

# EDINBURGH WORLDWIDE INVESTMENT TRUST plc

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Growth companies  
shaping our tomorrow



Interim Financial Report  
30 April 2020





## Objective

Edinburgh Worldwide's objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

## Comparative Index

The index against which performance is compared is the S&P Global Small Cap Index total return (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

## Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, discount risk, regulatory risk, custody and depository risk, small company risk, unlisted investments, operational risk, leverage risk and political and associated economic risk. An explanation of these risks and how they are managed is set out on pages 8 and 9 of the Company's Annual Report and Financial Statements for the year to 31 October 2019 which is available on the Company's website: [www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk). The principal risks and uncertainties have not changed since the date of the Annual Report with the exception of the current unprecedented situation surrounding the COVID-19 pandemic. The Board and Investment Manager are working closely to monitor the situation as it develops and will continue to do so. Further details on the Company's risks can be found on page 26.

## 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  
5 June 2020

## Summary of Unaudited Results\*

	30 April 2020	31 October 2019 (audited)	% change
Total assets (before deduction of loans)	£689.5m	£585.3m	
Loans	£49.4m	£48.6m	
Shareholders' funds	£640.1m	£536.7m	
Net asset value per ordinary share (after deducting borrowings at book value)	206.54p	177.37p	16.4
Net asset value per ordinary share (after deducting borrowings at fair value)†	206.54p	177.37p	16.4
Share price	213.50p	175.40p	21.7
Comparative index (in sterling terms)##			(12.9)
Premium/(discount) (after deducting borrowings at fair value)†	3.4%	(1.1%)	
Active share (relative to S&P Global Small Cap Index)†	98%	99%	

Performance since broadening of investment policy	30 April 2020	31 January 2014	% change
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### 75 months from 31 January 2014

Net asset value per ordinary share (after deducting borrowings at book value)	206.54p	87.43p	136.2
Net asset value per ordinary share (after deducting borrowings at fair value)†	206.54p	87.34p	136.5
Share price	213.50p	81.00p	163.6
Comparative index (in sterling terms)##			59.4

	Six months to 30 April 2020	Six months to 30 April 2019
Revenue earnings per share	(0.18p)	(0.11p)

	Six months to 30 April 2020	Six months to 30 April 2019	75 months from 31 January 2014
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### Total returns (%)††

Net asset value per ordinary share (after deducting borrowings at fair value)	16.4	12.5	138.0
Share price	21.7	16.4	164.9
Comparative index (in sterling terms)##	(12.9)	5.7	59.4

	Six months to 30 April 2020		Year to 31 October 2019	
Period's high and low	High	Low	High	Low
Share price	218.60p	132.00p	205.60p	143.60p
Net asset value per ordinary share (after deducting borrowings at fair value)†	215.89p	155.07p	201.34p	142.87p
Premium/(discount) (after deducting borrowings at fair value)†	6.9%	(20.1%)	4.9%	(6.5%)

### Notes

\*For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 23 and 24. †Alternative Performance Measure see Glossary of Terms and Alternative Performance Measures on pages 23 and 24. ##S&P Global Small Cap Index total return (in sterling terms). ‡Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 27.

Past performance is not a guide to future performance.

# Interim Management Report

## Performance

Over the six months from 31 October 2019 to 30 April 2020, the Company's net asset value per share increased by 16.4%, which compares to a fall of 12.9% in the S&P Global Smaller Companies Index\*, total return in sterling terms, over the same period. The share price over the six months rose by 21.7% to 213.50p representing a premium of 3.4% to the net asset value at 30 April 2020. This compares to a 1.1% discount at the beginning of the period. Trading at a premium has enabled the Company to issue new shares, thereby growing assets and helping to lower the ongoing costs for shareholders.

When it comes to technological progress and the building of great businesses, six months is rarely considered a significant period. Even in the dynamic exaggerated world of stock markets, six months is not typically that meaningful, equating to not much more than 100 days of market trading. That said, sat here at home writing this interim update, October 2019 feels like a rather distant foggy memory. A memory not without a hint of nostalgia but increasingly one that prompts an admiration for how the world is adapting around us and a belief that what ultimately emerges will be more robust, more digital savvy and much more fit for purpose.

From a handful of COVID-19 cases in Wuhan at the start of January to the enforced lockdown of an estimated 3 billion people by the end of April, the first few months of 2020 have witnessed a truly staggering turn of events. Even if the outcomes now feel somewhat familiar, this period of adaption for individuals, economies and businesses has been swift and, in many cases, brutal. What began as a healthcare crisis is unavoidably morphing into a broader phenomenon as the second and third order effects build and extend beyond the immediate. The ramifications of this will be felt for many years to come and will touch on many aspects of life from politics through to business and from education to lasting societal and workplace change. Many pages will be written on this dramatic event and much of that will inevitably focus on the negatives, be it failures of systems and leadership or the vast humanitarian and financial cost. Without wanting to be dismissive of the many challenges ahead, we think the bigger lessons from past crises warrant a more optimistic forward-looking tone. From historical archives relating to famine, plagues and war through to more modern events such as the oil crisis, the Dotcom crash or the financial crisis, the pattern is that such events have proven to be a deep impetus for the powerful forces of ingenuity,

resourcefulness and innovation. An exogenous shock of the predictably unpredictable variety invariably creates near-term challenges, but it also often acts as a potent catalyst for a long-term change in behaviours. Moreover, the bigger the shock the more profound the adaption and far reaching the response.

As investors in innovative, problem solving companies we are mindful that the path to success for our holdings is unlikely to be smooth and is often decades in the making. When a new product or service emerges it commonly needs a degree of refinement, awareness and education to broaden its appeal and overcome the twinned-headwinds of scepticism and inertia. As these refinements come through a company's proposition evolves and the promise of a better/cheaper/more efficient offering becomes more visible. Ultimately, a tipping point is reached and what was once novel and scarce becomes mainstream and of mass market relevance.

COVID-19, with its enforced and abrupt change in behaviours, is highly relevant in that it simultaneously strikes a direct challenge to embedded scepticism and acts to melt away inertia. The result is a removal of a bottleneck and an openness towards new and better ways of doing things. Some changes will be fleeting, but many elements are likely to be of a much longer duration and will underpin wide-ranging changes in areas such as how we shop, travel, learn, operate businesses and treat disease. Accordingly, we view a significant outcome of the current crisis as being an acceleration in the underlying rate of change occurring in the world. In the sphere of business and commerce this is likely to be expressed through a quickening in the ascendancy of digital platforms and innovative, nimble disruptors. This will be matched by a hastening in the demise of stale, structurally-challenged, frequently-indebted incumbents.

