BAILLIE GIFFORD
US GROWTH TRUST plc

In search of
exceptional growth

Annual Report and Financial Statements
31 May 2022

BAILLIE GIFFORD

Baillie Gifford US Growth Trust plc seeks to invest predominantly in listed and unlisted US companies which the Company believes have the potential to grow substantially faster than the average company, and to hold onto them for long periods of time, in order to produce long-term capital growth.

Contents

Investor Disclosure Document

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

Notes

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

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

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

Strategic Report

This Strategic Report, which includes pages 1 to 25 and incorporates the Chairman's Statement, has been prepared in accordance with the Companies Act 2006.

Summary of Results*

The following information illustrates how Baillie Gifford US Growth Trust plc performed over the year to 31 May 2022 and over the period from 23 March 2018, its launch date and first trade date, to 31 May 2022.

	31 May 2022	31 May 2021	% change
Total assets (before deduction of borrowings)	£623.9m	£935.2m	
Borrowings	£39.7m	£26.3m	
Shareholders' funds	£584.2m	£908.9m	
Net asset value per ordinary share (after deducting borrowings at fair value)‡	191.63p	296.12p	(35.3)
Net asset value per ordinary share (after deducting borrowings at book value)	191.44p	296.21p	(35.4)
Share price	168.00p	308.00p	(45.5)
Comparative index (in sterling terms)†#			12.2
Ongoing charges‡	0.62%	0.68%	
(Discount)/premium (borrowings at fair value)‡	(12.3%)	4.0%	
(Discount)/premium (borrowings at book value)‡	(12.2%)	4.0%	
Active share (relative to S&P 500 Index)‡	93%	93%	
Number of shares in issue	305,153,700	306,835,000	
Market capitalisation	£512.7m	£945.1m	

	For the year ended 31 May 2022	For the year ended 31 May 2021
Revenue earnings per share	(1.88p)	(1.78p)

	Year to 31 May 2022		Year to 31 May 2021	
Period's high and low	**High**	**Low**	**High**	**Low**
Share price	358.00p	146.00p	399.00p	189.00p
Net asset value per ordinary share (after deducting borrowings at fair value)‡	360.20p	179.40p	355.28p	180.03p
Net asset value per ordinary share (after deducting borrowings at book value)	360.19p	179.19p	355.39p	180.03p
Premium/(discount) (borrowings at fair value)‡	7.5%	(18.9%)	12.8%	(9.0%)
Premium/(discount) (borrowings at book value)‡	7.4%	(18.8%)	12.8%	(9.0%)

	31 May 2022	23 March 2018 ¶	% change
Performance since inception			
Share price	168.00p	100.50p	67.2
Net asset value per ordinary share (after deducting borrowings at fair value)‡	191.63p	97.96p	95.6
Net asset value per ordinary share (after deducting borrowings at book value)	191.44p	97.96p	95.4
Comparative index (in sterling terms)			93.0

* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
† S&P 500 Index total return (in sterling terms). See disclaimer on page 71.
# Source: Refinitiv and relevant underlying index providers. See disclaimer on page 71.
‡ Alternative performance measure, see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
¶ Close of business on 23 March 2018.

Past performance is not a guide to future performance.

Chairman's Statement

Tom Burnet, Chairman

Dear Shareholders

In last year's report, with all our lives still impacted significantly by the Covid-19 pandemic, I wrote about equity markets experiencing some of the most significant instability in living memory. A year later, it feels like the same phrase still rings true, with the valuations of growth stocks particularly hard hit in recent months.

During the financial year to 31 May 2022, the Company's share price and net asset value total returns, calculated by deducting borrowings at fair value, were -45.5% and -35.3% respectively. This compares with a total return of 12.2% for the S&P 500 Index* (in sterling terms). Over the period from 23 March 2018 (launch date and first trade date), the Company's share price and net asset value, calculated by deducting borrowings at fair value, were 67.2% and 95.6% respectively compared to a total return of 93.0% for the S&P 500 Index* (in sterling terms).

As we said last year when reporting very strong one year performance numbers, we would ask shareholders to judge performance over periods of five years or more. Further information about the Company's portfolio performance is covered by our portfolio managers, Gary Robinson and Kirsty Gibson, in their Managers' Review.

Share Issuance and Buy-backs

The Company's shares moved from a premium of 4.0% last year to a discount of 12.3% at 31 May 2022 as sentiment turned against the Company's growth investing style. The Company issued 525,000 shares in the first half of the financial year at a premium to net asset value, raising £1.8 million. During the second half of the financial year, the Company bought back 2,206,300 shares, to be held in treasury, at a total cost of £3.6 million.

The authority to issue shares obtained at launch is due to expire in March 2023. With this in mind the Directors are therefore seeking shareholders' approval at the Annual General Meeting to obtain new authorities for issuance and disapplication of pre-emption rights. These authorities will be in substitution to the authorities obtained on 5 March 2018.

The Company will be seeking to renew the buy-back authority at the forthcoming Annual General Meeting.

Gearing

The Company has two loan facilities in place with ING Bank N.V., London Branch. The first is a US$25 million five year revolving credit facility which expires on 1 August 2023 and the second is a US$25 million three year fixed rate facility which expires on 23 October 2023. As at 31 May 2022, the facilities had been drawn down in full (31 May 2021 – US$37.5 million). Net gearing increased from 1% to 6% over the course of the year.

Earnings and Dividend

The Company's priority is to generate capital growth over the long term. The Company therefore has no dividend target and will not seek to provide shareholders with a level of dividend. The net revenue return per share for the year to 31 May 2022 was a negative 1.88p (year to 31 May 2021, a negative 1.78p). As the revenue account is again running at a deficit, the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Private Company (Unlisted) Investments

As at the Company's year end, the portfolio weighting in private company (unlisted) investments stood at 36.4% of total assets, invested in twenty-four companies (2021 – 16.5% invested in twenty companies). There were seven new purchases in the year and three stocks, Aurora Innovation, Ginkgo Bioworks and Warby Parker, listed. There is commentary on the new holdings in the Managers' Review and Review of Investments on pages 10 to 21. Your portfolio managers remain alert to further special and high potential opportunities not widely accessible through public markets.

Environmental, Social and Governance ('ESG')

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

* Source: Refinitiv and relevant underlying index providers. See disclaimer on page 71.
For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
Past performance is not a guide to future performance.

Annual General Meeting

The Annual General Meeting of the Company has been scheduled to be held at Baillie Gifford's offices in Edinburgh at 9.30am on Friday, 16 September 2022. Our current expectation is that a physical meeting will be possible. All shareholders are invited to attend, and the Board looks forward to welcoming you. The meeting will be followed by a presentation from the Managers. Should regulations relating to the Covid-19 pandemic change, the intention to hold a physical meeting will be reviewed and, if necessary, an announcement will be made on the Company's website at bgusgrowthtrust.com and the London Stock Exchange regulatory news service. I encourage shareholders to submit their votes by proxy before the applicable deadline ahead of the meeting and to submit any questions for the Board or Managers in advance by email to trustenquiries@bailliegifford.com or by calling 0800 917 2112 (Baillie Gifford may record your call).

Outlook

We continue to live in unusually uncertain times. Whilst your company has no direct exposure to Russia or Ukraine, the indirect consequences continue to unsettle markets and investors globally. Whilst we cannot yet predict the long-term impact of the war or the opening of economies as we come out of the Covid-19 crisis, we can continue to focus on our mission: to be long-term, supportive shareholders to some of the highest potential and most ambitious companies in the United States. We regularly review underlying performance and speak with management teams and our companies continue to perform strongly and are delivering their strategic ambitions. My Board colleagues and I remain confident that many market verticals are ripe for disruption and that the company is excellently placed to benefit from these changes over the long term. All that being the case, the Board and the Managers remain confident in our outlook.

Tom Burnet
Chairman
8 August 2022

Business Review

Business Model

Business and Status

Baillie Gifford US Growth Trust plc ('the Company') is a public company limited by shares and is incorporated in England and Wales. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval, it may purchase its own shares or issue shares. The authority to purchase shares expires at the end of the Company's Annual General Meeting and the Directors are seeking to renew this authority at the Annual General Meeting on 16 September 2022. The authority to issue shares has been granted for a period of five years by way of a special resolution passed on 5 March 2018. With this in mind the Directors are therefore seeking shareholders' approval at the Annual General Meeting to obtain new authorities for issuance and disapplication of pre-emption rights. These authorities will be in substitution to the authorities obtained on 5 March 2018. The price of the Company's shares is determined, like other listed shares, by supply and demand.

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

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

Purpose

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

Objective and Policy

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

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

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

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

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

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

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

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

Culture and Values

In the context of a company with no employees, culture and values are expressed by the Company's Directors and the service providers with whom shareholders and other stakeholders interact, and through the relationships between the Board and those service providers, including the Managers. As noted in more detail in the section 172 statement on pages 8 and 9 the Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, and to maintain the highest standards of business conduct.

Dividend Policy

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

Liquidity Policy

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

Share Buy-backs – at the Annual General Meeting held on 17 September 2021 the Company was granted a general authority to make purchases of up to 46,073,264 shares, being approximately 14.99% of the issued ordinary share capital as at 9 August 2021. This authority expires at the forthcoming Annual General Meeting. In exercising the Company's power to buy back shares, the Board has complete discretion as to the timing, price and volume of shares so purchased. If the Company does purchase its own shares it may hold them in treasury rather than purchase them for cancellation. Shares may only be reissued from treasury at a price which, after issue costs, is not less than the net asset value per share at the relevant time.

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

2,206,300 shares were bought back during the year under review, all of which are held in treasury.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 14.99% of the ordinary shares in issue as at 5 August 2022, being the latest practicable date prior to the publication of this document or, if less, up to 14.99% of the ordinary shares in issue (excluding treasury shares) on the date on which the authority is granted, such authority to expire at the date of the Annual General Meeting in 2023. Such purchases will only be made at a discount to the prevailing net asset value. Any such shares which are bought back may be held in treasury and may subsequently then either be sold for cash or cancelled.

Share Issuance – by way of a special resolution dated 5 March 2018, the Directors have a general authority to allot ordinary shares and C shares, of up to an aggregate nominal amount equal to the difference between the nominal amount of shares issued at the Company's IPO and £10 million (i.e. up to 827,000,000 (in aggregate) ordinary shares or C shares of a nominal value of 1p each). The authority lasts until the end of the period of five years from the date of the passing of that resolution. To the extent that the authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority, or it may refresh the authority at an Annual General Meeting. Further, a special resolution was passed at the same time to disapply shareholders' pre-emption rights over this unissued share capital so that the Directors will not be obliged to offer new shares to shareholders pro-rata to their existing holdings.

Since launch, 23 March 2018, up to 31 May 2022, 134,360,000 ordinary shares in aggregate had been issued under the authority, leaving the ability to issue up to a further 692,640,000 ordinary or C shares.

As mentioned above, the Company has the authority to raise further funds through the issue of C shares rather than ordinary shares. C shares are designed to overcome the potential disadvantages that may arise out of a fixed price issue of further shares for cash. These disadvantages relate primarily to the effect that an injection of uninvested cash may have on the net asset value per ordinary share performance of an otherwise fully invested portfolio (commonly referred to as 'cash drag').

The authority obtained on 5 March 2018 is due to expire in March 2023. With this in mind, the Directors are seeking shareholders' approval at the Annual General Meeting to obtain new authorities for issuance and disapplication of pre-emption rights. These authorities will expire at the conclusion of the 2023 Annual General Meeting or on the expiry of 15 months from the passing of the resolutions, whichever is earlier, and will be in substitution to the authorities obtained on 5 March 2018, which will be terminated prematurely. Should shareholder approval be granted it will allow the Directors to issue new ordinary shares at a premium to net asset value or C shares convertible into ordinary shares, in order to satisfy investor demand over the year should the Company be in a position to do so, without the need to call an extraordinary general meeting in March 2023.

No new ordinary shares will be issued at a price which (after costs and expenses) is less than the net asset value per existing ordinary share at the time of the issue of the new shares, unless the new shares are first offered pro-rata to shareholders on a pre-emptive basis. C shares will be issued at a price of £1 per C share.

Between 1 June 2022 and 5 August 2022 no further ordinary shares were issued.

Performance

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

Key Performance Indicators

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

— the movement in the net asset value per ordinary share;

— the movement in the share price;

— the movement of the net asset value and share price performance compared to the comparative index;

— the premium/discount of the share price to the net asset value per share; and

— the ongoing charges ratio.

An explanation of these measures can be found in the Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

The KPIs for the year to 31 May 2022 and since inception, 28 March 2018, are shown on pages 1 and 25.

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

Borrowings

At 31 May 2022 the drawings were US$25 million under the five year revolving credit facility with ING Bank N.V., London Branch which expires on 1 August 2023 and US$25 million under the three year fixed rate facility with ING Bank N.V., London Branch which expires on 23 October 2023 (31 May 2021 – US$12.5 million drawn under the five year revolving credit facility and US$25 million under the three year fixed rate facility) (see notes 11 and 12 on page 56 for the sterling equivalent at each period end).

Principal and Emerging Risks

As explained on pages 32 and 33, there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no significant changes to the principal risks during the year other than Climate and Governance Risk being recognised as a principal risk as opposed to an emerging risk. A description of these risks and how they are being managed or mitigated is set out below:

The Board considers the ongoing Covid-19 pandemic and increasing macroeconomic and geopolitical concerns to be factors which exacerbate existing risks, rather than discrete risks, within the context of an investment trust. Their impact is considered within the relevant risks.

Financial Risk – the Company's assets consist mainly of listed securities and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 19 to the Financial Statements on pages 58 to 64. The Board has, in particular, considered the impact of market volatility during the Covid-19 pandemic and over recent months due to macroeconomic and geopolitical concerns. As oversight of this risk, the Board considers at each meeting various metrics including industrial sector weightings, top and bottom stock contributors to performance and sales and purchases of investments. Individual investments are discussed with the portfolio managers together with general views on the investment market and sectors. A strategy meeting is held annually.

Private Company (Unlisted) Investments – the Company's risk could be increased by its investment in private company securities. These assets may be more difficult to buy or sell, so changes in their prices may be greater than for listed investments. To mitigate this risk, the Board considers the private company securities in the context of the overall investment strategy and provides guidance to the Managers on the maximum exposure to private company securities. The investment policy limits the amount which may be invested in private company securities to 50% of the total assets of the Company, measured at the time of investment.

Investment Strategy Risk – pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value. To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register, and raises any matters of concern with the Managers.

Environmental, Social and Governance Risk – as investors place increased emphasis on environmental, social and governance ('ESG') issues, perceived problems on ESG matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price. In addition to potential valuation issues arising from any direct impact of the failure to address any ESG weakness on the operations or management of the investee company (for example in the event of an industrial accident or spillage). Repeated failure by the Investment Manager to identify ESG weaknesses in investee companies could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price. This is mitigated by the Investment Manager's strong ESG stewardship and engagement policies which are available to view on the Managers' website: bailliegifford.com and have been reviewed and endorsed by the Board, and which are fully integrated into the investment process as well as the extensive up-front and ongoing due diligence which the Investment Manager undertakes on each investee company. This due diligence includes assessment of the risks inherent in climate change as well as ongoing positive engagement on ESG related issues (see page 34).

