer of medical devices for cancer treatment	USA	25,554	3.2
Zillow Class C	US online real estate portal	USA	20,215	2.5
Zillow Class A	US online real estate portal	USA	3,090	0.4
			23,305	2.9
Ocado	Online grocery retailer and technology provider	UK	22,370	2.8
Axon Enterprise	Law enforcement equipment and software provider	USA	22,177	2.7
Genmab	Antibody based drug development	Denmark	18,068	2.2
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	17,654	2.2
Oxford Nanopore Technologies	Novel DNA sequencing technology	UK	15,276	1.9
Schrödinger	Drug discovery and simulation software	USA	12,640	1.6
Kingdee International Software	Enterprise management software provider	China	12,409	1.5
PureTech Health	IP commercialisation focused on healthcare	UK	12,074	1.5
Chegg	Online educational company	USA	11,884	1.4
Shine Technologies (Illuminated Holdings) Series C-5 Preferred ^u	Medical radioisotope production	USA	10,608	1.3
Shine Technologies (Illuminated Holdings) Series D-1 Preferred ^u	Medical radioisotope production	USA	796	0.1
			11,404	1.4
BlackLine	Enterprise financial software provider	USA	10,584	1.3
Pacira BioSciences	Opioid free analgesics developer	USA	10,464	1.3
Astranis SpaceTechnologies Series C Preferred ^u	Communication satellite manufacturing and operation	USA	9,547	1.2
Astranis Space Technologies Series C Preferred ^u	Communication satellite manufacturing and operation	USA	796	0.1
			10,343	1.3
Upwork	Online freelancing and recruitment services platform	USA	9,928	1.2
Sprout Social	Cloud based software for social media management	USA	9,624	1.2
Fiverr	Freelance services marketplace for businesses	Israel	9,399	1.2
ShockWave Medical	Medical devices manufacturer	USA	9,357	1.2

Appian	Enterprise software developer	USA	9,170	1.1
Zai Lab HK Line	Chinese bio-pharmaceutical development and distribution company	China	8,515	1.1
Reaction Engines <u>u</u>	Advanced heat exchange company	UK	8,351	1.0
IPG Photonics	High-power fibre lasers	USA	8,260	1.0
Progyny	Fertility benefits management company	USA	8,234	1.0
Relativity Space Series D Preferred <u>u</u>	3D printing and aerospace launch company	USA	5,093	0.6
Relativity Space Series E Preferred <u>u</u>	3D printing and aerospace launch company	USA	3,066	0.4
			8,159	1.0
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	8,087	1.0
Epic Games <u>u</u>	Video game platform and software developer	USA	7,411	0.9
Adaptimmune Therapeutics ADR	Cell therapies for cancer treatment	UK	7,138	0.9
Doximity	Online healthcare resource and interactive platform developer	USA	7,036	0.9
TransMedics	Medical device company	USA	6,714	0.8
Ceres Power Holding	Developer of fuel cells	UK	6,600	0.8
Echodyne Corp. Series C-1 Preferred <u>u</u>	Metamaterial radar sensors and software	USA	6,103	0.8
Snyk Series F Preferred <u>u</u>	Security software	UK	4,005	0.5
Snyk Ordinary Shares <u>u</u>	Security software	UK	2,390	0.3
			6,395	0.8
Teladoc	Telemedicine services provider	USA	6,274	0.8
Genus	Livestock breeding and technology services	UK	6,238	0.8
Avacta Group	Affinity based diagnostic reagents and therapeutics	UK	6,218	0.8
LiveRamp	Marketing technology company	USA	6,200	0.8
JFrog	Software development tools and management	Israel	6,108	0.8
CyberArk Software	Cyber security solutions provider	Israel	5,707	0.7
Lightning Labs Series B Preferred <u>u</u>	Lightning software that enables users to send and receive money	USA	5,458	0.7