This acceleration will be neither uniform nor linear. In holdings such as Tesla and Zillow, we believe we own companies that will ultimately be long term beneficiaries of this acceleration even if near-term operational pain is inescapable given the artificially curtailed environment. We are comfortable being patient supportive shareholders in these businesses and believe that they have the flexibility to emerge from these challenges, most likely with their competitive positioning strengthened. In businesses such as Teladoc and Ocado (explored in more detail below) the current environment has near-term benefits alongside a significant unlocking of longer-term opportunity as their offerings morph from merely being alternatives to that of highly valued necessities.

\* See disclaimer on page 27.

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

Past performance is not a guide to future performance.

The portfolio's performance at present is striking compared against its respective index over the past six months. We believe this partially reflects an investment environment that, for the foreseeable future, will be in fast-forward mode further driving a widening divergence between the emerging winners and the structurally challenged. In backing companies championing a wide breadth of technology and innovation we feel we remain on the right side of this fast-forwarding. Furthermore, we actively avoid the numerous structurally challenged or overtly cyclical companies whereas the index, by default, cannot.

Beyond the immediate effects of the COVID crisis, we believe two observations are likely to be most impactful on the portfolio over the coming years. First, as noted above, an acceleration in the rate of change is likely in many areas. Were this to simply be viewed as a bringing forward of the inevitable then the investment implications would be limited to a thesis around the time-value-of-money: something that would be helpful but not transformational. Rather, we think the bigger prize is less likely to be the growth rate itself but more the implied accelerated evolution in the competitive dynamics in areas of huge opportunity. COVID-19 is likely to be the catalyst to a massive digitally-powered landgrab with the winners anointed over the next 2–3 years versus what might have ordinarily taken 10+ years. Such an acceleration will significantly limit the number of players that could feasibly enter these markets and will ensure that the spoils accrue to a smaller number of existing participants (such dynamics will likely apply in retail, software, healthcare and beyond). The strong-getting-stronger is a well-documented phenomenon observed in previous downturns. Our impression is that this is likely to be an even more prominent feature this time around.

Second, we would reiterate the earlier observation that at times of crisis enforced adaption drives a lasting change in behaviours and propels a new wave of business opportunity. The current portfolio comprises numerous interesting companies that span the frontiers of innovation and disruption as we currently see them. But we are confident that many more opportunities will emerge over the coming years, in a large part inspired by the challenges the world is facing. In this regard we feel that the current portfolio and investment approach is as relevant as it has ever been.

## Portfolio Update

Several of the portfolio's larger holdings posted encouraging developments over the period. Tesla shares have performed strongly on the back of some healthy production numbers and an improving cashflow profile (albeit with some near-term challenges as COVID-19 has restricted production). We have a renewed enthusiasm

for the business and see a clear medium-term roadmap for production of around 1.5 million cars per annum, a near tripling of existing volumes. The speed and ambition with which Tesla has recently been able to build a production facility in China contrasts hugely with the ongoing inertia of the automotive incumbents regarding electrification. While some competing products have appeared from the likes of Nissan, Audi and Jaguar the sizable price premium these automakers place on their electric offerings hints at the growing competitive strength of Tesla. Teladoc announced the acquisition of Intouch Health in a cash and share transaction. Intouch extends Teladoc's reach beyond the GP clinic and into US hospitals and healthcare providers. Through interacting with electronic records and various medical equipment/datasets, Intouch has built a sophisticated offering with a higher technology component than that used in a typical GP-centric telemedicine offering. Although Intouch is initially complementary to Teladoc's existing business we are intrigued by the potential long-term synergies that could build given Teladoc's prominent position as the leading Telemedicine company for healthcare payors and, now, providers. Alnylam Pharmaceuticals announced that the FDA had expedited the approval of its second RNAi drug, Givlaari, for treating a rare debilitating disease called Porphyria. Subsequently Alnylam also announced it had sold a portion of the royalties it had been set to receive from a RNAi-based Cholesterol lowering therapy expected to be launched by Novartis. The sizable cash inflow of \$1 billion from this sale represents an attractive source of non-dilutive funding and gives further firepower to develop its exciting pipeline of RNAi therapies.

We alluded earlier that some of our holdings had proved exceptionally resilient, even advantaged, by the fallout of the Coronavirus pandemic. Although such a scenario was clearly not part of our original hypothesis it is emblematic of an exogenous shock being a catalyst for behavioural change and the push for better and cheaper alternatives. Heightened volatility and liquidity-induced stress in bond markets has helped drive increasing volumes towards MarketAxess's bond trading platform. The enforced closure of education establishments has increased the importance of online learning tools provided by Chegg. The COVID-19 crisis has pushed Telemedicine to the top of the agenda in the provision of large swathes of healthcare. As both patients and care givers increasingly place a premium on engagements outside of conventional medical practices we think there is growing recognition that a "virtual first" model, as developed by Teladoc, can represent a highly relevant channel for future care. Closer to home, business at Ocado has seen a marked acceleration and we would expect this to help underpin increased inbound interest



## Interim Management Report (continued)

in their platform for grocers all around the world. We also note that Alynlam (via its partner Vir Biotechnology) has begun studies into the potential of its gene-silencing platform to block the COVID-19 virus from replicating. Earlier R&D efforts have shown their RNAi drugs can be inhaled and delivered to epithelial cells lining the lung thereby providing a potential route to limit the most damaging respiratory symptoms of the virus. Albeit still an untested hypothesis, this approach could be significantly easier to both validate and manufacture compared to a vaccine.

We acquired five new listed holdings: LiveRamp, EverQuote, HUYA, Tabula Rasa Healthcare and ShockWave Medical. We decided to exit a total of twelve positions in the period following a review and tidying exercise either side of the new year.

LiveRamp is a San Francisco-based software company that helps brands connect with customers more efficiently across both the digital and physical world. Having recently become an independent company, it is well positioned to become the central location through which a fragmented advertising/marketing industry can order and share its data to better reach consumers. While it is still early days, we are excited by the opportunity LiveRamp has to attract more users and to extend its value proposition into new industries.

EverQuote is an online marketplace for consumer insurance in the US. Its comparison website helps consumers to save time and money when shopping for policies and gives insurance providers a way to acquire customers efficiently. Historically known for car insurance, we think there is a large opportunity for EverQuote to expand across more categories, such as home and life insurance. In the US these are all markets that are still in their infancy and we are excited by the opportunity for this business as distribution moves increasingly online.