Discount Risk – the discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company. The Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders. The Liquidity Policy is set out on pages 4 and 5.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the FCA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim Report and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

Custody and Depositary Risk – safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security. To monitor potential risk, the Audit Committee receives half yearly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers. The Custodian's assured internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated.

Operational Risk – failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption (including any disruption resulting from the Covid-19 pandemic) or major disaster. The Audit Committee reviews Baillie Gifford's Report on Internal Controls and the reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

Cyber Security Risk – a cyber attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems. To mitigate this risk, the Audit Committee reviews Reports on Internal Controls published by Baillie Gifford and other third party service providers. Baillie Gifford's Business Risk Department report to the Audit Committee on the effectiveness of information security controls in place at Baillie Gifford and its business continuity framework. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.

Leverage Risk – the Company may borrow money for investment purposes (sometimes known as 'gearing' or 'leverage'). If the investments fall in value, any borrowings will magnify the extent of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts. All borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 71 and the Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Political and Associated Economic Risk – the Board is of the view that political change in areas in which the Company invests or may invest may have practical consequences for the Company. Political developments are closely monitored and considered by the Board. The Board continues to assess the potential consequences for the Company's future activities including those that may arise from geopolitical tensions. The Board remains watchful of broader global political tensions and the associated potential for armed conflict.

Emerging Risks – as explained on pages 6 and 7 the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from the interconnectedness of the global economy and the related exposure of the investment portfolio to external and emerging threats such as the societal and financial implications of an escalation of the Russia-Ukraine military conflict and the tensions between China and the US, cyber risk, new coronavirus variants or similar public health threats. This is mitigated by the Investment Manager's close links to the investee companies and their ability to ask questions on contingency plans. The Investment Manager believes the impact of such events may be to slow growth rather than to invalidate the investment rationale over the long term.

Viability Statement

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

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the Company's principal and emerging risks and uncertainties as detailed on pages 6 and 7 and in particular the impact of market risk where a significant fall in American equity markets would adversely impact the value of the Company's investment portfolio. The Directors have also considered the Company's leverage and liquidity in the context of the unsecured floating rate loan facility which is due to expire in August 2023 and the unsecured fixed rate loan facility due to expire in October 2023, the income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted equity securities which can be sold to meet funding requirements if necessary. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of further market deterioration resulting from the Covid-19 pandemic and increasing geopolitical tensions. The leverage stress testing identified the impact on leverage in scenarios where gross assets fall by 25% and 50%, reflecting a range of market conditions that may adversely impact the portfolio. The liquidity stress testing identified the reduction in the value of assets that can be liquidated within one month that would result in the value of those assets falling below the value of the borrowings. The stress testing did not indicate any matters of concern. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, this allows key service providers to be replaced at relatively short notice where necessary.

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

Promoting the Success of the Company (Section 172 Statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to:

a) the likely consequences of any decision in the long term;

b) the interests of the company's employees;

c) the need to foster the company's business relationships with suppliers, customers and others;

d) the impact of the company's operations on the community and the environment;

e) the desirability of the company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly as between members of the company.

In this context, having regard to Baillie Gifford US Growth being an externally managed investment company with no employees, the Board considers the Company's key stakeholders to be: its existing and potential new shareholders; its externally-appointed Managers (Baillie Gifford); other professional service providers (Corporate Broker, Registrar, Auditor and Depositary); lenders; wider society and the environment.

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

The Board places great importance on communication with shareholders. The Annual General Meeting provides the key forum for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. Under normal circumstances it also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. While the 2021 Annual General Meeting was closed, in accordance with government Covid-19 guidelines, shareholder questions were invited and responded to by email, and a Managers' presentation was published on the Company's page of the Managers' website, in order to maintain shareholder communication despite the restrictions on physical gatherings. The Chairman is available to meet with shareholders as appropriate. The Managers meet regularly with shareholders and their representatives, reporting their views back to the Board. Directors are available to attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.

The Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders and other stakeholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

Whilst the Company's operations are limited, as third party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders and that proper consideration of ESG factors sits naturally with Baillie Gifford US Growth's longstanding aim of providing a sustainable basis for adding value for shareholders. The Board's review of the Managers includes an assessment of their ESG approach and its application in making investment decisions. The Board supports the Managers' long-term perspective as set out in their Investment Principles on page 15 and regularly reviews Governance Engagement reports, which document the Managers' interactions with investee companies on ESG matters.

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

- the raising of £1.8 million from new share issuance, at a premium to net asset value, in order to satisfy investor demand over the year, which also serves the interests of current shareholders by reducing costs per share and helping to further improve liquidity;
- the buying back of over 2.2 million of the Company's own shares into treasury at a discount to net asset value, for subsequent reissue, in order to ensure the Company's shareholders found liquidity for their shares when natural market demand was insufficient, and on terms that enhance net asset value for remaining shareholders; and
- with effect from 1 September 2021, the annual management fee on net assets in excess of £1 billion was charged at a lower marginal rate of 0.5% helping to reduce the costs.

Employees, Human Rights and Community Issues

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

Gender Representation

At 31 May 2022, the Board comprised five Directors, three male and two female. The Company has no employees. The Board's policy on diversity is set out on page 32.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 34.

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

Future Developments of the Company

The outlook for the Company for the next twelve months is set out in the Chairman's Statement on pages 2 and 3 and the Managers' Review on pages 10 to 13.

Managers' Review

During the period from 23 March 2018, launch date and first trade date, to 31 May 2022, the Company's share price and net asset value (after deducting borrowings at fair value) returned 67.2% and 95.6% respectively. This compares with a total return of 93.0% for the S&P 500 Index* (in sterling terms).

It is easier to be long-term when things are going well. It is during periods of weakness that conviction is truly tested. Bear markets cause emotions to bubble to the surface which urge one to act. It can be cathartic to do something, but decision making under stress increases the chances of errors. Stress also influences our attitude towards risk and our ability to assess probabilities. Humans are prone to the affect heuristic – the tendency to take mental shortcuts when emotions are running high. Such quick decision-making conferred evolutionary advantages at earlier points in human history. But careful decision-making trumps speed when dealing with complex-adaptive systems like the stock market.

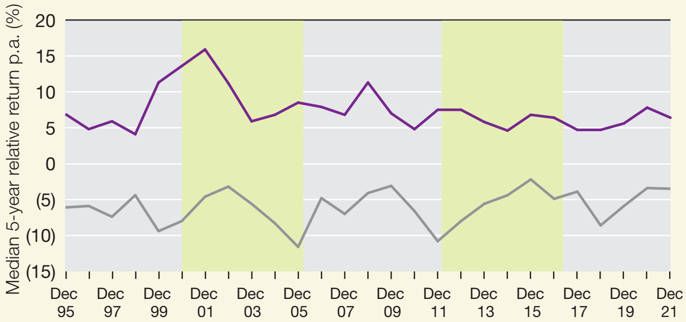
It is critical that we maintain a long-term perspective during challenging times like these. The first step is to be prepared. Each year in this report we re-publish our investment principles. This year they are included on page 15, again unaltered. Our second principle begins: 'Short-term volatility is an inevitable feature of the market, and we will not manage the portfolio to reduce volatility at the expense of long-term gain.' By acknowledging the inevitability of volatility up front, one can be better prepared for it when it happens. The last few years have been particularly volatile and challenging, but this has not undermined our confidence in the philosophy and process, or in our underlying holdings.

Our organisational structure is also aligned with our long-term time horizon. Baillie Gifford is a private partnership, wholly owned by 51 partners who work in the firm. This private ownership structure enables us to run our business for the long term, without the distractions that come with being a public company. Long-termism pervades everything we do, from how we treat our employees, to how we service our clients, to how we run our clients' portfolios. It is core to our shared beliefs and is ingrained in our culture.

Last but certainly not least, there is the structure of this investment vehicle. Baillie Gifford US Growth Trust is a fixed pool of permanent capital; a stable structure that is well suited to our long-term investment approach.

We invest for the long term because it can take years for the characteristics of exceptional growth companies to be fully reflected in share prices. From our investment principles, again: 'We believe the fundamental measure of our success will be the value we create for our shareholders over the long-term. It is only over periods of five years or more that the characteristics we look for in businesses become apparent.' For example, as the chart below shows, over five-year periods, companies which grow their revenues and EPS the fastest perform the best.

Median 5-Year Relative Return in the Top and Bottom Quintiles of Earnings 5-year Growth



Source: FactSet, S&P. Based on S&P 500 Index. December 1995 to December 2021. Periods in green show time periods where the S&P 500 Value Index outperformed the S&P 500 Growth Index.

Quintile 1 (highest 5-year earnings growth)

Quintile 5 (lowest 5-year earnings growth)

Fundamentals are therefore the best guide to the underlying health of the portfolio. On this measure the Company scores well. In the twelve months to the end of the last reported quarter, almost 60% of the listed holdings in the portfolio grew revenues over 25% year on year. This is a comparable proportion to the prior twelve-month period. And top-line performance at our private company holdings has also been very strong. In the last twelve-month period, the median revenue growth rate was 78% year on year.

From a process standpoint, one of the tools that we use to track fundamental performance are our forward-looking hypotheses. The forward-looking hypotheses set out the key elements of each investment case and provide a benchmark to reference when conducting incremental research or assessing incremental developments. We have been monitoring progress relative to these forward-looking hypotheses and in aggregate the picture remains encouraging. Most businesses are still growing strongly, however there are some exceptions. In situations where the forward-looking hypothesis is off track, we have bucketed these stocks into those where we believe the issues are cyclical and temporary and those where there are potential structural factors at play.

One example from the latter category is connected fitness equipment maker Peloton. The company wrongly extrapolated pandemic-level demand and now has an inappropriately large cost base. It is working to address this issue and has brought in a new CEO with previous experience at Netflix and Spotify. Netflix too has faced weaker demand as it has exited the pandemic. Its subscriber base shrank in the first quarter of 2022 for the first time in a decade. It is unclear to what extent this is a cyclical versus structural phenomenon, but we suspect the weaker macro environment is a contributory factor.

* Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 71.

Past performance is not a guide to future performance.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

The pandemic has transformed the scale of many companies in the portfolio, and these companies are emerging in much stronger shape than they went in. Take Shopify, the provider of software for merchants, as an example. Its gross merchandise value and revenues have tripled since the start of the pandemic, and 10% of all e-commerce sales in the US now flow through the platform. This scale has enabled Shopify to increase its investments and broaden out its product offering. It has also made Shopify the default choice not only for online merchants, but also for marketplaces that are looking to integrate e-commerce into their offerings. For example, Shopify now has partnerships with Facebook and Instagram Shops, TikTok and JD.com. This is driving a powerful flywheel effect. The more partner integrations that Shopify has, the more attractive it becomes to merchants. And the more merchants Shopify has, the more attractive its platform is to marketplace partners. Shopify has been one of the weakest performing stocks in the portfolio recently, but the business is as strong as ever.

Shopify is a provider of software for merchants.

Moderna, the mRNA therapeutics company, has also grown in both in scale and scope since the start of the pandemic. The company has become a household name on the back of its Covid-19 vaccine but that is not what first attracted us to invest. We participated in the IPO, long before Covid-19, because we were excited by the broad range of diseases that we thought its mRNA technology platform could address. As we entered the pandemic Moderna did not have any drugs on the market and was consuming cash. The Covid-19 vaccine has accelerated the company's path to market and to profitability. The business is now highly cash-generative, and it has billions of dollars of cash on the balance sheet. This financial strength has enabled it to invest more in R&D and broaden out its pipeline. The company is now working on developing treatments for a vast range of diseases including cancer, cardiovascular disease and HIV.

There are many sectors of the economy which are undergoing technology-led change. The pandemic served to accelerate this. However, these structural shifts were underway long before the pandemic and we believe they are likely to continue long after the pandemic. In sectors ranging from retail to healthcare to finance to education, digital adoption remains early. We are currently seeing a significant dislocation between share prices and fundamentals but the prospects for the innovators that are driving change remain bright. We are confident that the fundamental strengths of these companies will be reflected in share prices in time.

Portfolio Changes

Since launch turnover has been low and consistent with the five-year plus time horizon we outline in our investment principles.

We added a few new listed holdings to the portfolio over the last year. We participated in the IPOs of Rivian Automotive, HashiCorp and Duolingo. Rivian Automotive is the most interesting electric vehicle manufacturer that we have come across since Tesla. HashiCorp provides tools to automate the management of cloud infrastructure. The company is the leading provider in an area that should see powerful secular tailwinds for many years. Duolingo is an education company that uses machine learning and data to make learning fun and engaging. Its language teaching app is the most downloaded education app globally.

Duolingo is an education company used for learning languages.

There were several holdings which veered irreparably off track from their forward-looking hypotheses. We sold real estate technology company Zillow following the announcement that it was exiting the institutional home buying and selling market. This initiative formed a key part of our upside case for Zillow and without it we could not justify owning the shares. We sold online used car dealer Vroom due to concerns about its competitive position relative to Carvana, which we also own in the portfolio. We also sold Glaukos, the maker of treatments for eye diseases, and Lyft, the ride-sharing company, on competition concerns.

We made seven additional private company investments in the last twelve months: BillionToOne, Blockstream, Databricks, Discord, Faire Wholesale, Snyk and Solugen. These investments straddle a wide range of industries. We have stated in previous reports that we believe the current wave of innovation is speeding up and spreading out. The breadth of business models and market opportunities that these private companies address is indicative of this widening opportunity set. We have included a description of each of these new private company holdings on pages 20 and 21.

Three of our existing private company holdings, Aurora Innovation, Ginkgo Bioworks and Warby Parker, went public during the period. The net result was that, at the end of May, we held twenty-four private company investments which collectively comprised 36.4% of total assets. Taking into account companies which were previously private company investments, but which are now public, this figure rises to 42.2%. The weighting in private companies has risen since last year. This is partly due to the deployment of additional capital into private companies. However, for many of our private company holdings we own preference shares, which provide downside protection in the event of a sale or liquidation. This results in private company valuations falling more slowly than their listed counterparts during market drawdowns.

Outlook

It has been a difficult year. We are in a period of heightened geopolitical and economic uncertainty and the short-term outlook is unclear. We do not believe there is value in us making macro predictions. This is not where our core skill set lies. We do not know what inflation or GDP growth this year will be or next. And even if we did, we're not convinced it would help us make better long-term decisions. What we remain focused on is trying to identify and own the exceptional growth companies in America. Exceptional growth companies address large market opportunities, and it is their ability to capture these opportunities, rather than economic cycles, which will be the primary determinant of long-term outcomes.

In our principles, we say: 'We may discuss long-term trends and themes present in the portfolio, but we do not plan on discussing short-term performance. We believe our duty is to maximise the long-term wealth of our shareholders, and that creating narratives around short-term performance serves our shareholders poorly.' In keeping with this principle, we thought it might be helpful to reiterate the convictions that undergird our investment philosophy and approach. We mentioned earlier our contention that ***share prices follow fundamentals over the long term***. Here are some other contentions:

The US will remain the best hunting ground for exceptional growth companies globally. The US has all the ingredients necessary for a healthy innovation ecosystem. It has the best academic research institutions in the world. It has a strong talent pool, supplemented by immigration. It is still the country of choice for talented individuals who want to start a business. It has a well-developed venture capital system. There is strong IP protection and a relatively stable political backdrop and friendly business environment. There is a large and relatively homogenous domestic market. And finally, there is a culture of optimism and ambition and a willingness to accept failure. The country has been moving in the wrong direction on some of these traits over the last decade and it cannot afford to take its position for granted but there is currently no other country that comes close.