HashiCorp	Cloud-computing infrastructure provider	USA	5,273	0.7
Trupanion	Pet health insurance provider	USA	5,162	0.6
QuantumScape	Solid-state batteries for electric vehicles	USA	5,086	0.6
Renishaw	Measurement and calibration equipment	UK	5,070	0.6
Codexis	Industrial and pharmaceutical enzyme developer	USA	4,980	0.6
AbCellera Biologics	Antibody design and development company	Canada	4,956	0.6
Sensirion Holding	Manufacturer of gas and flow sensors	Switzerland	4,874	0.6
Zuora	Enterprise sales management software	USA	4,837	0.6
Ambarella	Video compression and image processing semiconductors	USA	4,812	0.6
Tandem Diabetes Care	Manufacturer of insulin pumps for diabetic patients	USA	4,671	0.6
BillionToOne Series C Preferred u	Pre-natal diagnostics	USA	4,125	0.5
BillionToOne Promissory Note u	Pre-natal diagnostics	USA	398	0.0
			4,523	0.5
M3	Online medical database	Japan	4,403	0.5
Rightmove	UK online property portal	UK	3,962	0.5
Splunk	Data diagnostics	USA	3,769	0.5
MonotaRO	Online business supplies	Japan	3,765	0.5
PeptiDream	Peptide based drug discovery platform	Japan	3,696	0.5
DNA Script Series C Preferred u	Synthetic DNA fabricator	France	3,392	0.4
Everbridge	Critical event management software provider	USA	3,103	0.4
IP Group	Intellectual property commercialisation	UK	3,076	0.4
KSQ Therapeutics Series C Preferred u	Biotechnology target identification company	USA	3,072	0.4
freee K.K.	Cloud based accounting software for small and medium-sized enterprises	Japan	2,967	0.4
Beam Therapeutics	Biotechnology company	USA	2,843	0.3
Akili Interactive	Digital medicine company	USA	2,827	0.3

ITM Power	Hydrogen energy solutions manufacturer	UK	2,724	0.3
Twist Bioscience	Biotechnology company	USA	2,708	0.3
InfoMart	Online platform for restaurant supplies	Japan	2,634	0.3
Sutro Biopharma	Biotechnology company focused on next generation protein therapeutics	USA	2,538	0.3
American Superconductor	Designs and manufactures power systems and superconducting wire	USA	2,462	0.3
LendingTree	Online consumer finance marketplace	USA	2,217	0.3
Ilika	Discovery and development of novel materials for mass market applications	UK	2,179	0.3
Expensify	Expense management software	USA	2,160	0.3
Victrex	High-performance thermo-plastics	UK	2,130	0.3
Quanterix	Ultra-sensitive protein analysers	USA	2,107	0.3
Digimarc	Digital watermarking technology provider	USA	2,097	0.3
Graphcore Series D2 Preferred ^u	Specialised processor chips for machine learning applications	UK	1,518	0.2
Graphcore Series E Preferred ^u	Specialised processor chips for machine learning applications	UK	484	0.1
			2,002	0.3
New Horizon Health	Cancer screening company	China	1,996	0.2
Chinook Therapeutics	Immunotherapy drug development	USA	1,861	0.2
Chinook Therapeutics CVR Line	Immunotherapy drug development	USA	0	0.0
			1,861	0.2
Stratasys	3D printer manufacturer	USA	1,652	0.2
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	Italy	1,608	0.2
C4X Discovery Holdings	Rational drug design and optimisation	UK	1,607	0.2
C4X Discovery Warrants	Software to aid drug design	UK	–	0.0
			1,607	0.2
Huya ADR	A live game streaming platform	China	1,606	0.2
Q2 Holdings	Cloud based virtual banking solutions provider	USA	1,599	0.2

CEVA	Licenses IP to the semiconductor industry	USA	1,516	0.2
Cardlytics	Digital advertising platform	USA	1,366	0.1
EverQuote	Online marketplace for buying insurance	USA	1,280	0.1
Wayfair	Online furniture and homeware retailer	USA	1,119	0.1
BASE	Commerce platform for small and medium-sized enterprises	Japan	1,117	0.1
Tabula Rasa HealthCare	Cloud-based healthcare software developer	USA	1,027	0.1
LivePerson	Messaging tools for business and customer interactions	USA	909	0.1
Nanobiotix ADR	Nanomedicine company focused on cancer radiotherapy	France	896	0.1
NuCana SPN ADR	Next generation chemotherapy developer	UK	828	0.1
Catapult Group International	Analytics and data collection technology for sports teams and athletes	Australia	741	0.1
Agora ADR	Voice and video platform technology provider	China	680	0.1
Collectis	Genetic engineering for cell based therapies	France	367	0.1
Collectis ADR	Genetic engineering for cell based therapies	France	127	<0.1
			494	0.1
Spire Global	Satellite powered data collection and analysis company	USA	478	0.1
Adicet Bio (formerly resTORbio)	Biotechnology company focused on age related disorders	USA	409	0.1
Phenomex	Biotechnology tools focused on cell characterisation	USA	230	<0.1
Angelalign Technology	Medical devices manufacturer	China	88	<0.1
4D Pharma	Microbiome biology therapeutics	UK	0	0.0
4D Pharma Warrants	Microbiome biology therapeutics	UK	0	0.0
			0	0.0
China Lumena New Materials ⁵	Mines, processes and manufactures natural thenardite products	China	0	0.0
Total investments			802,024	99.2
Net liquid assets			6,741	0.8
Total assets			808,765	100.0