HUYA is one of China's leading live streaming platforms for gaming content. Although this medium of entertainment is still early in its development, millions of viewers already log onto the internet to follow professional gamers as they broadcast their game playing in real time. Advertisers are increasingly recognising the potential of this new industry and as they allocate a growing part of their budgets towards it, HUYA should be able to monetise its user base much better. The company is now majority-owned by Tencent, the world's largest video gaming company, which could open interesting avenues for closer collaboration on games and investments in e-sports content.

New Jersey-based Tabula Rasa designs and develops software which analyses multi-drug interactions and identifies the risk of adverse reactions. The fragmentation of the US healthcare system often results

in patients, particularly elderly ones with multiple comorbidities, taking several medications concurrently which may cause serious side effects when taken together. Existing software solutions used in hospitals and pharmacies are only capable of analysing single drug-to-drug interactions. Tabula Rasa's software has been tested in a programme for elderly patients under Medicare and is shown to improve patient outcomes and to reduce costs for the system. The ambition is to have the software in the hands of all prescribers over time and we are starting to see promising early steps in this regard, with commercial traction amongst insurers as well as pharmacies.

ShockWave Medical is a US medical technology company developing intravascular lithotripsy to crack calcium in calcified blood vessels. Traditional angioplasty surgery often damages surrounding tissue and can result in calcified deposits entering the bloodstream. Instead, by using soundwaves as part of the surgery, calcium deposits can be removed in a safer more efficacious way, significantly improving the standard of care for those suffering from artery diseases.

The portfolio's exposure to unlisted businesses was also increased in the period through acquiring a holding in Graphcore, a UK semiconductor company developing hardware for AI and machine learning applications. Its designs address one of the key barriers to wider adoption of these tools and deriving greater value from them. The business has endorsements from several leading computing companies who are helping to distribute and support their products in the market. There are now eight unlisted businesses in the portfolio, accounting for 5.2% of assets.

Several of the medical device holdings have produced very strong returns over recent years. Synergistic advances in data analytics, materials science and ever more sophisticated sensors and componentry have created a wave of new innovative products and helped push the area into vogue. Whilst we have been largely pleased with the commercial traction of our medical device holdings, in some cases we believe that some of the potential we originally identified has now been reflected in their valuations. On this basis, we sold the holding in Penumbra. We also used share price strength to reduce the holdings in real-time blood glucose monitoring company, Dexcom, and cancer-focused medical device company, Novocure.

The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

# Baillie Gifford Statement on Stewardship

## Reclaiming Activism for Long-Term Investors

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

## Our Stewardship Principles

### Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes.

We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others do not.

### A constructive and purposeful board

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

### Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment

with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

### Fair treatment of stakeholders

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

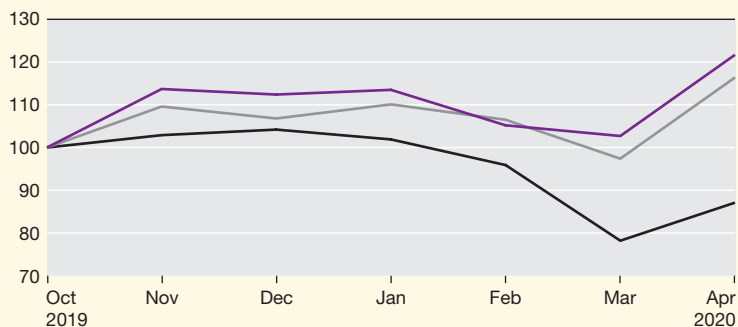
### Sustainable business practices

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

## Six Months Performance and Premium/(Discount) to Net Asset Value\* (unaudited)

### Six Months Performance

(figures plotted on a monthly basis and rebased to 100 at 31 October 2019)



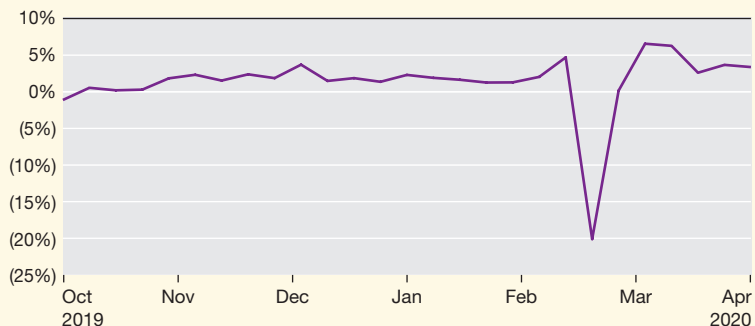
Source: Refinitiv/Baillie Gifford and relevant underlying index providers.  
See disclaimer on page 27.

- Share price total return
- NAV total return (after deducting borrowings at fair value)#
- Comparative index†

†S&P Global Small Cap Index total return (in sterling terms). See disclaimer on page 27.

### Premium/(Discount) to Net Asset Value

(plotted on a weekly basis)



Source: Refinitiv/Baillie Gifford.

- Edinburgh Worldwide premium/(discount) (after deducting borrowings at fair value)#

The premium/(discount) is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value calculated after deducting borrowings at fair value.

\* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 23 and 24.