We are in the middle of a once-in-a-generation wave of technology-led change. This wave of change is being driven by the internet, which has increased connectivity, mobile, which has increased availability, and AI, which has made machines smarter. In the Interim Report, we introduced the work of Carlota Perez, an academic who has studied the history of technological revolutions. The current technological revolution is the fifth such revolution that Perez identified, and it is following a similar pattern to previous waves. We believe we are in the phase that Perez calls the 'turning point', where the new technologies transition from being deployed narrowly in a few select sectors and geographies and start to transform legacy sectors and the wider economy. Over the course of the next decade almost all sectors of the economy will be reshaped, and it is the innovative companies which are driving this change that will thrive.

Many of the structural changes that were underway prior to the pandemic, and which were accelerated by the pandemic, will continue after the pandemic. These shifts are not broken, and most are still early. Commerce and education will continue to shift online. The transportation and energy sectors will continue to shift to cleaner technologies. The healthcare sector will continue to become more personalised, driven by geonomics. The volatility created by the aftermath of the pandemic may cause temporary fluctuations in some of these trends, for example the recent resurgence of fossil fuels, but this is just noise temporarily masking these more powerful underlying structural shifts.

Stock market returns will continue to be described by power laws rather than normal distributions. Over the long term stock market returns are dominated by a small number of outlier companies that do exceptionally well. We believe the asymmetry in stock returns will be at least as pronounced over the next decade as in prior decades. The power laws in equity investing occur because success begets success. The more a company grows, the stronger it gets, the more share it takes. The world has become increasingly digital, increasingly networked and increasingly global. These factors are leading to even more powerful economies of scale and network effects than in the past. These conditions are a precursor to winner-take-most market conditions and asymmetric outcomes.

Technology is the single most important driver of progress. During the pandemic, it was Moderna's mRNA vaccine that accelerated our path out of the crisis. Today, climate change represents one of the biggest challenges facing humanity. We believe technology, rather than de-growth, is our best path forward. And recent signs are very encouraging in this regard. For example, over the last ten years solar prices have declined by almost 90% and battery costs have fallen by almost two-thirds. These technologies are following a classic learning curve where the more of them we produce, the cheaper they get. There are many problems left to solve and technology represents our best hope. Whenever we find solutions to existing problems, new problems emerge. Our willingness to continue to tackle these iteratively with innovative ideas is at the heart of progress.

The last few years have been tough, but we remain optimistic about the future. We are facing short-term headwinds, but we believe we will come through these as we always have done. The structural forces of change – from Moore's Law in semiconductors, to Wright's Law in clean energy and Flatley's Law in healthcare – continue unabated. We are on a path towards abundance. The path may not be smooth, but we are convinced that the future holds promise and that the innovative companies that have the potential to drive us there will be the outliers that drive stock markets for the next decade. We understand that weak performance is challenging for shareholders to endure but we can assure you that we remain confident in, and committed to, our approach. We are hugely appreciative of your ongoing support and patience.

The US Equity Team

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 group at Baillie Gifford, which takes advice from an independent third party (S&P Global). The valuations group is independent from the investment team with all voting members being from different operational areas of the firm, and the investment 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 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'), company news which is identified by the valuation team or by the portfolio managers, 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 ('NAV'). 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 does 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.

Baillie Gifford US Growth Trust*	
Instruments valued	51
Revaluations performed	169
Percentage of portfolio revalued 2+ times	56%
Percentage of portfolio revalued 5+ times	24%

* Data reflecting period from 1 January 2022 to 31 May 2022 being the period of increased valuations due to market volatility.

Year to date, most revaluations have been decreases. A handful of companies have raised capital at an increased valuation. The average movement in both valuation and share price for those which have decreased in value is shown below.

	Average movement in company valuation	Average movement in share price
Baillie Gifford US Growth Trust*	-29.2%	-22.0%

* Data reflecting period 1 January 2022 to 31 May 2022 being the period of increased valuations due to market volatility.

Share prices have decreased less than headline valuations because Baillie Gifford typically holds preference stock, which provides 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 be normally be triggered in the event of a corporate sale or liquidation.

Investment Principles

To our shareholders

Our core task is to invest in the exceptional growth businesses in America. Over the full course of time, these companies will develop deep competitive moats and generate abnormal profits and unusually high shareholder returns. We endeavour to generate returns for our clients by helping in the creation and improvement of such useful enterprise. To the extent that we are successful in identifying these companies, we believe that we can multiply the wealth of our clients over the long term.

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

— We believe the fundamental measure of our success will be the value we create for our shareholders over the long term. It is only over periods of five years or more that the characteristics we look for in businesses become apparent. Our turnover has been in the teens, consistent with our time horizon. We ask that our shareholders measure our performance over similar periods.

— Short-term volatility is an inevitable feature of the market, and we will not manage the portfolio to reduce volatility at the expense of long-term gain. Many managers are risk-averse and fear loss more than they value gain. Therefore, they accept smaller, more predictable risks rather than the larger and less predictable ones. We believe that this is harmful to long-term returns, and we will not shy away from making investments that are perceived to be risky if we believe that the potential payoffs are worthwhile. This means that our performance may be lumpy over the short term.

— We believe, and academic work has shown, that long-term equity returns are dominated by a small handful of exceptional growth companies that deliver outsized returns. Most stocks do not matter for long-term equity returns, and investors will be poorly served by owning them. In our search for exceptional growth companies, we will make mistakes. But the asymmetry inherent in equity markets, where we can make far more in a company if we are right than lose if we are wrong, tells us that the costliest of mistakes is excessive risk aversion.

— We do not believe that the index is the right starting point for portfolio construction. The index allocates capital based on size. We believe that capital should be allocated based on marginal return and the ability to grow at those rates of return. Big companies are not immune to disruption. We do not manage the portfolio to an active share target, but we expect the active share of this fund to be high.

— The role of capital markets has changed, and we have evolved with it. As companies are remaining private for longer, so too have we broadened our search for exceptional growth companies into private companies. We are largely indifferent to a company's private or public status. We will conduct diligent analysis and allocate capital to where the highest returns are likely to be.

— We may discuss long-term trends and themes present in the portfolio, but we do not plan on discussing short-term performance. We believe our duty is to maximise the long-term wealth of our shareholders, and that creating narratives around short-term performance serves our shareholders poorly.

— We will endeavour to operate in the most efficient, honest, and economical way possible. That means keeping our management fees and ongoing costs low. We recognise that even modest amounts, when allowed to compound over long periods of time, add up to staggering sums, and we do not wish to dilute the compounding of returns with the compounding of costs.

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

Baillie Gifford Statement on Stewardship

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 our holdings to be ambitious and focus their investments on long-term value creation. We understand that it is easy 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 holdings away from destructive financial engineering towards activities that create genuine economic and stakeholder value over the long run. We are happy that our value will often be in supporting management when others don't.

A Constructive and Purposeful Board

We believe that boards play a key role in supporting corporate success and representing the interests of all capital providers. There is no fixed formula, but it is our expectation that boards have the resources, information, cognitive and experiential diversity they need to fulfil these responsibilities. We believe that good governance works best when there are diverse skillsets and perspectives, paired with an inclusive culture and strong independent representation able to assist, advise and constructively challenge 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 genuine long-term alignment with external capital providers. We are accepting of significant payouts 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.

Review of Investments

A review of the Company's ten largest investments and additions to the private company securities as at 31 May 2022 is given below and on the following four pages.

Top Ten Holdings

Space Exploration Technologies

5.7% of total assets

Space Exploration Technologies designs, manufactures and launches advanced rockets and spacecraft. By fully embracing innovation and vertical integration, the company has opened up a series of cost and capability improvements which are transforming the space industry. These improvements have unlocked a diverse range of revenue generating opportunities in areas such as global satellite connectivity and space logistics.

Space Exploration Technologies is a private company investment.

Space Exploration Technologies has unlocked a diverse range of revenue generating opportunities.

Tesla

4.9% of total assets

Tesla makes electric cars, battery storage and solar power systems. The company has proven that cars can be environmentally friendly without compromising on style, safety, or performance. We are in the early stages of a major shift in the transportation industry towards EVs, and Tesla is the best positioned globally to capitalise on this. It is an innovative and mission-driven company whose success is aligned with the interests of the planet.

Stripe

4.5% of total assets

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

Stripe is a private company investment.

Stripe are developing a platform for sending money seamlessly and compliantly across the world, using the internet.

The Trade Desk

4.3% of total assets

The advertising industry is undergoing a wholesale shift in the way that advertising is bought and sold. Whereas in the past advertising was bought and sold in bundles, in the digital world, advertising can be transacted on a one to one basis, targeting only the audiences that are relevant. The Trade Desk provides the technology that enables this targeted buying of advertising through real-time auctions. Its platform connects media buyers to a wide range of digital inventory and provides a set of tools to help buyers determine what price to pay for those ad opportunities. This is known as programmatic advertising – the buying of advertising using data. Programmatic advertising is still in its infancy and is growing rapidly, supported by higher efficacy and a tangible demonstration of return on investment. As the programmatic industry becomes mainstream, it will consolidate around a handful of buying platforms, and we believe that The Trade Desk will emerge as the leading buying platform for the independent internet.

Moderna

4.1% of total assets

Moderna is a leader in the field of mRNA therapeutics, a new class of medicines that leverage the body's natural protein-production apparatus to treat diseases. It is known for its Covid-19 vaccine, but its long-term growth opportunity is far broader. mRNA is a foundational technology that theoretically has the potential to induce the production of just about any protein – human or non-human – inside our cells. This versatility opens up a wide range of therapeutic opportunities for mRNA. Furthermore, mRNA, like DNA, is, in a sense, digital, and is therefore programmable. In moving from one drug to the next, the delivery mechanism and building blocks remain the same. The only thing that changes is the code. Because of this, Moderna's mRNA platform ought to be more scalable than past drug development approaches. Indeed, Moderna may have more in common with a software company than a traditional biotech.

Amazon

3.5% of total assets

Amazon addresses huge market opportunities in the form of global retail and global IT spending. In retail, it competes on price, selection and convenience and is improving all three as it gets bigger. Amazon's AWS (Amazon Web Services) division is less mature than its retail business, but it is no less exciting. Here, Amazon is in a clear position of leadership in what could turn out to be one of the largest and most important market shifts of our time. Both opportunities are outputs of what is perhaps most distinctive of all about Amazon – its culture. Amazon optimises for customer delight. The company is run with a uniquely long-term perspective. It is willing to be bold and scale its experiments (and failures) as it grows. These cultural distinctions allow Amazon to possess the rare and attractive combination of scale and immaturity.

Brex

3.4% of total assets

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

Brex is a private company investment.

Faire Wholesale

3.2% of total assets

Faire operates an online wholesale marketplace that allows independent retailers to source products from brands. The business aims to level the playing field by equipping small stores with inventory sourcing and management capabilities that were historically only available to big box and large ecommerce firms. Sourcing and selling inventory are key risks and a bottleneck for independent retailers. Before Faire, the primary channel for retailers to discover new inventory was tradeshows. In these offline settings, there is little ability to compare quality, nor an assurance that the inventory will sell in stores. With Faire, small retailers get access to a powerful recommendations engine which suggests products based on sell-through data. Importantly, any products which do not sell can be returned for free, such is Faire's confidence in its model. Independent retailers turned to Faire in increasing numbers throughout the pandemic, however Faire remains a tiny fraction of this enormous market with significant scope for share gains over the next five years and beyond.

Faire Wholesale is a private company investment.

Faire operates an online wholesale marketplace that allows independent retailers to source products from brands.

Shopify

3.1% of total assets

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

Illumina

2.3% of total assets

Illumina is the global leader in next-generation sequencing equipment and consumables. The company's mission is 'to improve human health by unlocking the power of the genome'. Given the inefficiencies in the healthcare system, the opportunities to do so are vast. The availability of low-cost whole genome sequencing is helping to drive a better understanding of the molecular basis of disease, which in turn is leading to greater insights and better decision making. One example of this is the use of sequencing as a companion diagnostic tool in cancer. Most cancer drugs only work in a small subset of cancer patients. In the past, doctors relied on educated guesswork to make treatment decisions. With sequencing information, they are now able to do so based on underlying genetics, leading to better outcomes for patients and cost savings for the system.

Illumina is the global leader in next-generation sequencing equipment and consumables.

Private Company Securities Purchased in the Year to 31 May 2022

BillionToOne

0.6% of total assets

BillionToOne aims to make molecular diagnostics more accurate, efficient and accessible. The company has built an innovative technology platform consisting of a DNA molecular counter which has led to the commercialisation of the first single gene non-invasive pre-natal test ('NIPT'), redefining the accuracy with which pregnancy screening can be carried out. But the ambition of the company is far broader; it is looking to build up the existing pre-natal business and then expand into oncology, with the long-term goal of tackling early cancer detection via liquid biopsy.

Blockstream

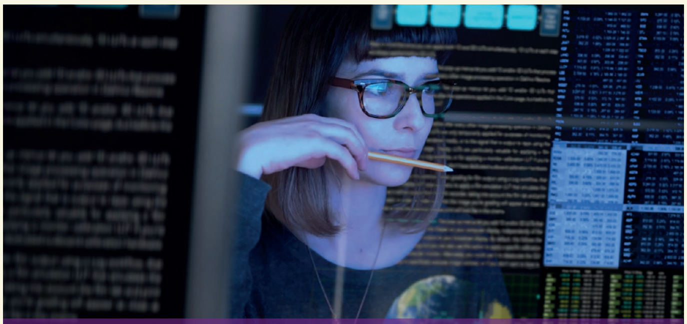
0.3% of total assets

Blockstream is a Bitcoin infrastructure company. The company generates revenue today through Bitcoin 'mining' operations. However, the long-term aim is to build out its Liquid Federation technology, a group of cryptocurrency businesses designed to help realise Bitcoin's potential as financial infrastructure. A core trade-off in Bitcoin design sees it sacrifice the ability to concurrently handle significant volumes of transactions to achieve decentralisation. Liquid aims to solve this by grouping counterparties in sidechains. This has numerous benefits in terms of programmability, privacy and settlement speed. Blockstream's growing network of institutional partners validate the demand for such a product.

Databricks

1.3% of total assets

Databricks sells analytics software. The company is enabling and benefiting from a potentially huge expansion in machine learning ('ML') applications. By providing tools for each step of the data science process, Databricks makes it a lot easier for businesses to make and implement useful ML models. While ML has previously been confined to niches of the most sophisticated business, it is now becoming increasingly important in many more areas and many more businesses. Databricks has achieved prominence in a crowded competitive space thanks to its open-source model, which helps with product development as well as distribution. The business also has a distinctive culture. Co-founded by a group of UC Berkeley academics who have been at the forefront of research into machine learning, cloud computing and crowd sourcing, Databricks benefits from close links with academics and open-source communities.



Databricks makes it easier for businesses to make and implement useful machine learning media.