* Total assets before deduction of loans.

U Denotes unlisted security.

^P Denotes security where majority of holding was previously held in the portfolio as an unlisted security.

^S Denotes suspended security.

	Listed equities %	Unlisted securities # %	Net liquid assets %	Total assets %
30 April 2023	78.3	20.9	0.8	100.0
31 October 2022	79.2	20.1	0.7	100.0

Figures represent percentage of total assets.

#Includes holdings in ordinary shares and preference shares.

Distribution of Total Assets* (unaudited)

Industry Analysis at 30 April 2023	% of total assets*	Portfolio Weightings (relative to comparative index†) %
Biotechnology	20.4	16.8
Aerospace and Defence	14.6	13.3
Software	14.0	9.9
Healthcare Equipment and Supplies	9.1	6.8
Healthcare Technology	4.2	3.9
Technology Hardware, Storage and Peripherals	4.0	3.4
Capital Markets	3.7	0.8
Life Sciences Tools and Services	3.6	2.6
Electronic Equipment, Instruments and Components	3.1	0.6
Electrical Equipment	3.0	1.4
Pharmaceuticals	2.9	1.0
Real Estate Management and Development	2.8	1.1
Professional Services	2.7	0.7

Food and Staples Retailing	2.7	1.5
Healthcare Providers and Services	1.8	-0.2
Diversified Consumer Services	1.3	0.6
Semiconductors and Semiconductor Equipment	0.8	-1.8
Interactive Media and Services	0.6	0.0
Auto Components	0.5	-0.9
Insurance	0.5	-2.3
Trading Companies and Distributors	0.5	-1.0
Consumer Finance	0.3	-0.4
Chemicals	0.3	-3.0
Entertainment	0.2	-0.6
Specialty Retail	0.2	-2.3
Media	0.2	-1.3
IT Services	0.1	-1.2
Net Liquid Assets	0.8	0.8

* Total assets before deduction of loans.

† S&P Global Small Cap Index. Weightings exclude industries where the Company has no exposure. See disclaimer at the end of this announcement.

Geographical Analysis	30 April 2023 %	31 October 2022 %
North America	72.1	71.7
<i>USA</i>	<i>71.5</i>	<i>70.6</i>
<i>Canada</i>	<i>0.6</i>	<i>1.1</i>
Europe	20.6	21.5
<i>United Kingdom</i>	<i>14.3</i>	<i>13.5</i>
<i>Eurozone</i>	<i>3.0</i>	<i>1.8</i>
<i>Developed Europe (non euro)</i>	<i>3.3</i>	<i>6.2</i>
Asia	5.4	5.0
<i>Japan</i>	<i>3.1</i>	<i>2.3</i>
<i>China</i>	<i>2.3</i>	<i>2.7</i>
Australasia	1.1	1.1

<i>Australia</i>	<i>0.1</i>	<i>0.1</i>
<i>New Zealand</i>	<i>1.0</i>	<i>1.0</i>
Net Liquid Assets	0.8	0.7
Total Assets	100.0	100.0

Sectoral Analysis	30 April 2023	31 October 2022
	%	%
Communication Services	3.8	2.9
Consumer Discretionary	4.9	6.3
Financials	4.6	4.3
Healthcare	42.2	43.2
Industrials	21.0	17.7
Information Technology	22.4	24.7
Materials	0.3	0.2
Net Liquid Assets	0.8	0.7
Total Assets	100.0	100.0

Notes to the Financial Statements (unaudited)

- The condensed Financial Statements for the six months to 30 April 2023 comprise the statements set out above together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in October 2019 and updated in July 2022 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 April 2023 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 October 2022.