# Alternative Performance Measure – for a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 23 and 24.

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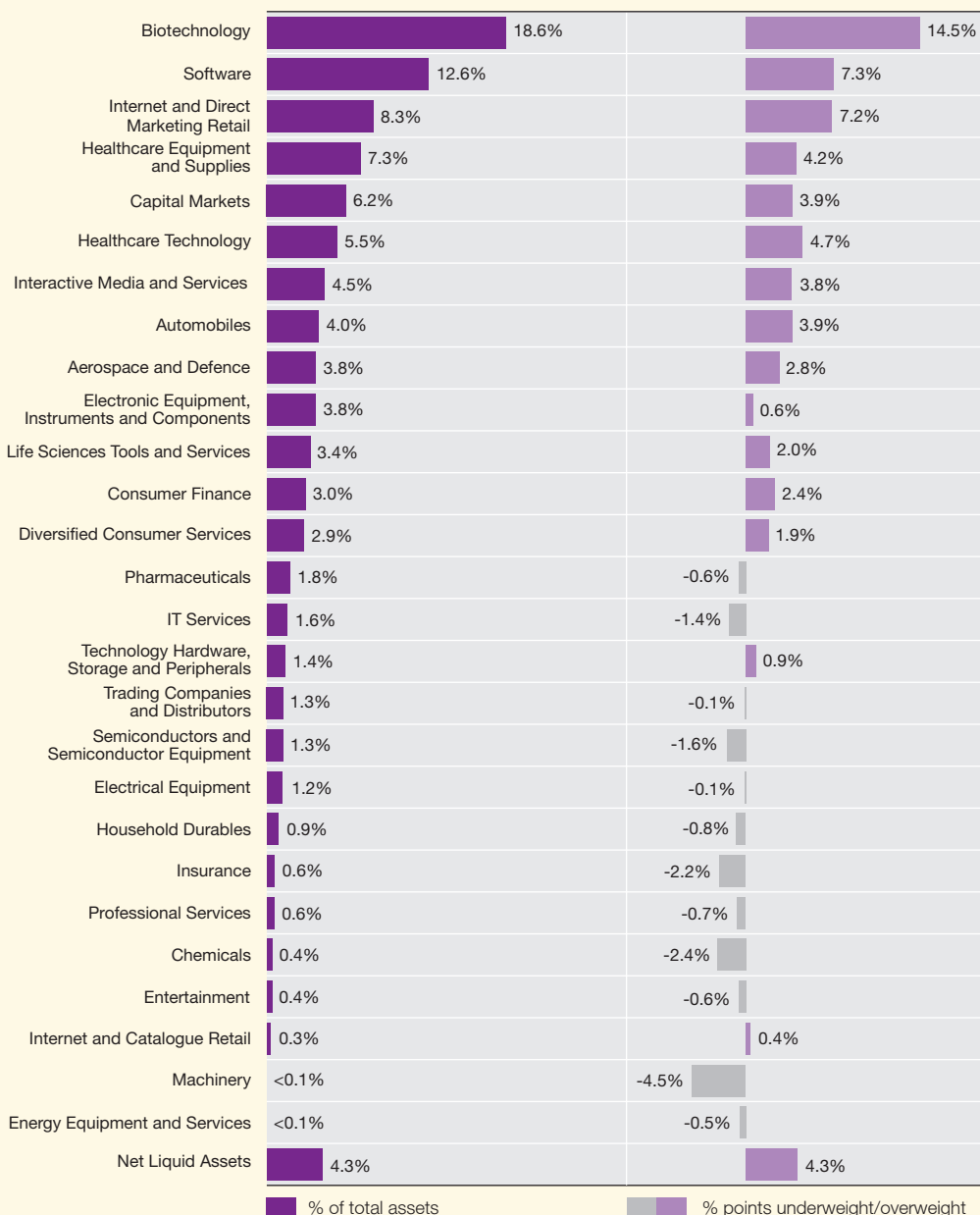
# Distribution of Total Assets\* (unaudited)

At 30 April 2020

Industry Analysis

Portfolio Weightings

(relative to comparative index†)



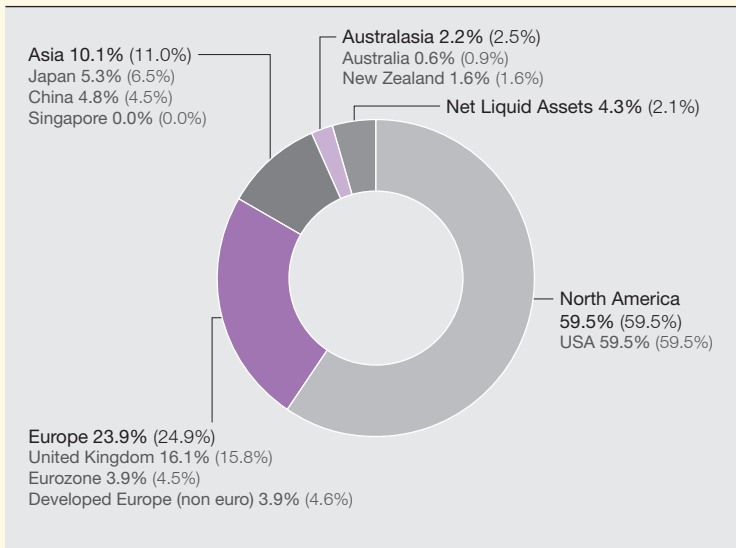
\* Total assets before deduction of loans.

† S&P Global Small Cap Index. Weightings exclude industries where the Company has no exposure. See disclaimer on page 27.

## Distribution of Total Assets\* (unaudited)

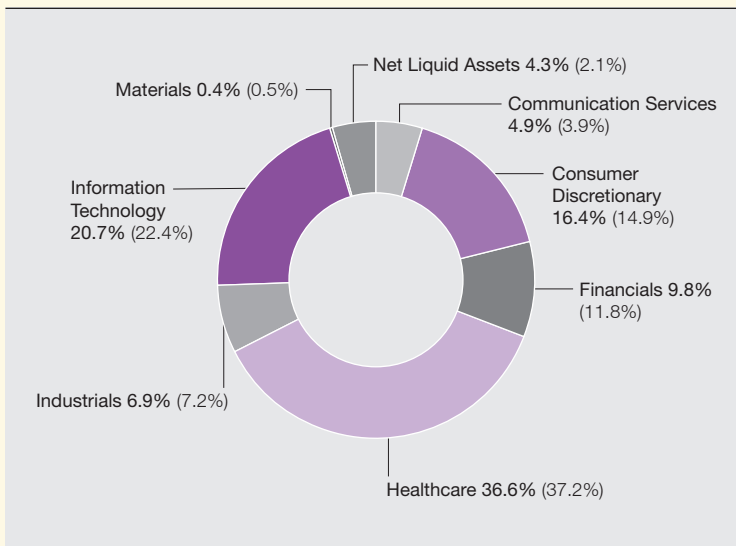
### Geographical Analysis at 30 April 2020

(31 October 2019)



### Sectoral Analysis at 30 April 2020

(31 October 2019)



\* Total assets before deduction of loans.