Discord

1.9% of total assets

Discord is a very different model of social media in which communities are private but still social and community orientated, blending live audio conversations with video streaming and the sharing of text and image. It is like Slack for fun. Today it is used primarily by different gaming communities. There is a path for upside just from gaming usage but there are now a range of Discord uses cases outside of gaming. The company could grow users and monetisation by exploring those, especially communities around brands. Even more recently, there are examples of collaborative teams in professional environments also adopting Discord where they have historically used Slack. In short, there are lots of ways for Discord to profitably expand both into wider user bases and into new streams of value.

Faire Wholesale

3.2% of total assets

Please see narrative on page 18.

Snyk has pioneered a way for developers to fix bugs quickly and easily themselves.

Snyk

0.9% of total assets

Snyk is well positioned to benefit from twin demands that have both shot to the top of enterprise agendas: security and speed of app development. Snyk has pioneered a way to address both with its so-called 'shift left' movement, a process innovation which lets developers fix bugs quickly and easily themselves, without having to wait for SecOps to intervene after the fact and break the build. We think 'shift left' will gain steam and become a staple in the developer's workflow. Competitively, Snyk has a combination of soft and hard advantages that add up to a strong edge: its products appeal to the unique needs of developers, a by-product of the company's empathic culture and not something rivals can just turn on. Meanwhile, as it scales, Snyk will amass a data graph that will help it identify vulnerabilities that others simply can't match – a network effect and increasing returns to scale.

Solugen

1.1% of total assets

Solugen brings together the best of synthetic biology, through enzyme design and manufacture, and traditional chemical manufacture, by harnessing the power of metal catalysts, to make chemicals with better yields, costs and environmental footprints. Scaling production is one of the most significant challenges for synthetic biology companies, but Solugen has developed a promising approach: a modular bio-forge.

Its approach shifts chemical production from huge, centralised facilities, to flexible, smaller plants closer to the point of need. With an unconventional founding team, comprising a physician-scientist and a chemical engineer, Solugen looks at the chemicals industry from a fundamentally different perspective, leaving the company well positioned to exploit the opportunity.

Solugen aims to harness the power of metal catalysts, to make chemicals with better yields, costs and environmental footprints.

List of Investments as at 31 May 2022

Name	Business	2022 Value £'000	% of total assets*	2021 Value £'000
Space Exploration Technologies Class A CommonⓊ	Rocket and spacecraft company	2,122	0.4	1,129
Space Exploration Technologies Class C CommonⓊ	Rocket and spacecraft company	655	0.1	348
Space Exploration Technologies Series J PreferredⓊ	Rocket and spacecraft company	17,917	2.9	9,531
Space Exploration Technologies Series K PreferredⓊ	Rocket and spacecraft company	4,083	0.7	2,172
Space Exploration Technologies Series N PreferredⓊ	Rocket and spacecraft company	10,285	1.6	5,471
		35,062	5.7	18,651
Tesla	Electric cars, autonomous driving and solar energy	30,401	4.9	33,288
Stripe Class B CommonⓊ	Online payment platform	4,452	0.7	3,977
Stripe Series G PreferredⓊ	Online payment platform	21,678	3.5	19,367
Stripe Series H PreferredⓊ	Online payment platform	1,865	0.3	1,660
		27,995	4.5	25,004
The Trade Desk	Advertising technology company	26,818	4.3	28,627
Moderna	Therapeutic messenger RNA	25,556	4.1	30,816
Amazon	Online retailer and cloud computing provider	21,988	3.5	46,704
Brex Class B CommonⓊ	Corporate credit cards for start-ups	10,922	1.8	4,221
Brex Series D PreferredⓊ	Corporate credit cards for start-ups	10,276	1.6	6,331
		21,198	3.4	10,552
Faire WholesaleⓊ	Online wholesale marketplace	7,590	1.2	–
Faire Wholesale Series F PreferredⓊ	Online wholesale marketplace	7,886	1.3	–
Faire Wholesale Series G PreferredⓊ	Online wholesale marketplace	4,569	0.7	–
		20,045	3.2	–
Shopify Class A	Cloud-based commerce platform provider	19,215	3.1	60,231
Illumina	Gene sequencing equipment and consumables	14,453	2.3	23,156
CoStar Group	Commercial property information provider	12,610	2.0	16,733
NVIDIA	Graphics chips	12,481	2.0	10,277
Discord Series I PreferredⓊ	Communication software	11,740	1.9	–
Epic GamesⓊ	Video game platform and software developer	10,555	1.7	8,905
Abiomed	Manufacturer of heart pumps	10,158	1.6	10,359
Workday	Enterprise information technology	10,155	1.6	14,068
Watsco	Air conditioning, heating and refrigeration equipment distributor	10,024	1.6	10,807
Twilio	Cloud-based communications platform	9,969	1.6	30,107
Zipline International Series C PreferredⓊ	Drone-based medical delivery	5,995	1.0	6,582
Zipline International Series E PreferredⓊ	Drone-based medical delivery	3,695	0.6	3,730
		9,690	1.6	10,312
Netflix	Subscription service for TV shows and movies	9,620	1.5	23,186
Cloudflare	Cloud-based provider of network services	9,551	1.5	13,242
Zoom Video Communications	Remote conferencing service provider	9,006	1.4	26,304
AffirmⓅ	Consumer finance	4,466	0.7	2,864
Affirm Class BⓅ	Consumer finance	4,467	0.7	8,455
		8,933	1.4	11,319
Convoy Series D PreferredⓊ	Marketplace for truckers and shippers	4,834	0.8	5,126
Convoy Series E PreferredⓊ	Marketplace for truckers and shippers	3,967	0.7	–
		8,801	1.5	5,126
Lyra Health Series E PreferredⓊ	Digital mental health platform for enterprises	7,101	1.1	6,033
Lyra Health Series F PreferredⓊ	Digital mental health platform for enterprises	1,656	0.3	–
		8,757	1.4	6,033
Novocure	Electric field based cancer therapies	8,406	1.3	20,153
Roku	Online media player	8,337	1.3	28,801
First Republic Bank San Francisco	Private banking	8,305	1.3	21,245
Databricks Series H PreferredⓊ	Data and AI platform	8,193	1.3	–
Workrise Technologies Series D PreferredⓊ	Jobs marketplace for the energy sector	3,595	0.6	4,112
Workrise Technologies Series D-1 PreferredⓊ	Jobs marketplace for the energy sector	799	0.1	914
Workrise Technologies Series E PreferredⓊ	Jobs marketplace for the energy sector	3,531	0.6	3,517
		7,925	1.3	8,543

Name	Business	2022 Value £'000	% of total assets *	2021 Value £'000
Alnylam Pharmaceuticals	Therapeutic gene silencing	7,650	1.2	8,172
Datadog	IT monitoring and analytics platform	7,645	1.2	6,909
Wayfair	Online furniture and homeware retailer	7,430	1.2	41,149
Nuro Series C PreferredⓊ	Self-driving vehicles for local delivery	3,930	0.7	3,517
Nuro Series D PreferredⓊ	Self-driving vehicles for local delivery	3,201	0.4	–
		7,131	1.1	3,517
Doordash	Online local delivery	7,065	1.1	5,048
Solugen Series C-1 PreferredⓊ	Combines enzymes and metal catalysts to make chemicals	7,010	1.1	–
Tanium Class B CommonⓊ	Online security management	6,737	1.0	8,136
SnowflakeⓅ	Developer of a SaaS-based cloud data warehousing platform	6,124	1.0	10,812
Appian	Enterprise software developer	6,095	1.0	10,918
Ginkgo BioworksⓅ	Bioengineering company developing micro organisms that produce various proteins	5,842	0.9	13,314
Coursera	Online educational services provider	5,824	0.9	3,453
Snyk Ordinary SharesⓊ	Developer security platform	1,659	0.3	–
Snyk Series F PreferredⓊ	Developer security platform	3,889	0.6	–
		5,548	0.9	–
MarketAxess Holdings	Electronic bond trading platform	5,475	0.9	8,584
Capsule Series D PreferredⓊ	Digital pharmacy	5,029	0.8	5,628
Chegg	Online education company	4,987	0.8	18,645
Snap Class A	Camera and social media company	4,889	0.8	8,531
Chewy	Online pet supplies retailer	4,868	0.8	13,647
Penumbra	Medical tools to treat vascular diseases	4,847	0.8	7,762
Denali Therapeutics	Clinical stage neurodegeneration company	4,590	0.8	11,372
10X Genomics	Single cell sequencing company	4,441	0.7	6,826
Away (JRSK) Series Seed PreferredⓊ	Travel and lifestyle brand	617	<0.1	649
Away (JRSK) Series D PreferredⓊ	Travel and lifestyle brand	1,327	0.2	1,243
Away (JRSK) Convertible Promissory Note 2021Ⓤ	Travel and lifestyle brand	1,085	0.2	–
Away (JRSK) Convertible Promissory NoteⓊ	Travel and lifestyle brand	1,085	0.2	1,122
		4,114	0.6	3,014
Warby ParkerⓅ	Online and physical glasses retailer	3,846	0.6	6,235
Niantic Series C PreferredⓊ	Augmented reality games	3,841	0.6	2,570
PsiQuantum Series D PreferredⓊ	Silicon photonic quantum computing	3,770	0.6	3,517
BillionToOne Series C PreferredⓊ	Molecular diagnostics technology platform	3,662	0.6	–
Pinterest	Image sharing and social media company	3,550	0.6	11,156
HashiCorp	Open source infrastructure software	3,549	0.6	–
Honor Technology Series D PreferredⓊ	Home care provider	2,451	0.4	2,814
Honor Technology Series E PreferredⓊ	Home care provider	1,037	0.2	–
		3,488	0.6	2,814
Rivian Automotive	Electric vehicle manufacturer	3,472	0.6	–
Duolingo	Mobile learning platform	3,162	0.6	–
Lemonade	Insurance company	3,111	0.5	11,833
PelotonⓅ	Connected fitness equipment	2,301	0.4	16,121
Peloton InteractiveⓅ	Connected fitness equipment	691	0.1	845
		2,992	0.5	16,966
Airbnb Class B CommonⓅ	Online market place for travel accommodation	2,951	0.5	3,036
Teladoc	Telemedicine services provider	2,924	0.5	8,239
AuroraⓅ	Self-driving technology	1,003	0.2	–
Aurora Innovation Class B CommonⓅ	Self-driving technology	1,767	0.3	4,490
		2,770	0.5	4,490
Indigo Agriculture CommonⓊ	Agricultural technology company	42	<0.1	108
Indigo Agriculture Series E PreferredⓊ	Agricultural technology company	1,414	0.2	1,668
Indigo Agriculture Series F PreferredⓊ	Agricultural technology company	416	0.1	481
Indigo Agriculture Series G PreferredⓊ	Agricultural technology company	592	0.1	704
		2,464	0.5	2,961

Name	Business	2022 Value £'000	% of total assets *	2021 Value £'000
Thumbtack Class A Common Ⓤ	Online directory service for local businesses	1,108	0.1	4,817
Thumbtack Series A Preferred Ⓤ	Online directory service for local businesses	79	<0.1	–
Thumbtack Series B Preferred Ⓤ	Online directory service for local businesses	5	<0.1	–
Thumbtack Series C Preferred Ⓤ	Online directory service for local businesses	23	<0.1	–
Thumbtack Series I Preferred Ⓤ	Online directory service for local businesses	1,135	0.2	–
		2,350	0.3	4,817
Blockstream Series B-1 Preferred Ⓤ	Bitcoin and digital asset infrastructure	2,254	0.3	–
Redfin	Technology-based real estate brokerage firm	2,136	0.3	12,161
Butterfly Network Ⓟ	Portable ultrasound and diagnostics	1,959	0.4	7,162
Carvana	Online platform for buying used cars	1,883	0.3	14,467
Recursion Pharmaceuticals	Drug discovery platform	1,340	0.2	2,703
Sana Biotechnology	Gene editing technology	825	0.1	2,976
Total Investments		**621,587**	**99.6**	
Net Liquid Assets		2,273	0.4	
Total Assets		**623,860**	**100.0**	

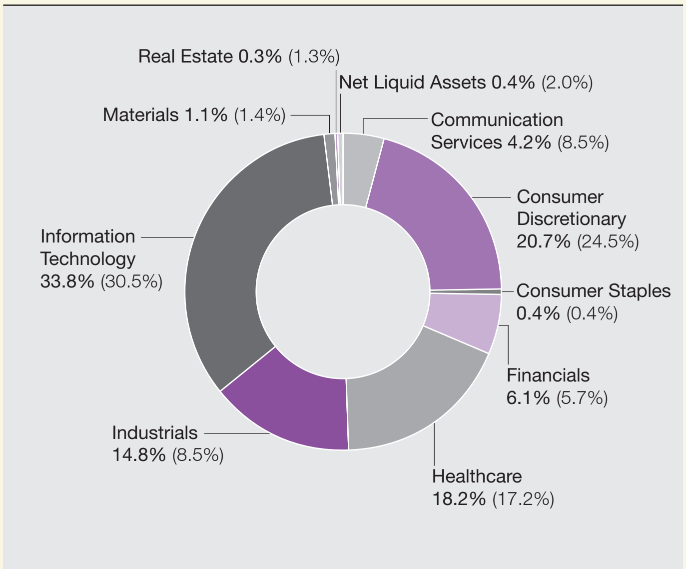
* Total assets less current liabilities, before deduction of borrowings.
Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
Ⓤ Denotes unlisted (private company) security.

	Listed equities %	Unlisted securities † %	Net liquid assets %	Total assets %
31 May 2022	**63.2**	**36.4**	**0.4**	**100.0**
31 May 2021	81.5	16.5	2.0	100.0

Figures represent percentage of total assets.
† Includes holdings in ordinary shares, preference shares and convertible promissory notes.

Distribution of Total Assets*

Sectoral as at 31 May 2022 (31 May 2021)



* Total assets less current liabilities before deduction of borrowings.

Summary of Results Since Inception*

Capital

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

Revenue

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

Gearing Ratios

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

Cumulative Performance (taking 23 March 2018 as 100)

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

* For a definition of terms used see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
† Alternative Performance Measure. See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
\# Close of business on 23 March 2018, launch date and first trade date.
‡ The calculation of revenue earnings per share is based on the revenue from ordinary activities after taxation and the weighted average number of ordinary shares in issue (see note 7 on page 53).
¶ For the period 7 February 2018, date of incorporation of the Company, to 31 May 2019.
§ S&P 500 Index total return (in sterling terms). Source: Refinitiv and relevant underlying index providers. See disclaimer on page 71.

Past performance is not a guide to future performance.

The Strategic Report which incorporates pages 1 to 25 was approved by the Board on 8 August 2022.

Tom Burnet
Chairman

Directors and Management

Members of the Board come from a broad variety of backgrounds. The Board can draw on a very extensive pool of knowledge and experience.

Directors

Tom Burnet – Chairman

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

Sue Inglis

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

Graham Paterson

Graham Paterson was appointed a Director on 5 March 2018 and is Chairman of the Audit Committee. He is an investment and financial services professional with over 20 years' experience in the private equity industry. A chartered accountant, Graham was one of the founding partners of SL Capital Partners LLP (formerly Standard Life Investments (Private Equity) Ltd), where he was a partner and board member until 2010. During his 13 years at SL Capital, he was one of the managers of Standard Life Private Equity Trust plc and was a member of the advisory boards to a number of leading private equity fund managers. In 2013, Graham co-founded TopQ Software Ltd, a technology company which develops software for the private equity industry. TopQ Software was acquired by eVestment Inc (now part of NASDAQ Inc) in 2015, where Graham was a director of the private markets data and analytics business until early 2018. Graham is currently a non-executive director of Mobeus Income & Growth 4 VCT plc and Invesco Perpetual UK Smaller Companies Investment Trust plc.