Going Concern

The Directors have considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover. In addition, the Company's investment objective and policy, assets and liabilities, and projected income and expenditure, together with the dividend policy have been taken into consideration and it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has, in particular, considered the ongoing impact of geopolitical and macroeconomic challenges. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly.

All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

2. The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 October 2022 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.
3. Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The management agreement is terminable on not less than three months' notice. The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets.

4. **Net return per ordinary share**

	Six months to 30 April 2023 £'000	Six months to 30 April 2022 £'000	Year to 31 October 2022 (audited) £'000
Net return per ordinary share			
Revenue return after taxation	(1,209)	(960)	(1,976)
Capital return after taxation	(57,522)	(457,136)	(540,205)
Total net return	(58,731)	(458,096)	(542,181)
Weighted average number of ordinary shares in issue	390,711,773	405,267,892	400,679,723

5. **Dividend**

No interim dividend has been declared.

6. Fair Value Hierarchy

The Company's investments are financial assets held at fair value through profit or loss. The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest (that is the least reliable or least independently observable) level input that is significant to the fair value measurement.

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

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

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

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

Investments held at fair value through profit or loss

As at 30 April 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	633,131	–	–	633,131
Unlisted ordinary shares	–	–	21,215	21,215
Unlisted preference shares*	–	–	147,280	147,280
Unlisted promissory note	–	–	398	398
Total financial asset investments	633,131	-	168,893	802,024

As at 31 October 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	696,135	–	–	696,135
Unlisted ordinary shares	–	–	22,456	22,456
Unlisted preference shares*	–	–	153,779	153,779
Unlisted promissory note	–	–	434	434
Total financial asset investments	696,135	-	176,669	872,804

* 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 for a liquidation event such as a take-over

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is either bid price or, depending on the convention of the exchange on which the investment is listed, last traded price. Listed investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. 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 policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The principal methodologies can be categorised as follows: (a) market approach (price of recent investment, multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The Company's holdings in unlisted investments are categorised as Level 3 as unobservable data is a significant input to their fair value measurements.

7. Bank Loans

At 30 April 2023 creditors falling due within one year include borrowings of £97,000,000 (31 October 2022 – £103,827,000) drawn down under a five year £100 million multi-currency revolving credit facility with The Royal Bank of Scotland International Limited which expires on 9 June 2026.

At 30 April 2023 the drawings were €10,600,000, US\$77,150,000 and £26,308,000 (31 October 2022 – €10,600,000, US\$77,150,000 and £27,720,000) drawn down under the £100 million multi-currency revolving credit facility.

At 30 April 2023 there were no drawings under the £25 million or £36 million multi-currency revolving credit facilities with National Australia Bank Limited with expiry dates of 29 June 2023 and 30 September 2024 respectively (31 October 2022 – nil).

The fair value of the bank loans at 30 April 2023 was £97,000,000 (31 October 2022 – £103,827,000).

8. Share Capital

	30 April 2023 Number	30 April 2023 £'000	31 October 2022 Number	31 October 2022 £'000
Allotted, called up and fully paid ordinary shares of 1p each	389,419,641	3,894	392,285,023	3,923
Treasury shares of 1p each	16,334,054	164	13,468,672	135
	405,753,695	4,058	405,753,695	4,058

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium to net asset value in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the six months to 30 April 2023, no shares were issued (in the six months to 30 April 2022 – 550,000 shares with a nominal value of £6,000, representing 0.1% of the issued share capital at 31 October 2021 raising net proceeds of £1,730,000).

Over the period from 30 April 2023 to 6 June 2023 the Company issued no further shares.

The Company also has authority to buy back shares. In the six months to 30 April 2023, 2,865,382 shares with a nominal value of £29,000 were bought back at a total cost of £5,070,000 and held in treasury (in the six months to 30 April 2022– 3,525,695 shares were bought back and held in treasury). At 30 April 2023 the Company had authority to buy back a further 58,628,524 ordinary shares.

Over the period from 30 April 2023 to 6 June 2023, no further shares have been bought back by the Company.

9. **Transaction Costs**

During the period the Company incurred transaction costs on purchases of investments of £8,000 (30 April 2022 – £29,000; 31 October 2022 – £155,000) and transaction costs on sales of £3,000 (30 April 2022– £4,000; 31 October 2022 – £25,000).