## Performance of the Top 20 Holdings at 30 April 2020 (unaudited)

Name	Business	Country	Value £'000	% of total assets *	Performance <sup>†</sup>	
					Absolute %	Relative %
MarketAxess	Electronic bond trading platform	USA	40,272	5.8	27.0	45.9
Ocado	Online grocery retailer and technology provider	UK	34,883	5.1	20.7	38.7
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	USA	34,325	5.0	55.8	78.9
Tesla	Electric vehicles, autonomous driving and solar energy	USA	27,811	4.0	154.7	192.6
Teladoc	Telemedicine services provider	USA	22,597	3.3	120.4	153.2
LendingTree	Online consumer finance marketplace	USA	20,040	2.9	(28.9)	(18.3)
Zillow <sup>#</sup>	US online real estate portal	USA	20,033	2.9	38.4	58.9
Chegg	Online educational company	USA	19,677	2.9	43.0	64.3
Galapagos	Clinical stage biotechnology company focussing on autoimmune and fibrosis diseases	Belgium	13,478	2.0	23.1	41.5
Novocure	Manufacturer of medical devices for cancer treatment	USA	13,296	1.9	(5.5)	8.5
PureTech Health	IP commercialisation focused on healthcare	UK	13,076	1.9	5.6	21.4
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	12,658	1.8	90.3	118.6
STAAR Surgical	Ophthalmic implants for vision correction	USA	10,943	1.6	19.9	37.8
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	10,835	1.6	12.4	29.1
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	10,516	1.5	6.6	22.5
Appian	Enterprise software developer	USA	10,472	1.5	4.8	20.4
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	9,638	1.4	(6.9)	7.0
Temenos Group	Banking software provider	Switzerland	9,434	1.4	(6.4)	7.5
Tandem Diabetes Care	Manufacturer of insulin pumps for diabetic patients	USA	9,407	1.4	32.6	52.3
Genmab	Antibody based drug development	Denmark	9,381	1.4	13.1	29.9
			<b>352,772</b>	<b>51.3</b>		

\* Total assets before deduction of loans.

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2019 to 30 April 2020. 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 on page 27.

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

Past performance is not a guide to future performance.

## List of Investments as at 30 April 2020 (unaudited)

Name	Business	Country	Value £'000	% of total assets *
MarketAxess	Electronic bond trading platform	USA	40,272	5.8
Ocado	Online grocery retailer and technology provider	UK	34,883	5.1
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	USA	34,325	5.0
Tesla	Electric vehicles, autonomous driving and solar energy	USA	27,811	4.0
Teladoc	Telemedicine services provider	USA	22,597	3.3
LendingTree	Online consumer finance marketplace	USA	20,040	2.9
Zillow Class C	US online real estate portal	USA	16,900	2.4
Zillow Class A	US online real estate portal	USA	3,133	0.5
			20,033	2.9
Chegg	Online educational company	USA	19,677	2.9
Galapagos	Clinical stage biotechnology company focussing on autoimmune and fibrosis diseases	Belgium	13,478	2.0
Novocure	Manufacturer of medical devices for cancer treatment	USA	13,296	1.9
PureTech Health	IP commercialisation focused on healthcare	UK	13,076	1.9
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	12,658	1.8
STAAR Surgical	Ophthalmic implants for vision correction	USA	10,943	1.6
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	10,835	1.6
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	10,516	1.5
Appian	Enterprise software developer	USA	10,472	1.5
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	9,638	1.4
Temenos Group	Banking software provider	Switzerland	9,434	1.4
Tandem Diabetes Care	Manufacturer of insulin pumps for diabetic patients	USA	9,407	1.4
Genmab	Antibody based drug development	Denmark	9,381	1.4
Codexis	Industrial and pharmaceutical enzyme developer	USA	9,063	1.3
MonotaRO	Online business supplies	Japan	8,953	1.3
Kingdee International Software	Enterprise management software provider	China	8,793	1.3
Yext	Digital knowledge manager	USA	8,752	1.3
InfoMart	Online platform for restaurant supplies	Japan	8,643	1.2
Wayfair	Online furniture and homeware retailer	USA	8,557	1.2
Pacira BioSciences	Opioid free analgesics developer	USA	8,507	1.2

Name	Business	Country	Value £'000	% of total assets *
Splunk	Data diagnostics	USA	8,222	1.2
M3	Online medical database	Japan	8,075	1.2
Genus	Livestock breeding and technology services	UK	7,924	1.1
Oxford Nanopore Technologies®	Novel DNA sequencing technology	UK	7,909	1.1
IPG Photonics	High-power fibre lasers	USA	7,550	1.1
Baozun SPN ADR	Chinese e-commerce solution provider	China	7,417	1.1
Ceres Power Holding	Developer of fuel cells	UK	7,207	1.0
Dexcom	Real time blood glucose monitoring	USA	7,165	1.0
Space Exploration Technologies Series J Preferred®	Designs, manufactures and launches advanced rockets and spacecraft	USA	4,688	0.7
Space Exploration Technologies Series K Preferred®	Designs, manufactures and launches advanced rockets and spacecraft	USA	2,137	0.3
			6,825	1.0
BlackLine	Enterprise financial software provider	USA	6,702	1.0
Seattle Genetics	Antibody drug conjugate therapeutics	USA	6,697	1.0
CyberArk Software	Cyber security solutions provider	Israel	6,298	0.9
iRobot	Consumer robotics and connected devices	USA	6,195	0.9
Axon Enterprises	Law enforcement equipment and software provider	USA	5,878	0.8
Peptidream	Peptide based drug discovery platform	Japan	5,756	0.8
LiveRamp	Marketing technology company	USA	5,580	0.8
Avacta Group	Affinity based diagnostic reagents and therapeutics	UK	5,382	0.8
Morphosys	Antibody based drug discovery platform	Germany	5,330	0.8
Grubhub	Online restaurant and delivery platform	USA	5,302	0.8
Digital Garage	Internet business incubator	Japan	5,205	0.8
Renishaw	Measurement and calibration equipment	UK	4,932	0.7
Faro Technologies	Designs and develops measurement devices	USA	4,695	0.7
EverQuote	Online marketplace for buying insurance	USA	4,589	0.7
Trupanion	Pet health insurance provider	USA	4,385	0.6
Ambarella	Video compression and image processing semiconductors	USA	4,059	0.6
PsiQuantum Series C Preferred®	Developer of commercial quantum computing	USA	3,964	0.6
Akili Interactive Labs Series C Preferred®	Digital medicine company	USA	3,919	0.6
Graphcore Series D2 Preferred®	Specialised processor chips for machine learning applications	UK	3,752	0.6