Chris van der Kuyl

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

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

All Directors are members of the Nomination and Audit Committees.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages thirteen closed-ended companies. Baillie Gifford also manages a listed investment company and open-ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled around £254 billion at 5 August 2022. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 51 partners and a staff of around 1,700.

Gary Robinson and Kirsty Gibson are the co-portfolio managers. They are both investment managers in Baillie Gifford's US Equities Team and named managers of the Baillie Gifford American Fund.

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

Directors' Report

The Directors present their Report together with the Financial Statements of the Company for the year to 31 May 2022.

Corporate Governance

The Corporate Governance Report is set out on pages 31 to 34 and forms part of this Report.

Managers and Company Secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting has been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Investment Management Agreement between the AIFM and the Company sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than six months' notice. Compensation fees would only be payable in respect of the notice period if termination by the Company were to occur within a shorter notice period.

With effect from 1 September 2021 the annual management fee is 0.70% on the first £100 million of net assets, 0.55% on the next £900 million of net assets and 0.50% on the remaining net assets. Prior to 1 September 2021 the fee was 0.70% on the first £100 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance.

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

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

— the quality of the personnel assigned to handle the Company's affairs;

— the investment process and the results achieved to date;

— the administrative services provided by the Secretaries; and

— the marketing effort undertaken by the Managers.

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

Depositary

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

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

Directors

The names and biographical details of the Board members who served on the Board as at the year end and up to the date the Financial Statements were signed can be found on pages 26 and 27.

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

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

Director Indemnification and Insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 31 May 2022 and up to the date of approval of this Report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him or her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company maintains Directors' and Officers' liability insurance.

Conflicts of Interest

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

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

Share Capital

Capital Structure

The Company's capital structure (excluding treasury shares) as at 31 May 2022 consisted of 305,153,700 ordinary shares of 1p each, see note 13. At 31 May 2022, 2,206,300 shares were held in treasury. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas any proposed final dividend is subject to shareholder approval. The Company's objective is to produce capital growth and the policy is only to distribute, by way of a final dividend, the minimum permissible to maintain investment trust status.

Capital Entitlement

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

Voting

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

Information on the deadlines for proxy appointments can be found on pages 66 and 67.

Major Interests Disclosed in the Company's Shares

Name	No. of ordinary 1p shares held at 31 May 2022	% of issue
Quilter plc (indirect)	30,492,080	10.0
Brewin Dolphin Limited (indirect)	27,039,346	8.9
Tilney Smith & Williamson Limited (indirect)	15,368,104	5.0
Mattioli Woods PLC (indirect)	9,207,446	3.0

Mattioli Woods PLC no longer holds a major interest in the Company's ordinary shares. There have been no other changes to the major interests in the Company's shares intimated up to 5 August 2022.

Annual General Meeting

Issuance of Shares

At the General Meeting held on 5 March 2018 special resolutions were first passed granting the Directors power to buy-back shares and to allot equity securities or sell ordinary shares held in treasury for cash.

Under the allotment authority the Directors have a general authority to allot ordinary shares and C shares, of up to an aggregate nominal amount equal to the difference between the nominal amount of shares issued at the Company's IPO and £10 million (i.e. up to 827,000,000 (in aggregate) ordinary shares or C shares of a nominal value of 1p each). As at 31 May 2021, the Company had issued 133,835,000 ordinary shares representing 77.4% of the called up share capital at 23 March 2018, the launch date of the Company, at a premium to net asset value on 197 separate occasions at an average price of 184.2p per share raising net proceeds of £251 million. In the year to 31 May 2022, the Company issued a further 525,000 ordinary shares representing 0.3% of the called up share capital at 23 March 2018, the launch date of the Company, at a premium to net asset value on two separate occasions at an average price of 348.3p per share raising net proceeds of £2 million.

The authority obtained on 5 March 2018 is due to expire in March 2023. With this in mind, the Directors are seeking shareholders' approval at the Annual General Meeting to obtain new authorities for issuance and disapplication of pre-emption rights. These authorities will expire at the conclusion of the 2023 Annual General Meeting or on the expiry of 15 months from the passing of the resolutions, whichever is earlier and will be in substitution to the authorities obtained on 5 March 2018, which will be terminated prematurely. Should shareholder approval be granted it will allow the Directors to issue new ordinary shares at a premium to net asset value or C shares convertible into ordinary shares, in order to satisfy investor demand over the year should the Company be in a position to do so, without the need to call an extraordinary general meeting in March 2023.

Between 1 June 2022 and 5 August 2022 the Company has issued no further ordinary shares or C shares. This leaves the ability to issue a further 692,640,000 ordinary shares or C shares under the existing authority as at 5 August 2022.

Resolution 11 in the Notice of Annual General Meeting therefore seeks a general authority for the Directors to issue ordinary shares or C shares up to an aggregate nominal amount of £1,017,179.00 in substitution to the Company's existing authorities. This amount represents approximately one-third of the Company's total ordinary share capital in issue (excluding treasury shares) at 5 August 2022, being the latest practicable date prior to the publication of this document, and meets institutional guidelines. No issue of ordinary shares or C shares will be made pursuant to the authorisation in Resolution 11 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 12, which is being proposed as a special resolution, seeks to renew the Directors' authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total nominal amount of £305,153.70, representing approximately 10% of the Company's total issued ordinary share capital (excluding treasury shares) as at 5 August 2022, being the latest practicable date prior to publication of this document. This authority would be in substitution to the Company's existing authorities.

The Directors consider that the authorities proposed to be granted by Resolutions 11 and 12 continue to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand.

The Directors do not intend to use these authorities to sell or issue ordinary shares on a non pre-emptive basis at a discount to net asset value. While the level of the authority being sought is greater than the 5% recommended by the Pre-Emption Group in their Statement of Principles on disapplying pre-emption rights, it is specifically recognised in the Statement of Principles that, where an investment trust is seeking authority to issue ordinary shares at a premium to the underlying net asset value per share, this should not normally raise concerns and the Directors consider the greater flexibility provided by this authority to be justified in the circumstances.

The authorities sought in Resolutions 11 and 12 will continue until the conclusion of the Annual General Meeting to be held in 2023 or on the expiry of 15 months from the passing of the resolutions, if earlier.

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

2,206,300 shares were held in treasury as at 5 August 2022.

Market Purchases of Shares by the Company

At the last Annual General Meeting the Company was granted authority to purchase up to 46,073,264 ordinary shares (equivalent to approximately 14.99% of its issued share capital as at 9 August 2021). This authority expires at the forthcoming Annual General Meeting.

2,206,300 shares were bought back during the year under review and 2,206,300 shares are held in treasury. Between 1 June and 5 August 2022, no shares were bought back.

Share buy-backs may be made principally:

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

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

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

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

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

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

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 45,742,539 ordinary shares, equivalent to approximately 14.99% of the Company's ordinary shares in issue as at 5 August 2022, being the latest practicable date prior to publication of this document, or, if less, up to 14.99% of the ordinary shares in issue (excluding treasury shares) on the date on which the resolution is passed), such authority to expire at the Annual General Meeting of the Company to be held in 2023.

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

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

(ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No. 2273/2003).

The minimum price (exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 13 in the Notice of Annual General Meeting.

Recommendation

The Board considers each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and it unanimously recommends that all shareholders vote in favour of them, as each Director intends to do where possible in respect of his or her own beneficial shareholdings.

Articles of Association

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

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 19 to the Financial Statements.

Disclosure of Information to Auditor

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

Independent Auditor

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

Post Balance Sheet Events

The Directors confirm that there have been no post Balance Sheet events up to 5 August 2022 other than those noted in note 20 on page 64.

Greenhouse Gas Emissions and Streamlined Energy & Carbon Reporting ('SECR')

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

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly.

The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

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

On behalf of the Board
Tom Burnet
Chairman
8 August 2022

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code (the 'Code') which can be found at frc.org.uk and the principles of the Association of Investment Companies Code of Corporate Governance (the 'AIC Code') were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at theaic.co.uk.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code. The Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. Given that the Company is an externally managed investment trust, the Board considers these provisions are not relevant to the Company (the need for an internal audit function specific to the Company has been addressed on page 35).

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code.

The Board

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

At 31 May 2022 the Board comprised five Directors all of whom are non-executive. As reported last year, Mr CRD van der Kuyl and Ms RL Palmer were appointed as non-executive Directors with effect from 1 June 2021. The Nomination Committee commissioned Fletcher Jones Ltd, an executive search firm which has no other connection with the Company or its Directors to find the two new independent non-executive Directors.

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

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

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 26 and 27.

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense. No such advice was sought in the year to 31 May 2022 or 31 May 2021.

Appointments to the Board

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

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

The reasons why the Board supports the re-election are set out on page 28.

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

Chairman and Directors' Tenure

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

Independence of Directors

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

The Directors recognise the importance of succession planning for company boards and reviews the Board composition annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be a benefit to the Board. The Board concurs with the view expressed in the AIC Code that long serving Directors should not be prevented from being considered independent.

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

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, gearing, premium/discount, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The following table shows the attendance record for the Board and Committee meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all of the Directors in office, with the exception of Mr van der Kuyl, as at 17 September 2021.

Directors' Attendance at Meetings

	Board	Audit Committee	Nomination Committee
Number of meetings	**4**	**2**	**1**
TJW Burnet	4	2	1
SP Inglis	4	2	1
GD Paterson	4	2	1
CRD van der Kuyl*	4	1	1
RL Palmer*	4	1	1

* Mr CRD van der Kuyl and Ms RL Palmer were appointed to the Audit Committee with effect from 1 September 2021.

Nomination Committee

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

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

Board Diversity Policy

Appointments to the Board are made on merit with due regard for the benefits of diversity including gender, social and ethnic backgrounds and cognitive and personal strengths. The priority in appointing new Directors is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board therefore does not consider it appropriate to set diversity targets.

Board Composition

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

Performance Evaluation

An appraisal of the Chairman, each Director and a performance evaluation and review of the Board as a whole and its Committees was carried out during the year. After considering an evaluation questionnaire each Director had an interview with the Chairman. The appraisal of the Chairman was led by Ms SP Inglis, the Senior Independent Director.

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

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

The Board intend that an independent external agency will be engaged to assist with the performance evaluation in the next couple of years once the newly appointed Directors have become more familiar with their roles.

Induction and Training

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

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on pages 37 and 38.

Audit Committee

The report of the Audit Committee is set out on pages 35 and 36.

Internal Controls and Risk Management

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

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

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

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the UK Alternative Investment Fund Managers Directive (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 and Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's Auditor and a copy is submitted to the Audit Committee.

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

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

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems which accord with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

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

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

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

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

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

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see page 71), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern and specifically in the context of the Covid-19 pandemic.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is set out on pages 6 and 7 and contained in note 19 to the Financial Statements.

The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 pandemic and over recent months due to macroeconomic and geopolitical concerns, including the Russia-Ukraine conflict, but does not believe the Company's going concern status is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. As at 31 May 2022, the Company had a net current liability of £17.6 million primarily as a result of the US$25 million five year revolving credit facility with ING Bank N.V., London Branch, which is due to mature on 1 August 2023. 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. The Company's primary third party suppliers, including its Managers and Secretaries, Depositary and Custodian, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on pages 7 and 8 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

Relations with Shareholders

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

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

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

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

Corporate Governance and Stewardship

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

The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors, including climate change, when selecting and retaining investments and has asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long term investment returns. The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at bailliegifford.com. The Managers' policy has been reviewed and endorsed by the Board. Baillie Gifford & Co has considered the Sustainable Finance Disclosure Regulation ('SFDR') and further details can be found on page 70.

Climate Change

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

The Manager has engaged an external provider to map the carbon footprint of the portfolio, using the information to prioritise engagement and understand what higher emitting companies are doing to manage climate risk better. This analysis estimates that the carbon intensity of Baillie Gifford US Growth's portfolio is 89.9% lower than the index (S&P 500 Index). This analysis estimate is based on the 60.0% of the value of the Company's portfolio which reports on carbon emissions and other carbon related characteristics. Carbon intensity measures the carbon efficiency of the portfolio per unit of output and assesses the portfolio's exposure to carbon-intensive companies.

Baillie Gifford's Task Force on Climate-Related Financial Disclosures ('TCFD') Climate Report is available on the Managers' website at bailliegifford.com. Baillie Gifford will provide a TCFD climate report for Baillie Gifford US Growth which is expected to be available during 2023.

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

On behalf of the Board
Tom Burnet
Chairman
8 August 2022

Audit Committee Report

The Audit Committee consists of all the independent Directors. Mr CRD van der Kuyl and Ms RL Palmer, who were appointed Directors on 1 June 2021, were appointed to the Audit Committee with effect from 1 September 2021. The 2019 AIC Code of Corporate Governance permits the Chairman of the Board to be a member of the Audit Committee. The Board believes that Mr TJW Burnet's knowledge, experience and professional expertise is a significant benefit to the Committee. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mr GD Paterson, Chairman of the Committee, is a Chartered Accountant.

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

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

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

Main Activities of the Committee

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

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

— the results announcement and the Annual and Interim Reports;

— the Company's accounting policies and practices and the implementation of the Managers' valuation policy for investments in unquoted companies;

— the regulatory changes impacting the Company;

— the fairness, balance and understandability of the Annual Report and Financial Statements and whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;

— the effectiveness of the Company's internal control environment;

— reappointment, remuneration and terms of engagement of the external Auditor;

— the policy on the engagement of the external Auditor to supply non-audit services;

— the independence and objectivity of the external Auditor and the effectiveness of the external audit process;

— the need for the Company to have its own internal audit function;

— internal controls reports received from the Managers and Custodian; and

— the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Internal Audit

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

Financial Reporting

The Committee considers that the most significant area of risk likely to impact the Financial Statements is the existence, ownership and valuation of investments as they represent 99.6% of total assets.

Unlisted Investments

The Committee reviewed the Managers' valuation approach for investments in unquoted companies (as described on pages 14, 50 and 51) and approved the valuations of the unlisted investments following a detailed review of the valuation of each investment and relevant challenge where appropriate.

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

Listed Investments

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

The Managers agreed the prices of all the listed investments at 31 May 2022 to external price sources and the holdings were agreed to confirmations from the Company's Custodian or Transfer Agent.

Other Matters

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

The Committee considered the factors, including the impact of Covid-19 and increasing geopolitical tensions, that might affect the Company's viability over a period of five years and its ability to continue as a going concern for at least twelve months from the date of signing of the Financial Statements, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities, and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability Statement on pages 7 and 8 and statement on Going Concern on page 33 including the potential impact of Covid-19 and increasing geopolitical tensions. Following this assessment, the Committee recommended to the Board the appropriateness of the Going Concern basis in preparing the Financial Statements and confirmed the accuracy of the Viability Statement and statement on Going Concern.

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

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on pages 32 and 33. No significant weaknesses were identified in the year under review.