10. **Related Party Transactions**

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

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

Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, climate and governance risk, discount risk, regulatory risk, custody and depositary risk, small company risk, private company (unlisted) investments risk, operational risk, leverage risk, political and associated economic risk, cyber security risk and emerging risks. An explanation of these risks and how they are managed is set out on pages 9 and 10 of the Company's Annual Report and Financial Statements for the year to 31 October 2022 which is available on the Company's website: edinburghworldwide.co.uk. The principal risks and uncertainties have not changed since the date of the Annual Report.

Glossary of Terms and Alternative Performance Measures ('APM')

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

Total Assets

This is the Company's definition of Adjusted Total Assets, being the total value of assets held less all liabilities (other than liabilities in the form of borrowings).

Net Asset Value ('NAV')

Also described as shareholders' funds, net asset value is the value of total assets less liabilities (including borrowings). Net asset value can be calculated on the basis of borrowings stated at book value and fair value. An explanation of each basis is provided below. The net asset value per share is calculated by dividing this amount by the number of ordinary shares in issue excluding any shares held in treasury.

Net Asset Value (Borrowings at Book Value)

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

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

Borrowings are valued at an estimate of their market worth.

Net Asset Value (Reconciliation of NAV at Book Value to NAV at Fair Value)

	30 April 2023	31 October 2022
Net Asset Value per ordinary share (borrowings at book value)	182.78p	197.70p
Shareholders' funds (borrowings at book value)	£711,765,000	£755,566,000
Add: book value of borrowings	£97,000,000	£103,827,000
Less: fair value of borrowings	£97,000,000	(£103,827,000)
Shareholders' funds (borrowings at fair value)	£711,765,000	£775,566,000
Number of shares in issue	389,419,641	392,285,023
Net Asset Value per ordinary share (borrowings at fair value)	182.78p	197.70p

Net Asset Value (Reconciliation of NAV at Book Value to NAV at Fair Value)

At 30 April 2023 and 31 October 2022 all borrowings are in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value at book value and fair value.

Net Liquid Assets

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

Discount/Premium (APM)

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its net asset value. When the share price is lower than the net asset value per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per

share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, this situation is called a premium.

		30 April 2023	31 October 2022
Net Asset Value per share	(a)	182.78p	197.70p
Share price	(b)	149.20p	172.60p
Discount ((b)-(a)) ÷ (a)		(18.4%)	(12.7%)

Total Return (APM)

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

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). The ongoing charges are calculated on the basis prescribed by the Association of Investment Companies.

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.

Invested gearing is the Company's borrowings at book value less cash and cash equivalents (as adjusted for investment and share buy back/issuance transactions awaiting settlement) expressed as a percentage of shareholders' funds.

		30 April 2023	31 October 2022
Borrowings (at book value)		£97,000,000	£103,827,000
Less: cash and cash equivalents		(£10,349,000)	(£11,131,000)
Less: sales for subsequent settlement		(£7,627,000)	(£4,598,000)
Add: purchases for subsequent settlement		£8,971,000	£6,719,000
Add: buy backs awaiting settlement		-	£433,000
Adjusted borrowings	(a)	£87,995,000	£95,250,000
Shareholders' funds	(b)	£711,765,000	£775,566,000
Invested gearing: (a) as a percentage of (b)		12%	12%

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

		30 April 2023	31 October 2022
Borrowings (at book value)	(a)	£97,000,000	£103,827,000
Shareholders' funds	(b)	£711,765,000	(£11,131,000)
Potential gearing: (a) as a percentage of (b)		14%	13%

Leverage (APM)

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

Third Party Data Provider Disclaimer

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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 Edinburgh Worldwide Investment Trust plc is marketed in the EU by the AIFM, Baillie Gifford & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

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

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.

More detail on the Investment Manager's approach to sustainability can be found in the Governance and Sustainability Principles and Guidelines document, available publicly on the Baillie Gifford website [bailliegifford.com/literature-library/ corporate-governance/our-stewardship- approach-esg-principles-and-guidelines-2023/](https://www.bailliegifford.com/literature-library/corporate-governance/our-stewardship-approach-esg-principles-and-guidelines-2023/).

Taxonomy Regulation

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

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

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