## List of Investments as at 30 April 2020 (unaudited)

Name	Business	Country	Value £'000	% of total assets*
KSQ Therapeutics Series C Preferred <sup>®</sup>	Biotechnology target identification company	USA	3,517	0.5
Rightmove	UK online property portal	UK	3,433	0.5
Upwork	Online freelancing and recruitment services platform	USA	3,426	0.5
Reaction Engines <sup>®</sup>	Advanced heat exchange company	UK	3,425	0.5
National Instruments	Instrumentation and software for semiconductor research and testing	USA	3,332	0.5
IP Group	Intellectual property commercialisation	UK	3,032	0.4
SEEK	Online recruitment portal	Australia	2,945	0.4
Oxford Instruments	Advanced instrumentation and equipment provider	UK	2,732	0.4
ShockWave Medical	Medical devices manufacturer	USA	2,732	0.4
Dialog Semiconductor	Semiconductors for mobile devices	Germany	2,659	0.4
Collectis	Genetic engineering for cell based therapies	France	2,570	0.4
Victrex	High-performance thermo-plastics	UK	2,538	0.4
HUYA ADR	A live game streaming platform	China	2,491	0.4
ASOS	Online fashion retailer	UK	2,433	0.3
Tabula Rasa Healthcare	Cloud-based healthcare software developer	USA	2,341	0.3
Spire Global Series C Preferred <sup>®</sup>	Satellite powered data collection and analysis company	USA	2,076	0.3
Spire Global Inc Sub. Convertible Promissory Note <sup>®</sup>	Satellite powered data collection and analysis company	USA	254	0.0
			2,330	0.3
Zuora	Enterprise sales management software	USA	2,052	0.3
CEVA	Licenses IP to the semiconductor industry	USA	2,050	0.3
Digimarc	Digital watermarking technology provider	USA	2,041	0.3
Stratasys	3D printer manufacturer	USA	2,029	0.3
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	Italy	2,001	0.3
Benefitfocus	Employee benefits software provider	USA	1,942	0.3
Adaptimmune Therapeutics ADR	Cell therapies for cancer treatment	UK	1,861	0.3
Unity Biotechnology	Biotechnology company seeking to develop anti ageing therapies	USA	1,755	0.3
Ilika	Discovery and development of novel materials for mass market applications	UK	1,614	0.2
Sensirion Holding	Manufacturer of gas and flow sensors	Switzerland	1,581	0.2
NuCana SPN ADR	Next generation chemotherapy developer	UK	1,500	0.2
4D Pharma	Microbiome biology therapeutics	UK	1,314	0.2



Name	Business	Country	Value £'000	% of total assets*
AxoGen	Regenerative medicine and nerve repair company	USA	1,311	0.2
Aduro Biotechnology	Immunotherapy drug development	USA	1,281	0.2
Catapult Group International	Analytics and data collection technology for sports teams and athletes	Australia	1,139	0.2
Horizon Discovery	Customised cell lines to aid drug discovery	UK	1,049	0.1
Kaleido Biosciences	Microbiome chemistry therapeutics	USA	991	0.1
resTORbio	Biotechnology company focussed on age related disorders	USA	749	0.1
Rubius Therapeutics	Developer of novel therapies using engineered red blood cells	USA	737	0.1
Uxin ADR	Online Chinese used car marketplace	China	725	0.1
Summit Therapeutics ADR	Developer of novel antibiotics	UK	560	0.1
Ricardo	Engineering services provider	UK	533	0.1
Jianpu Technology ADR	Chinese consumer finance marketplace	China	531	0.1
C4X Discovery Holdings	Rational drug design and optimisation	UK	362	0.1
Menlo Therapeutics	Biopharmaceutical company focused in the dermatology space	USA	289	<0.1
Suess Microtec	Fabrication and inspection equipment	Germany	179	<0.1
Zumtobel	Commercial lighting	Austria	162	<0.1
Tissue Regenix	Regenerative medicine technology provider	UK	113	<0.1
Xeros Technology Group	Polymer technology company with laundry and textile applications	UK	63	<0.1
Applied Graphene Materials	Manufactures graphene nanoplatelets	UK	14	<0.1
Velocys	Gas to liquid technology	UK	11	<0.1
China Lumena New Materials	Mines, processes and manufactures natural thenardite products	China	0	<0.1
Ensogo	South East Asian e-commerce	Australia	0	<0.1
<b>Total investments</b>			<b>659,429</b>	<b>95.7</b>
<b>Net liquid assets</b>			<b>30,031</b>	<b>4.3</b>
<b>Total assets</b>			<b>689,460</b>	<b>100.0</b>

\* Total assets before deduction of loans.

@Denotes unlisted security.

	Listed equities %	Unlisted securities † %	Net liquid assets %	Total assets %
<b>30 April 2020</b>	<b>90.5</b>	<b>5.2</b>	<b>4.3</b>	<b>100.0</b>

Figures represent percentage of total assets.

† Includes holdings in ordinary shares, preference shares and convertible promissory note.

## Income Statement (unaudited)

	For the six months ended 30 April 2020			For the six months ended 30 April 2019			For the year ended 31 October 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	–	14,802	<b>14,802</b>	–	9,805	<b>9,805</b>	–	1,034	<b>1,034</b>
Movements in investment holding gains and (losses)	–	76,035	<b>76,035</b>	–	51,204	<b>51,204</b>	–	36,383	<b>36,383</b>
Currency (losses)/gains	–	(240)	<b>(240)</b>	–	567	<b>567</b>	–	182	<b>182</b>
Income from investments and interest receivable	495	–	<b>495</b>	648	–	<b>648</b>	1,229	–	<b>1,229</b>
Investment management fee (note 3)	(462)	(1,387)	<b>(1,849)</b>	(394)	(1,181)	<b>(1,575)</b>	(820)	(2,461)	<b>(3,281)</b>
Other administrative expenses	(364)	–	<b>(364)</b>	(355)	–	<b>(355)</b>	(671)	–	<b>(671)</b>
<b>Net return before finance costs and taxation</b>	<b>(331)</b>	<b>89,210</b>	<b>88,879</b>	<b>(101)</b>	<b>60,395</b>	<b>60,294</b>	<b>(262)</b>	<b>35,138</b>	<b>34,876</b>
Finance costs of borrowings	(193)	(578)	<b>(771)</b>	(180)	(539)	<b>(719)</b>	(368)	(1,105)	<b>(1,473)</b>
<b>Net return on ordinary activities before taxation</b>	<b>(524)</b>	<b>88,632</b>	<b>88,108</b>	<b>(281)</b>	<b>59,856</b>	<b>59,575</b>	<b>(630)</b>	<b>34,033</b>	<b>33,403</b>
Tax on ordinary activities	(29)	–	<b>(29)</b>	(28)	–	<b>(28)</b>	(54)	–	<b>(54)</b>
<b>Net return on ordinary activities after taxation</b>	<b>(553)</b>	<b>88,632</b>	<b>88,079</b>	<b>(309)</b>	<b>59,856</b>	<b>59,547</b>	<b>(684)</b>	<b>34,033</b>	<b>33,349</b>
<b>Net return per ordinary share</b> (note 4)	<b>(0.18p)</b>	<b>29.01p</b>	<b>28.83p</b>	<b>(0.11p)</b>	<b>20.76p</b>	<b>20.65p</b>	<b>(0.23p)</b>	<b>11.57p</b>	<b>11.34p</b>

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 on ordinary activities after taxation is both the profit and comprehensive income for the period.