External Auditor

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

- the Auditor's audit strategy for the year to 31 May 2022 which included a report from the Auditor describing their arrangements to manage auditor independence and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditor. There were no non-audit fees paid to KPMG LLP in the year to 31 May 2022. The non-audit fees in the year to 31 May 2021 paid to KPMG LLP were for providing procedural services related to the publication of a prospectus for the placing of further shares. The fees charged for the service were £30,000 (see note 4 on page 52). There were no non-audit fees paid to KPMG LLP in the year to 31 May 2020. In the period to 31 May 2019 non-audit fees paid to KPMG LLP amounted to £25,000 in respect of procedural services related to the initial listing of the Company and £40,000 in respect of the SIR 2000 Accountants' Report for the six months to 7 August 2018. As all these costs related to the initial listing of the Company and the publication of prospectuses for the placing of further shares, they are capital in nature and included within the costs of issuing shares. The Committee does not believe that this has impaired the Auditor's independence and has confirmed the services provided are permitted under the non-audit services policy of the Company.

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

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

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

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

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

KPMG LLP was appointed as the Company's Auditor, by the Directors, on 23 April 2018. The audit partner responsible for the audit is to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Mr John Waterson, the current audit partner has held this role for four years and will continue as audit partner until the conclusion of the 2023 audit. KPMG LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

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

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

Audit Tender

As KPMG LLP was appointed Auditor with effect from 23 April 2018, KPMG LLP's tenure would run to 2028 before a tender would be required.

Regulatory Compliance

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

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 39 to 45.

On behalf of the Board
Graham Paterson
Audit Committee Chairman
8 August 2022

Directors' Remuneration Report

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

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was last approved at the Annual General Meeting in August 2019 and no changes to the policy are proposed. No changes to the policy are proposed and an ordinary resolution for the approval of the Remuneration Policy will be put to the members at the forthcoming Annual General Meeting on 16 September 2022.

For the year to 31 May 2022 the Directors' remuneration was set at £29,000 per annum for each Director other than the Chairman, who received an additional £11,000 per annum, Chairman of the Audit Committee, who received an additional £5,000 per annum, and the Senior Independent Director who received an additional £1,500 per annum.

The Board reviewed the level of fees during the year and agreed that, with effect from 1 June 2022, Directors' fees should be increased by 1%. The Chairman's fee increased to £40,400, the Directors' fees increased to £29,290, the additional fee for the Chairman of the Audit Committee increased to £5,050 and the additional fee for the Senior Independent Director increased to £1,515.The fees were last increased on 1 June 2021.

Directors' Remuneration Policy

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

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

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

Limits on Directors' Remuneration

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

The basic and additional fees payable to Directors in respect of the year ended 31 May 2022 and the fees payable in respect of the year ending 31 May 2023 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for the year ending 31 May 2023 £	Fees for the year ended 31 May 2022 £
Chairman's fee	40,400	40,000
Non-executive Director fee	29,290	29,000
Additional fee for Chairman of the Audit Committee	5,050	5,000
Additional fee for the Senior Independent Director	1,515	1,500
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	300,000	300,000

Annual Report on Remuneration

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

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in KPMG LLP's report on pages 40 to 45.

Directors' Remuneration for the Year (audited)

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

	For the year ended 31 May 2022			For the year ended 31 May 2021		
Name	**Fees £**	**Taxable benefits £**	**Total £**	**Fees £**	**Taxable benefits £**	**Total £**
TJW Burnet (Chairman)	40,000	–	40,000	34,500	–	**34,500**
GD Paterson (Audit Committee Chairman)	34,000	–	34,000	29,000	–	**29,000**
SP Inglis (Senior Independent Director)	30,500	–	30,500	24,500	–	**24,500**
CRD van der Kuyl	29,000	–	29,000	–	–	**–**
RL Palmer	29,000	2,838	31,838	–	–	**–**
	162,500	**2,838**	**165,338**	**88,000**	**–**	**88,000**

Annual Percentage Change in Remuneration

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

Name	% change from 2021 to 2022	% change from 2020 to 2021
TJW Burnet	15.9	–
SP Inglis	24.5 #	–
GD Paterson	17.2	–
CRD van der Kuyl (appointed 1 June 2021)	– *	n/a
RL Palmer (appointed 1 June 2021)	– *	n/a

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

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

Directors' Interests (audited)

The Directors at the financial year end, and their interests in the Company, were as shown below. There have been no changes intimated in the Directors' interests up to 8 August 2022.

Name	Nature of interest	Ordinary 1p shares held at 31 May 2022	Ordinary 1p shares held at 31 May 2021
TJW Burnet	Beneficial	126,040	126,040
SP Inglis	Beneficial	50,000	50,000
GD Paterson	Beneficial	80,000	80,000
CRD van der Kuyl	Beneficial	285,314	–
RL Palmer	Beneficial	–	–

Statement of Voting at Annual General Meeting

At the Annual General Meeting held on 27 August 2019, of the proxy votes received in respect of the Directors' Remuneration Policy, 99.96% were in favour, 0.03% were against and votes withheld were 0.01%. At the Annual General Meeting held on 17 September 2021, of the proxy votes received in respect of the Directors' Remuneration Report, 99.85% were in favour, 0.12% were against and, votes withheld were 0.03%.

Relative Importance of Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The Directors' remuneration for the year and the expected fees for the year to 31 May 2023 are set out on the previous page. There were no distributions to shareholders by way of dividend or share repurchases during the year (2021 – none).

Directors' Service Details

Name	Date of appointment	Due date for re-election
TJW Burnet	5 March 2018	AGM in 2022
SP Inglis	5 March 2018	AGM in 2022
CRD van der Kuyl	1 June 2021	AGM in 2022
RL Palmer	1 June 2021	AGM in 2022
GD Paterson	5 March 2018	AGM in 2022

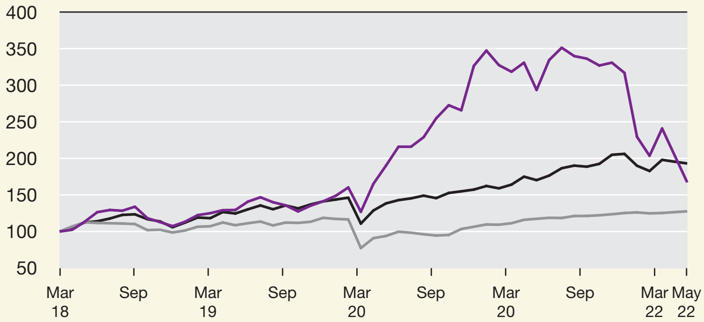
Company Performance

The following graph compares, for the period from 23 March 2018, launch date, and first trade date, to 31 May 2022, the share price total return (assuming all dividends are reinvested) to the Company's ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies. Comparative Index provided for information purposes only.

Performance Graph

The Company's Share Price, FTSE All-Share Index and Comparative Index*

(figures have been rebased to 100 at 23 March 2018)



Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 71.

Baillie Gifford US Growth share price

FTSE All-Share Index

Comparative Index* (in sterling terms)

All figures are total return (assuming all dividends reinvested). (See Glossary of Terms and Alternative Performance Measures on pages 72 and 73).

* S&P 500 Index total return (in sterling terms). See disclaimer on page 71.

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on pages 37 and 38 was approved by the Board of Directors and signed on its behalf on 8 August 2022.

Tom Burnet
Chairman

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

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

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

— select suitable accounting policies and then apply them consistently;

— make judgements and accounting estimates that are reasonable and prudent;

— state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;

— assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

— use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that complies with that law and those regulations.

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

Responsibility Statement of the Directors in Respect of the Annual Financial Report

Each of the Directors who were in office during the year ending 31 May 2022 and remain in office at the date of approval of the Financial Statements confirm that, to the best of their knowledge:

— the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and net return of the Company;

— the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and

— the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
Tom Burnet
Chairman
8 August 2022

Notes

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

— The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

— Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG

Independent auditor's report

to the members of Baillie Gifford US Growth Trust plc.

1. Our opinion is unmodified

We have audited the financial statements of Baillie Gifford US Growth Trust plc ("the Company") for the year ended 31 May 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2022 and of its return for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 23 April 2018. The period of total uninterrupted engagement is for the four financial periods ended 31 May 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: Financial statements as a whole	£6.2m (2021:£9.3m) 1% (2021: 1%) of Total Assets	
Key audit matters		**vs 2021**
Recurring risks	Valuation of certain level 3 investments	▲
	Carrying amount of quoted investments	◀▶

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of certain level 3 investments (Certain specific investments within the total of level 3 investment of £227.4 million; (2021: £154.1 million) *Refer to page 35 (Audit Committee Report), page 50 (accounting policy) and note 9 on pages 54 and 55 and note 19 on pages 58 to 64 (financial disclosures).*	**Subjective valuation:** Valuation of unlisted investments is an inherently judgemental area, and we have assessed that certain of the unlisted investments are subject to significant risk over the judgements and estimates inherent in the valuations. The quantum of the investments subject to the significant risk is £201.4m out of a total unlisted investment balance of £227.4m (16 of 24 investments). The factors considered in assessing which unlisted investments were subject to significant risk included the quantum of the individual investment, time since funding round, performance of the investment, nature of the asset held as well as the estimation uncertainty of the methodology and inputs used. Unlisted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines, by using measurements of value such as prices of recent orderly transactions, earnings multiples, and net assets. We assessed that the level of significant risk associated with this matter has increased in the year as both the quantum of the balance, and the level of uncertainty associated with certain unobservable inputs has increased as a consequence of the general economic downturn. Therefore this is one of the key areas that our audit has focused on. The financial statements (note 19) disclose the sensitivity estimated by the Company.	We performed the tests below rather than seeking to rely on any of the Company's controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below: Our procedures included: — **Historical comparisons:** Assessment of investment listings in the period, comparing actual listing proceeds to prior valuations to understand the reasons for significant variances and determine whether they are indicative of bias or error in the Company's approach to valuations; — **Methodology choice:** In the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines, we challenged the appropriateness of the valuation basis selected; — **Our valuation experience:** Challenging the investment manager on key judgements affecting investee company valuations, such as the choice of benchmark for earnings multiples and calibration to latest funding rounds. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of earnings based on the plans of the investee companies and whether these are achievable. Our work included consideration of events which occurred subsequent to the period end until the date of this audit report; — **Comparing valuations:** Where a recent transaction has been used to value a holding, we obtained an understanding of the circumstances surrounding the transaction and whether it was considered to be on an arms-length basis and suitable as an input into a valuation; and — **Assessing transparency:** Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unlisted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions. **Our findings:** — We found the Company's valuation of certain specific unlisted investments to be slightly cautious (2021: slightly cautious) and the related disclosures to be proportionate (2021: proportionate).

KPMG

2. Key audit matters: including our assessment of risks of material misstatement (continued)

	The risk	Our response
Carrying amount of quoted investments (£394.2 million; 2021: £762.1 million) *Refer to page 35 (Audit Committee Report), page 50 (accounting policy) and note 9 on pages 54 and 55 and note 19 on pages 58 to 64 (financial disclosures).*	**Low risk, high value:** The Company's portfolio of quoted investments makes up 63.1% (2021: 81%) of the Company's total assets (by value) and is one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the tests below rather than seeking to rely on any of the company's controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below. Our procedures included: — **Test of detail:** Agreeing the valuation of 100% of quoted investments in the portfolio to externally quoted prices; and — **Enquiry of custodians:** Agreeing 100% of quoted investments held in the portfolio to independently received third party confirmations from investment custodians or other supporting information, if not included in the custodian confirmation. **Our findings** — We found no differences between the third party custodian confirmation, or alternative support, or the externally quoted prices and the valuation of listed investments of a size to require reporting to the audit committee (2021: no differences of a size to require reporting to the audit committee)

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £6.2m (2021: £ 9.3m), determined with reference to a benchmark of total assets, of which it represents 1% (2021: 1%).

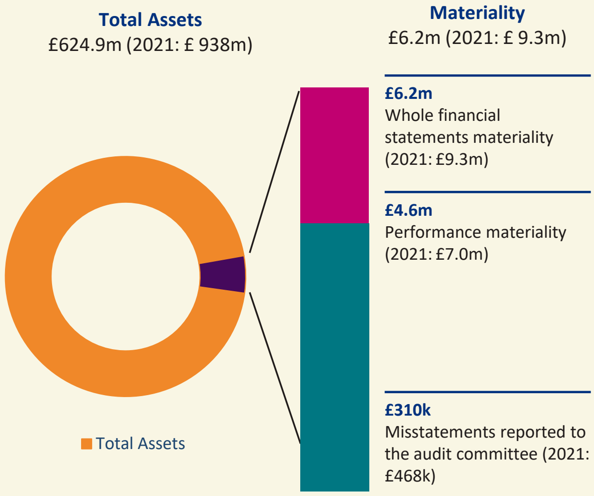
In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £4.6m (2021: £ 7.0m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £310k (2021: £ 468k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

The scope of the audit work performed was fully substantive as we did not rely upon the Company's internal control over financial reporting.



4. The impact of climate risk on our audit

In planning our audit we have considered the potential impacts of climate change on the Company's financial statements.

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. Level 1 quoted investments make up 63.1% of the Company's total assets, for which fair value is determined as the quoted market price. Therefore, we assessed that the financial statement estimate that is primarily exposed to climate risk is the unquoted investment portfolio, for which the valuation assumptions and estimates may be impacted by physical and policy or legal climate risks, such as an increase in climate related compliance expenditure. We made enquiries of management to understand the extent of the potential impact of climate change risk on the unquoted investment portfolio. We also held discussions with our own climate change professionals to challenge our risk assessment.

We assessed that, whilst climate change posed a risk to the determination of investment valuations in the current year, this risk was not significant when considering the nature of the underlying investment portfolio. Therefore there was no significant impact of this on our key audit matters.

We have read the disclosure of climate related narrative in the front half of the financial statements and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and metrics relevant to debt covenants over this period were:

— the impact of a significant reduction in the valuation of investments and the implications for the Company's debt covenants;

— the liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due; and

— the operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's liquid investments.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

— We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

— We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;

— We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and

— The related statement under the Listing Rules set out on page 33 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

— enquiring of Directors as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;

— assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and

— reading Board and Audit Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of unlisted investments. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

KPMG

6. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other indirect laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report and financial statements

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

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

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on page 7 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal and Emerging Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

KPMG

7. We have nothing to report on the other information in the Annual Report (continued)

Disclosures of emerging and principal risks and longer-term viability (continued)

We are also required to review the Viability Statement, set out on page 7 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 39, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities.

10. The purpose of our audit work and to whom we owe our responsibilities

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

John Waterson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor *Chartered Accountants*
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

8 August 2022

Income Statement

For the year ended 31 May

	Notes	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
(Losses)/gains on investments	9	–	(314,153)	**(314,153)**	–	304,245	**304,245**
Currency (losses)/gains	14	–	(2,976)	**(2,976)**	–	639	**639**
Income	2	568	–	**568**	648	–	**648**
Investment management fee	3	(4,865)	–	**(4,865)**	(4,701)	–	**(4,701)**
Other administrative expenses	4	(676)	–	**(676)**	(537)	–	**(537)**
Net return before finance costs and taxation		(4,973)	(317,129)	**(322,102)**	(4,590)	304,884	**300,294**
Finance costs of borrowings	5	(741)	–	**(741)**	(401)	–	**(401)**
Net return before taxation		(5,714)	(317,129)	**(322,843)**	(4,991)	304,884	**299,893**
Tax	6	(67)	–	**(67)**	(75)	–	**(75)**
Net return after taxation		**(5,781)**	**(317,129)**	**(322,910)**	**(5,066)**	**304,884**	**299,818**
Net return per ordinary share	7	**(1.88p)**	**(103.24p)**	**(105.12p)**	**(1.78p)**	**106.89p**	**105.11p**

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

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

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

The accompanying notes on pages 50 to 64 are an integral part of the Financial Statements.