## Balance Sheet (unaudited)

	At 30 April 2020 £'000	At 31 October 2019 (audited) £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss (note 6)	659,429	572,859
<b>Current assets</b>		
Debtors	8,646	155
Cash and cash equivalents	25,335	13,342
	33,981	13,497
<b>Creditors</b>		
Amounts falling due within one year (note 7)	(53,306)	(49,638)
<b>Net current liabilities</b>	(19,325)	(36,141)
<b>Net assets</b>	<b>640,104</b>	<b>536,718</b>
<b>Capital and reserves</b>		
Share capital	3,099	3,026
Share premium account	198,988	183,754
Special reserve	35,220	35,220
Capital reserve	403,562	314,930
Revenue reserve	(765)	(212)
<b>Shareholders' funds</b>	<b>640,104</b>	<b>536,718</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at book value)	<b>206.54p</b>	<b>177.37p</b>
<b>Ordinary shares in issue</b> (note 8)	<b>309,923,695</b>	<b>302,598,695</b>

## Statement of Changes in Equity (unaudited)

### For the six months ended 30 April 2020

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2019	3,026	183,754	35,220	314,930	(212)	<b>536,718</b>
Ordinary shares issued (note 8)	73	15,234	–	–	–	<b>15,307</b>
Net return on ordinary activities after taxation	–	–	–	88,632	(553)	<b>88,079</b>
<b>Shareholders' funds at 30 April 2020</b>	<b>3,099</b>	<b>198,988</b>	<b>35,220</b>	<b>403,562</b>	<b>(765)</b>	<b>640,104</b>

### For the six months ended 30 April 2019

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2018	2,861	153,024	35,220	280,897	472	<b>472,474</b>
Ordinary shares issued	82	14,759	–	–	–	<b>14,841</b>
Net return on ordinary activities after taxation	–	–	–	59,856	(309)	<b>59,547</b>
<b>Shareholders' funds at 30 April 2019</b>	<b>2,943</b>	<b>167,783</b>	<b>35,220</b>	<b>340,753</b>	<b>163</b>	<b>546,862</b>

\* The Capital Reserve as at 30 April 2020 includes investment holding gains of £256,389,000 (30 April 2019 – gains of £195,176,000).

## Condensed Cash Flow Statement (unaudited)

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000
<b>Cash flows from operating activities</b>		
Net return on ordinary activities before taxation	88,108	59,575
Net gains on investments	(90,837)	(61,009)
Currency losses/(gains)	240	(567)
Finance costs of borrowings	771	719
Overseas tax incurred	(24)	(25)
Changes in debtors and creditors	77	72
<b>Cash from operations*</b>	(1,665)	(1,235)
Interest paid	(789)	(722)
<b>Net cash outflow from operating activities</b>	(2,454)	(1,957)
<b>Net cash outflow from investing activities</b>	(189)	(23,583)
<b>Financing</b>		
Ordinary shares issued	14,117	13,421
Bank loans drawn down	99,864	25,530
Bank loans repaid	(99,864)	(25,309)
<b>Net cash inflow from financing activities</b>	14,117	13,642
<b>Increase/(decrease) in cash and cash equivalents</b>	11,474	(11,898)
Exchange movements	519	(269)
Cash and cash equivalents at start of period	13,342	23,607
<b>Cash and cash equivalents at end of period†</b>	<b>25,335</b>	<b>11,440</b>

\* Cash from operations includes dividends received in the period of £370,000 (30 April 2019 – £534,000) and deposit interest received of £60,000 (30 April 2019 – £92,000).

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

# Notes to the Condensed Financial Statements (unaudited)

## 1 Basis of Accounting

The condensed Financial Statements for the six months to 30 April 2020 comprise the statements set out on pages 14 to 18 together with the related notes on pages 19 to 22. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014, updated in October 2019 with consequential amendments, and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 April 2020 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 2019.

### Going Concern

The Directors have considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover, as well as the implications of the current COVID-19 pandemic. 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 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 Financial Information

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 2019 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 Investment Manager

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. The management agreement is terminable on not less than three months' notice. With effect from 1 January 2019 the annual management fee is 0.75% on the first £50m of net assets, 0.65% on the next £200m of net assets and 0.55% on the remaining net assets. Prior to 1 January 2019 the fee was 0.95% on the first £50m of net assets, 0.65% on the next £200m of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.



## Notes to the Condensed Financial Statements (unaudited)

	Six months to 30 April 2020 £'000	Six months to 30 April 2019 £'000	Year to 31 October 2019 (audited) £'000
<b>4 Net return per ordinary share</b>			
Revenue return on ordinary activities after taxation	(553)	(309)	(684)
Capital return on ordinary activities after taxation	88,632	59,856	34,033
<b>Total net return</b>	<b>88,079</b>	<b>59,547</b>	<b>33,349</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>305,469,025</b>	<b>288,349,109</b>	<b>294,171,777</b>

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

### 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 asset investments based on the fair value hierarchy described above is shown below.

#### Investments held at fair value through profit or loss

As at 30 April 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	623,788	–	–	<b>623,788</b>
Unlisted ordinary shares	–	–	11,334	<b>11,334</b>
Unlisted preference shares*	–	–	24,053	<b>24,053</b>
Unlisted convertible promissory note	–	–	254	<b>254</b>
<b>Total financial asset investments</b>	<b>623,788</b>	<b>–</b>	<b>35,641</b>	<b>659,429</b>

## 6 Fair Value Hierarchy (continued)

As at 31 October 2019 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	540,684	–	–	<b>540,684</b>
Unlisted ordinary shares	–	–	11,515	<b>11,515</b>
Unlisted preference shares*	–	–	20,394	<b>20,394</b>
Unlisted convertible promissory note	–	–	266	<b>266</b>
<b>Total financial asset investments</b>	<b>540,684</b>	<b>–</b>	<b>32,175</b>	<b>572,859</b>

\* The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event 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 2020 creditors falling due within one year include borrowings of £49,356,000 (31 October 2019 – £48,596,000) drawn down under a five year £25 million revolving credit facility with National Australia Bank Limited which expires on 29 June 2023 and a five year £36 million revolving credit facility with National Australia Bank Limited which expires on 30 September 2024.