Balance Sheet

As at 31 May

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		621,587		916,255
Current assets					
Debtors	10	359		3,253	
Cash and cash equivalents	19	3,007		18,484	
		3,366		21,737	
Creditors					
Amounts falling due within one year	11	(20,930)		(11,564)	
Net current (liabilities)/assets			(17,564)		10,173
Total assets less current liabilities			604,023		926,428
Creditors					
Amounts falling due after more than one year	12		(19,837)		(17,545)
Net assets			**584,186**		**908,883**
Capital and reserves					
Share capital	13		3,073		3,068
Share premium account	14		250,827		249,020
Special distributable reserve	14		168,942		168,942
Capital reserve	14		176,800		497,528
Revenue reserve	14		(15,456)		(9,675)
Shareholders' funds			**584,186**		**908,883**
Net asset value per ordinary share (after deducting borrowings at book value*)	15		**191.44p**		**296.21p**

The Financial Statements of Baillie Gifford US Growth Trust plc (Company Registration number 11194060) were approved and authorised for issue by the Board and were signed on 8 August 2022.

Tom Burnet
Chairman

* See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.
The accompanying notes on pages 50 to 64 are an integral part of the Financial Statements.

Statement of Changes in Equity

For the year to 31 May 2022

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2021		3,068	249,020	168,942	497,528	(9,675)	**908,883**
Ordinary shares issued	13	5	1,807	–	–	–	**1,812**
Ordinary shares bought back into treasury	13	–	–	–	(3,599)	–	**(3,599)**
Net return after taxation		–	–	–	(317,129)	(5,781)	**(322,910)**
Shareholders' funds at 31 May 2022		**3,073**	**250,827**	**168,942**	**176,800**	**(15,456)**	**584,186**

For the year to 31 May 2021

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2020		2,618	116,607	168,942	192,644	(4,609)	**476,202**
Ordinary shares issued	13	450	132,413	–	–	–	**132,863**
Net return after taxation		–	–	–	304,884	(5,066)	**299,818**
Shareholders' funds at 31 May 2021		**3,068**	**249,020**	**168,942**	**497,528**	**(9,675)**	**908,883**

The accompanying notes on pages 50 to 64 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 31 May

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Cash flows from operating activities				
Net return before taxation		(322,843)		299,893
Net losses/(gains) on investments		314,153		(304,245)
Currency losses/(gains)		2,976		(639)
Finance costs of borrowings		741		401
Overseas withholding tax incurred		(67)		(76)
Changes in debtors and creditors		(387)		405
Cash from operations*		(5,427)		(4,261)
Finance costs paid		(745)		(438)
Net cash outflow from operating activities		(6,172)		(4,699)
Cash flows from investing activities				
Acquisitions of investments	(146,903)		(309,160)	
Disposals of investments	129,027		170,973	
Net cash outflow from investing activities		(17,876)		(138,187)
Cash flows from financing activities				
Ordinary shares issued	1,812		132,863	
Ordinary shares bought back into treasury and stamp duty thereon	(3,599)		–	
Bank loans drawn down	84,459		76,793	
Bank loans repaid	(75,377)		(62,632)	
Net cash inflow from financing activities		7,295		147,024
(Decrease)/increase in cash and cash equivalents		(16,753)		4,138
Exchange movements		1,276		(1,743)
Cash and cash equivalents at start of the period		18,484		16,089
Cash and cash equivalents at 31 May		**3,007**		**18,484**

* Cash from operations includes dividends received in the period of £448,000 (2021 – £508,000) and interest received of £1,000 (2021 – £99,000).

The accompanying notes on pages 50 to 64 are an integral part of the Financial Statements.

Notes to the Financial Statements

Baillie Gifford US Growth Trust plc (the 'Company') was incorporated under the Companies Act 2006 in England and Wales as a public limited company with registered number 11194060. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust.

1 Principal Accounting Policies

The Financial Statements for the year to 31 May 2022 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and on the basis of the accounting policies set out below.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of market volatility since the Covid-19 pandemic but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. As at 31 May 2022, the Company had a net current liability of £17.6 million primarily as a result of the US$25 million five year revolving credit facility with ING Bank N.V., London Branch, which is due to mature on 1 August 2023. 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. The Company's primary third party suppliers, including its Managers and Secretaries, Depositary and Custodian, Registrar, Auditor and Broker, have not experienced significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on pages 7 and 8 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards, the Association of Investment Companies ('AIC') Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014 and updated in April 2021 with consequential amendments. In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

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

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

(b) Accounting Estimates, Assumptions and Judgements

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

Judgements

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

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

(ii) the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

(i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines 2018 along with the Special Guidelines issued in March 2020 to each unlisted investment; and

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

Estimates

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

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

(ii) the selection of a revenue metric (either historical or forecast);

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

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

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

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

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other Price Risk Sensitivity in note 19 on pages 60 to 63 to illustrate the effect on the Financial Statements of an over or under estimation of fair values. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

Assumptions

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

The key assumptions for the Multiples approach are that the selection of comparable companies provides a reasonable basis for identifying relationships between enterprise value, revenue and growth to apply in the determination of fair value. Other assumptions include:

(i) the discount applied for reduced liquidity versus listed peers;

(ii) the probabilities assigned to an exit being through either an IPO or a company sale; and

(iii) that the application of milestone analysis and industry benchmark indices are a reasonable basis for applying appropriate adjustments to the valuations.

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

(c) Investments

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

Recognition and Initial Investment

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

Measurement and Valuation

Listed Investments

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

Unlisted Investments

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

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

— Multiples;

— Industry Valuation Benchmarks; and

— Available Market Prices.

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

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

— at the year end and half year end of the Company; and

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

Gains and Losses

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

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

(d) Cash and Cash Equivalents

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

(e) Financial Liabilities

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

(f) Income

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

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

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

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

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

(g) Expenses

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

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

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

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

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

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

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

(k) Special Distributable Reserve
The special distributable reserve can be used for the repurchase of shares and may be distributed by way of dividend.

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

(m) Single Segment Reporting
The Company is engaged in a single segment of business, being investment business, consequently no business segmental analysis is provided.

2 Income

	2022 £'000	2021 £'000
Income from investments		
Overseas dividends	448	500
Overseas interest	119	146
	567	646
Other income		
Deposit interest	1	2
Total income	**568**	**648**

3 Investment Management Fee

	2022 £'000	2021 £'000
Investment management fee	**4,865**	**4,701**

Details of the Investment Management Agreement are set out on page 28. With effect from 1 September 2021 the annual management fee is 0.70% on the first £100 million of net assets, 0.55% on the next £900 million of net assets and 0.50% on the remaining net assets. Prior to 1 September 2021 the fee was 0.70% on the first £100 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

4 Other Administrative Expenses

	2022 £'000	2021 £'000
Director's fees (see Directors' Remuneration Report on page 37)	163	88
Auditor's remuneration for audit services	105	86
General administrative expenses	408	363
	676	**537**

The Auditor's remuneration for audit services for the year to 31 May 2021 includes the 2021 audit fee of £61,250 and £25,000 of agreed overrun costs for the 31 May 2020 audit.

There were no non-audit fees paid to KPMG LLP in the year to 31 May 2022. In the year to 31 May 2021 non-audit fees paid to KPMG LLP amounted to £30,000 in respect of procedural services related to the publication of a prospectus for the placing of further shares. As these costs related to the placing of further shares, they are capital in nature and included within the costs of issuing shares.

5 Finance Costs of Borrowings

	2022 £'000	2021 £'000
Interest on bank loans (see notes 11 and 12)	**741**	**401**

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

6 Tax

	2022 £'000	2021 £'000
Analysis of charge in the year		
Overseas withholding taxation	67	75
Factors affecting the tax charge for the year		
The tax charge for the year is higher (2021 – lower) than the standard rate of corporation tax in the UK of 19.00%. The differences are explained below:		
Net return before taxation	(322,843)	299,893
Net return before taxation multiplied by the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	(61,340)	56,980
Capital returns not taxable	60,255	(57,928)
Overseas dividends not taxable	(86)	(95)
Current year management expenses and non-trade loan relationship deficit not utilised	1,171	1,043
Overseas withholding tax incurred	67	75
Tax charge for the year	**67**	**75**

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

Factors that may affect future tax charges

At 31 May 2022, the Company had a potential deferred tax asset of £4,319,000 (2021 – £2,779,000) in respect of tax losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised on these losses as it is considered unlikely that the Company will generate sufficient taxable profits that the losses can be utilised against in future periods. The potential deferred tax asset has been calculated using a corporation tax rate of 25% (2021 – 25%). On 3 March 2021, the UK Government announced its intention to increase the rate of UK corporation tax from 19% to 25% from 1 April 2023 and this was subsequently substantively enacted on 24 May 2021. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to maintain that status in the foreseeable future, the Company has not provided for deferred UK tax on any capital gains and losses arising on the revaluation or disposal of investments.

7 Net Return per Ordinary Share

	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Net return after taxation	**(1.88p)**	**(103.24p)**	**(105.12p)**	**(1.78p)**	**106.89p**	**105.11p**

Revenue return per ordinary share is based on the net revenue loss after taxation of £5,781,000 (2021 – net revenue loss after taxation of £5,066,000) and on 307,185,443 (2021 – 285,237,493) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

Capital return per ordinary share is based on the net capital loss for the financial period of £317,129,000 (2021 – net capital gain of £304,884,000) and on 307,185,443 (2021 – 285,237,493) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

Total return per ordinary share is based on the total loss for the financial period of £322,910,000 (2021 – total gain of £299,818,000) and on 307,185,443 (2021 – 285,237,493) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during each period.

There are no dilutive or potentially dilutive shares in issue.

8 Ordinary Dividends

There are no dividends paid or proposed in respect of the financial year. There is no investment income available for distribution by way of dividend for the year to 31 May 2022 due to the revenue loss of £5,781,000 in the year (2021 – revenue loss of £5,066,000).

9 Fixed Assets – Investments

As at 31 May 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	394,228	–	–	**394,228**
Unlisted ordinary shares	–	–	45,842	**45,842**
Unlisted preference shares*	–	–	179,347	**179,347**
Unlisted convertible promissory notes	–	–	2,170	**2,170**
Total financial asset investments	**394,228**	**–**	**227,359**	**621,587**

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

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

During the year to 31 May 2022 investments with a book cost of £10,542,000 (31 May 2021 – £13,966,000) were transferred from Level 3 to Level 1 on becoming listed.

Investments in securities are financial assets held at fair value through profit or loss. In accordance with Financial Reporting Standard 102, the tables above provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

Fair Value Hierarchy

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

Level 1 – using unadjusted quoted prices for identical instruments in an active market;
Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and
Level 3 – using inputs that are unobservable (for which market data is unavailable).

The valuation techniques used by the Company are explained in the accounting policies on page 51. A sensitivity analysis by valuation technique of the unlisted securities is on pages 60 to 63.

	Listed securities £'000	Unlisted securities* £'000	Total £'000
Cost of investments at 31 May 2021	428,424	111,064	**539,488**
Investment holding gains at 31 May 2021	333,692	43,075	**376,767**
Value of investments at 31 May 2021	762,116	154,139	**916,255**
Analysis of transactions in the year:			
Purchases at cost	67,857	77,725	**145,582**
Sales proceeds received	(126,118)	–	**(126,118)**
Gains and losses on investments	(320,169)	6,037	**(314,132)**
Changes in categorisation	10,542	(10,542)	**–**
Value of investments at 31 May 2022	**394,228**	**227,359**	**621,587**
Cost of investments at 31 May 2022	430,175	178,247	**608,422**
Investment holding gains and losses at 31 May 2022	(35,947)	49,112	**13,165**
Value of investments at 31 May 2022	**394,228**	**227,359**	**621,587**

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

9 Fixed Assets – Investments (continued)

The Company received £126,118,000 from investments sold in the year (31 May 2021 – £172,365,000). The book cost of these investments when they were purchased was £76,648,000 (2021 – £58,404,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The purchases and sales proceeds figures above include transaction costs of £29,000 (2021 – £80,000) and £25,000 (2021 – £46,000) respectively, being £54,000 (2021 – £126,000) in total.

Of the gains on sales during the year of £49,470,000, a net gain of £52,756,000 was included in the investment holding gains and losses at the previous period end.

	2022 £'000	2021 £'000
Net gains on investments		
Gains on sales	49,470	113,961
Changes in investment holding gains and losses	(363,602)	190,284
Provision for Stripe put right	(21)	–
	(314,153)	**304,245**

Significant Holdings

Details of significant holdings are noted below in accordance with the disclosure requirements paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in April 2021), in relation to unlisted investments included in the twenty largest holdings within the List of Investments disclosed on pages 22 to 24. As required, this disclosure includes turnover, pre-tax profits and net assets attributable to investors as reported within the most recently audited financial statements of the investee companies, where possible.

As at 31 May 2022 Name	Business	Latest Financial Statements	Proportion of capital owned %	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover (US$'000)	Pre-tax profit/(loss) (US$'000)	Net assets attributable to shareholders (US$'000)
Space Exploration Technologies	Rocket and spacecraft company	n/a	0.02	11,225	35,062	Nil	Information not publicly available		
Stripe	Online payment platform	n/a	0.04	14,375	27,995	Nil	Information not publicly available		
Brex	Corporate credit cards for start-ups	n/a	0.24	14,536	21,198	Nil	Information not publicly available		
Faire Wholesale	Online wholesale marketplace	n/a	0.23	17,699	20,045	Nil	Information not publicly available		
Discord	Communication software	n/a	0.11	11,551	11,740	Nil	Information not publicly available		
Epic Games	Video game platform and software developer	n/a	0.04	7,315	10,555	Nil	Information not publicly available		
Zipline	Drone-based medical delivery	n/a	0.50	5,322	9,690	Nil	Information not publicly available		

As at 31 May 2021 Name	Business	Latest Financial Statements	Proportion of capital owned %	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover (US$'000)	Pre-tax profit/(loss) (US$'000)	Net assets attributable to shareholders (US$'000)
Stripe	Online payment platform	n/a	0.03	14,375	25,004	Nil	Information not publicly available		
Space Exploration Technologies	Rocket and spacecraft company	n/a	0.03	11,225	18,651	Nil	Information not publicly available		

10 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Income accrued (net of withholding taxes)	171	52
Sales for subsequent settlement	–	2,909
Other debtors and prepayments	188	292
	359	**3,253**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value. There were no debtors that were past due or impaired at 31 May 2022 or 31 May 2021.