At 30 April 2020 the drawings were €2,821,800, US\$37,090,500 and £17,500,000 (31 October 2019 – €2,821,800, US\$37,090,500 and £17,500,000) drawn under the two floating rate facilities.

The fair value of the bank loans at 30 April 2020 was £49,356,000 (31 October 2019 – £48,596,000).

# Notes to the Condensed Financial Statements (unaudited)

## 8 Share Capital

At the Annual General Meeting held on 23 January 2019 shareholders approved an ordinary resolution that each of the ordinary shares of 5p each in the capital of the Company be subdivided into five ordinary shares of 1p each (the 'New Ordinary Shares'). The New Ordinary Shares were admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities at 8.00am on 28 January 2019). Accordingly, the 57,389,739 ordinary shares of 5p in issue as at 23 January 2019 were sub-divided into 286,948,695 ordinary shares of 1p.

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 2020 the Company issued a total of 7,325,000 shares on a non pre-emptive basis (nominal value £73,000, representing 2.4% of the issued share capital at 31 October 2019) at a premium to net asset value (on the basis of debt valued at book value) raising net proceeds of £15,307,000. (In the year to 31 October 2019 – 16,525,000 shares with a nominal value of £165,000, representing 5.8% of the issued share capital at 31 October 2018 raising net proceeds of £30,895,000).

Over the period from 30 April 2020 to 5 June 2020 the Company has issued a further 11,140,000 shares at a premium to net asset value, raising net proceeds of £26,378,000.

The Company also has authority to buy back shares. In the six months to 30 April 2020 no ordinary shares were bought back therefore the Company's authority remains unchanged at 45,359,544 ordinary shares.

## 9 Transaction Costs

During the period the Company incurred transaction costs on purchases of investments of £13,000 (30 April 2019 – £14,000; 31 October 2019 – £18,000) and transaction costs on sales of £15,000 (30 April 2019 – £10,000; 31 October 2019 – £13,000).

## 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.

# 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

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 book value or fair value as described below. Per share amounts are calculated by dividing the relevant figure by the number of ordinary shares in issue.

## Net Asset Value (Borrowings at Book 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 2020	31 October 2019
<b>Net Asset Value per ordinary share (borrowings at book value)</b>	<b>206.54p</b>	<b>177.37p</b>
Shareholders' funds (borrowings at book value)	£640,104,000	£536,718,000
Add: book value of borrowings	£49,356,000	£48,596,000
Less: fair value of borrowings	(£49,356,000)	(£48,596,000)
<b>Shareholders' funds (borrowings at fair value)</b>	<b>£640,104,000</b>	<b>£536,718,000</b>
Number of shares in issue	309,923,695	302,598,695
<b>Net Asset Value per ordinary share (borrowings at fair value)</b>	<b>206.54p</b>	<b>177.37p</b>

## 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.

## Total Return (APM)

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

## Ongoing Charges (APM)

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

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

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.

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

## 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.

## Unlisted Company

An unlisted company means a company whose shares are not available to the general public for trading and not listed on a stock exchange.

## Further Shareholder Information

### How to Invest

Edinburgh Worldwide's shares are traded on the London Stock Exchange. They can be bought through a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Edinburgh Worldwide you can do so online. There are a number of companies offering real time online dealing services – find out more by visiting [www.edinburghworldwide.co.uk](http://www.edinburghworldwide.co.uk).

### Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email, fax or post. See contact details in the 'Further Information' box on the back cover.

### 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 Registrars on 0370 707 1643.

### Automatic Exchange of Information

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

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Edinburgh Worldwide Investment 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.

New 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

<https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

### Risk Warnings

Past performance is not a guide to future performance.

Edinburgh Worldwide is a UK listed company. The value of its shares and any income from them can fall as well as rise and you may not get back the amount invested.

Edinburgh Worldwide invests in overseas securities, changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Edinburgh Worldwide has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.

Edinburgh Worldwide can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

Edinburgh Worldwide has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions.

Edinburgh Worldwide'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.

Edinburgh Worldwide can make use of derivatives which may impact on its performance.



## Further Shareholder Information

Edinburgh Worldwide charges 75% of the investment management fee and 75% of borrowing costs to capital which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning the Company may not pay a dividend and the capital value would be further reduced.

The aim of Edinburgh Worldwide is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

Edinburgh Worldwide is a UK public listed company and as such complies with the requirements of the UK Listing Authority and is not authorised or regulated by the Financial Conduct Authority.

The information and opinions expressed within this Interim Financial Report are subject to change without notice.

This information has been issued and approved by Baillie Gifford & Co Limited and does not in any way constitute investment advice.

The staff of Baillie Gifford & Co and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy and sell such shares from time to time.

The Board of Edinburgh Worldwide Investment Trust plc and the Investment Manager are actively working together to monitor the effect of COVID-19 on the Company and its investee companies. The Investment Manager has measures in place to safeguard the health of its employees whilst remaining fully operational and providing business continuity to its clients. In particular, the Board and Investment Manager are monitoring closely the following:

- the valuation and liquidity of Edinburgh Worldwide's portfolio companies;
- the debt covenants in place for the Company's borrowings;
- the operational arrangements in place at Baillie Gifford & Co; and
- the ability of Edinburgh Worldwide's third-party service providers to continue to provide contracted services.

The Investment Manager and third-party service providers remain fully operational and business continuity plans are working as expected.

Political developments are closely monitored and considered by the Board. The Board continues to monitor developments as they occur following the UK's departure from the European Union but believes that the Company's global portfolio, with only a modest exposure to the United Kingdom, positions the Company to be suitably insulated from Brexit-related risks.

## Third Party Data Provider Disclaimer

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## Directors

Chairman:  
HCT Strutt

DAJ Cameron  
WJ Ducas  
H James  
CA Roxburgh  
JA Simpson-Dent  
MIG Wilson

## Alternative Investment Fund Manager, Secretaries and Registered Office

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## Company Details

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Company Registration  
No. SC184775  
ISIN GB00BHSRZC82  
Sedol BHSRZC8  
Ticker EWI

Legal Entity Identifier:  
213800JUA8RKIDDLH380

## Further Information

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