11 Creditors – Amounts falling due within one year

	2022 £'000	2021 £'000
ING Bank N.V. floating rate loan	19,837	8,794
Purchases for subsequent settlement	–	1,320
Investment management fee	841	1,287
Other creditors and accruals	231	163
Provision for Stripe put right	21	–
	20,930	**11,564**

None of the above creditors at 31 May 2022 or 31 May 2021 are financial liabilities designated at fair value through profit or loss.

Borrowing facilities

The Company entered into a US$25 million five year revolving credit facility with ING Bank N.V., London Branch on 1 August 2018.

At 31 May 2022 there were drawings of US$25 million at an interest rate of 3.09786% (2021 – US$12.5 million at an interest rate of 1.635%).

The main covenants relating to the loan are that borrowings should not exceed 30% of the Company's adjusted net asset value and the Company's minimum adjusted net asset value shall be £140 million. The adjusted net asset value calculation includes the deduction of 100% of any unlisted securities. There were no breaches in the loan covenants during the year to 31 May 2022 (31 May 2021 – none).

12 Creditors – Amounts falling due in more than one year

	2022 £'000	2021 £'000
ING Bank N.V. fixed rate loan	**19,837**	**17,545**

Borrowing facilities

The Company entered into a US$25 million three year fixed rate facility with ING Bank N.V., London Branch on 23 October 2020.

At 31 May 2022 and 31 May 2021 there were drawings of US$25 million at an interest rate of 1.902%.

The main covenants relating to the loan are that borrowings should not exceed 30% of the Company's adjusted net asset value and the Company's minimum adjusted net asset value shall be £140 million. The adjusted net asset value calculation includes the deduction of 100% of any unlisted securities. There were no breaches in the loan covenants during the year to 31 May 2022 (31 May 2021 – none).

13 Share Capital

	2022 Number	2022 £'000	2021 Number	2021 £'000
Allotted, called up and fully paid ordinary shares of 1p each	305,153,700	3,051	306,835,000	3,068
Treasury shares of 1p each	2,206,300	22	–	–
	307,360,000	**3,073**	**306,835,000**	**3,068**

The Company has authority to allot shares under section 551 of the Companies Act 2006 which was granted at the General Meeting held on 5 March 2018 and which lasts until the end of the period of five years from the date of the passing of the resolution. 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 year to 31 May 2022, the Company issued a total of 525,000 shares (nominal value £5,250, representing 0.2% of the issued share capital at 31 May 2021) on a non pre-emptive basis at a premium to net asset value (on the basis of debt valued at book value), raising net proceeds of £1,812,000 (in the year to 31 May 2021, the Company issued a total of 45,070,000 shares nominal value £450,000, representing 17.2% of the issued share capital at 31 May 2020, raising net proceeds of £132,863,000), which has been invested in accordance with the Company's investment policy.

Over the period from 31 May 2022 to 5 August 2022 the Company has issued no further shares.

The Company's authority to buy back shares up to a maximum of 14.99% of the Company's issued share capital was renewed at the Annual General Meeting held on 17 September 2021. In the year to 31 May 2022, 2,206,300 shares with a nominal value of £22,063 were bought back at a total cost of £3,599,000 and held in treasury (2021 – none). At 31 May 2022 the Company had authority to buy back a further 43,866,964 ordinary shares.

Over the period from 31 May 2022 to 5 August 2022 the Company bought back no further shares.

14 Capital and Reserves

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 31 May 2021	3,068	249,020	168,942	497,528	(9,675)	**908,883**
Net gains on sales of investments	–	–	–	49,470	–	**49,470**
Changes in investment holding gains and losses	–	–	–	(363,602)	–	**(363,602)**
Provision for Stripe put right				(21)		**(21)**
Exchange differences on loan	–	–	–	(4,252)	–	**(4,252)**
Exchange differences	–	–	–	1,276	–	**1,276**
Ordinary shares issued	5	1,807	–	–	–	**1,812**
Ordinary shares bought back into treasury	–	–	–	(3,599)	–	**(3,599)**
Revenue return on ordinary activities after taxation	–	–	–	–	(5,781)	**(5,781)**
At 31 May 2022	**3,073**	**250,827**	**168,942**	**176,800**	**(15,456)**	**584,186**

The capital reserve includes investments holding gains of £13,165,000 (2021 – £376,767,000) as disclosed in note 9.

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

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

15 Net Asset Value per Ordinary Share

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

	2022 Net asset value per share	2022 Net assets attributable £'000	2021 Net asset value per share	2021 Net assets attributable £'000
Ordinary shares	**191.44p**	**584,186**	296.21p	908,883

The movements during the period of the assets attributable to the ordinary shares are shown in note 14.

Net asset value per ordinary share is based on the net assets as shown above and on 305,153,700 (2021 – 306,835,000) ordinary shares, being the number of ordinary shares in issue (excluding treasury shares) at 31 May 2022 and 31 May 2021.

16 Analysis of Change in Net Debt

	At 31 May 2021 £'000	Cash flows £'000	Exchange movement £'000	At 31 May 2022 £'000
Cash and cash equivalents	18,484	(16,753)	1,276	**3,007**
Loans due within one year	(8,794)	(9,036)	(2,007)	**(19,837)**
Loans due within two to three years	(17,545)	(46)	(2,246)	**(19,837)**
	(7,855)	**(25,835)**	**(2,977)**	**(36,667)**

17 Transactions with Related Parties and the Managers and Secretaries

The Directors' fees and shareholdings are detailed in the Directors' Remuneration Report on pages 37 and 38. No Director has a contract of service with the Company. During the period no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Baillie Gifford & Co Limited has been appointed as the Company's Alternative Investment Fund Manager and Company Secretaries. Details of the terms of the Investment Management Agreement are set out on page 28 and details of the fees during the period and the balance outstanding at the period end are shown in notes 3 and 11 respectively.

18 Contingencies, Guarantees and Financial Commitments

The Company has an investment in Stripe, which has a right, but not an obligation, to sell to the Company, on or prior to 30 September 2022, Series H Preferred shares up to a maximum cost of US$6.73 million. A provision of £21,000 has been recognised as at 31 May 2022 in relation to this put right. At the time of the issuance of this report there had been no indication from Stripe of the right being exercised.

19 Financial Instruments

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

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

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

Market Risk

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

Details of the Company's investment portfolio are shown in note 9. The Company may, from time to time, enter into derivative transactions to hedge specific market, currency or interest rate risk. In the year to 31 May 2022 and the year to 31 May 2021 no such transactions were entered into. The Company's Managers may not enter into derivative transactions without the prior approval of the Board.

(i) Currency Risk

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

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

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

19 Financial Instruments (continued)

(i) Currency Risk (continued)

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

At 31 May 2022	Investments £'000	Cash and deposits £'000	Loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	621,587	2,633	(39,674)	(866)	**583,680**
Total exposure to currency risk	621,587	2,633	(39,674)	(866)	**583,680**
Sterling	–	374	–	132	**506**
	621,587	**3,007**	**(39,674)**	**(734)**	**584,186**

* Includes non-monetary assets of £176,000.

At 31 May 2021	Investments £'000	Cash and deposits £'000	Loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	916,255	18,098	(26,339)	1,552	**909,566**
Total exposure to currency risk	916,255	18,098	(26,339)	1,552	**909,566**
Sterling	–	386	–	(1,069)	**(683)**
	916,255	**18,484**	**(26,339)**	**483**	**908,883**

* Includes non-monetary assets of £176,000.

Currency Risk Sensitivity

At 31 May 2022, if sterling had strengthened by 5% against the US dollar, with all other variables held constant, total net assets and total return would have decreased by £29,184,000 (2021 – £45,478,000). A 5% weakening of sterling against the US dollar, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The analysis is performed on the same basis as it was for 2021.

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

(ii) Interest Rate Risk

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

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

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

The Board reviews on a regular basis the amount of investments in cash and the income receivable on cash deposits.

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

The interest rate risk profile of the Company's financial assets and liabilities at 31 May 2022 and 31 May 2021 are shown below.

Financial Assets

	2022 Fair value £'000	2022 Weighted average interest rate	2022 Weighted average period until maturity *	2021 Fair value £'000	2021 Weighted average interest rate	2021 Weighted average period until maturity *
Cash:						
US dollar	2,633	<0.1%	n/a	18,098	<0.1%	n/a
Sterling	374	<0.1%	n/a	386	<0.1%	n/a
	3,007			**18,484**		

* Based on expected maturity date.

The cash deposits generally comprise overnight call or short-term money market deposits and earn interest at floating rates based on prevailing bank base rates.

19 Financial Instruments (continued)

(ii) Interest Rate Risk (continued)

Financial Liabilities

	2022 Book value £'000	2022 Weighted average interest rate	2022 Weighted average period until maturity	2021 Book value £'000	2021 Weighted average interest rate	2021 Weighted average period until maturity
Bank loans:						
Floating rate – US$ denominated	19,837	3.1%	92 days	8,794	1.6%	92 days
Fixed rate – US$ denominated	19,837	1.9%	510 days	17,545	1.9%	875 days
	39,674			**26,339**		

Financial Assets

Fixed asset investments are valued at bid prices which equate to their fair value. A full list of the Company's investments is given on pages 22 to 24. In addition, an analysis of the investment portfolio by broad industrial or commercial sector are contained on page 24.

Interest Rate Risk Sensitivity

An increase of 100 basis points in interest rates, with all other variables being held constant, would have decreased the Company's total net assets and total return for the year to 31 May 2022 by £119,000 (31 May 2021 increased by £28,000). This is mainly due to the Company's exposure to interest rates on its floating rate bank loan and cash balances. A decrease of 100 basis points would have had an equal but opposite effect.

(iii) Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Manager. The Company's portfolio of unlisted Level 3 investments are not necessarily affected by market performance, however the valuations are affected by the performance of the underlying securities in line with the valuation criteria in note 1(c). The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment portfolio positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the comparative index. Investments are selected based upon the merit of individual companies and therefore performance may well diverge from the comparative index.

Other Price Risk Sensitivity

A full list of the Company's investments is given on pages 22 to 24. In addition, an analysis of the investment portfolio by broad industrial or commercial sector is shown on page 24.

67.5% (2021 – 83.9%) of the Company's net assets are invested in quoted equities. A 5% increase in quoted equity valuations at 31 May 2022 would have increased total assets and total return by £19,711,000 (2021 – £38,106,000). A decrease of 5% would have had an equal but opposite effect.

38.9% (2021 – 17.0%) of the Company's net assets are invested in unlisted investments. The fair valuation of the unlisted investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1(b) on pages 50 and 51).

A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the potential upside and downside risk resulting from the estimation uncertainty associated with the fair valuation process. For 2022, the sensitivity analysis is provided which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. The inputs have been flexed by +/-10% to illustrate what the impact of movements in these variables would have on the end valuations, with the exception of the Recent Transaction Price valuation approach as it does not involve significant subjectivity.

For 2021, the % sensitivity applied to each risk category was progressive and based on experience of valuation impacts during the pandemic. For the higher risk companies the impact of Covid-19 was much more uncertain and challenging to predict therefore a higher sensitivity of 50% was applied to reflect that, scaling down to 25% and 10% for medium and low risk respectively given their greater insulation to the impacts of Covid-19. When determining whether an investment valuation was felt to be low, medium or high risk with respect to sensitivity to Covid-19, several factors were considered such as the impact of Covid-19 on the relevant industry, liquidity concerns for the specific company and operational impacts on the business. This approach was not considered appropriate for the sensitivity analysis for 2022 as the impacts from the pandemic are now known. The table also provides the range of values for the key variable inputs.

19 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

The sensitivity analysis table below for 31 May 2022 recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. The inputs have been flexed by +/-10% with the exception of the Recent Transaction Price valuation approach as it does not involve significant subjectivity.

As at 31 May 2022	Significant variable inputs*					Positive impact		Negative impact	
Valuation Technique	**Fair value of investments £'000**	**Other variable inputs**	**Key variable inputs**	**Range**	**Variable input sensitivity (%)**	**£'000 †**	**% of net assets**	**£'000 †**	**% of net assets**
Recent Transaction††	58,081	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted Recent Transaction^^	109,971	Selection of appropriate benchmark Selection of comparable companies Probability estimation of liquidation event# Application of valuation basis	Selection of comparable companies‡	(58.2)% – (8.8)%	±10	4,986	0.9	(4,812)	(0.8)
Multiples	59,307	Estimated sustainable earnings Selection of comparable companies Application of illiquidity discount Probability estimation of liquidation event# Application of valuation basis	EV/LTM revenue multiple¶	2.9x – 8.8x	±10	4,863	0.8	(4,609)	(0.8)
			EV/NTM revenue multiple^	2.3x – 4.7x	±10	152	<0.1	(152)	<(0.1)
			Discount for lack of liquidity**	(16.5)% – 51.8%	±10	136	<0.1	(139)	<(0.1)
Total	**227,359**					**10,137**	**1.7**	**(9,712)**	**(1.7)**

† Impact on net assets and net return after taxation.

A liquidation event is typically a company sale or an initial public offering ('IPO').

‡ See explanation for the selection of comparable companies on page 63, section 'c'.

¶ Enterprise value divided by the last twelve months revenue.

^ Enterprise value divided by the next twelve months forecast revenue.

**See explanation for the application of an illiquidity discount on page 63, section 'e'.

†† Recent Transaction is generally transactions completed within the past three months.

^^ Adjusted Recent Transaction is using a recent transaction as the starting point, and adjusting this to reflect movements in comparable companies valuations or indices movements.

*** Significant Variable Inputs**

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(b) on pages 50 and 51.

19 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

The sensitivity analysis table below for 31 May 2021 has split out each category and applies sensitivities to each. The sensitivities give an indication of the effect of changing one or more of the inputs to these valuations and the impact of increased volatility depending on exposure to the impacts of the Covid-19 pandemic.

As at 31 May 2021 Valuation Technique	Fair value of investments £'000	Significant variable inputs* encompasing possible fluctuations due to Covid-19	Variable input sensitivity (%)	Positive impact £'000 †	Positive impact % of net assets	Negative impact £'000 †	Negative impact % of net assets
Recent Transaction	105,432						
High Risk		Selection of appropriate benchmark	±50	2,349	0.3	(3,243)	(0.4)
Medium Risk		Selection of comparable companies	±25	14,183	1.6	(352)	<(0.1)
Low Risk		Probability estimation of liquidation event# Application of valuation basis	±10	4,294	0.5	(8,065)	(0.9)
Adjusted Recent Transaction	11,434						
High Risk		Selection of appropriate benchmark	±50	–	–	–	–
Medium Risk		Selection of comparable companies	±25	2,578	0.3	(280)	<(0.1)
Low Risk		Probability estimation of liquidation event# Application of valuation basis	±10	112	<0.1	(961)	(0.1)
Multiples	23,959						
High Risk		Estimated sustainable earnings	±50	576	0.1	–	–
Medium Risk		Selection of comparable companies	±25	3,131	0.3	(3,361)	(0.4)
Low Risk		Application of illiquidity discount Probability estimation of liquidation event# Application of valuation basis	±10	742	0.1	(770)	(0.1)
Price of Expected Transaction	13,314						
Low Risk		Application of execution risk discount	±10	1,331	0.1	(1,331)	(0.1)
Total	**154,139**			**29,296**	**3.3**	**(18,363)**	**(2.0)**

† Impact on net assets and net return after taxation.

A liquidation event is typically a company sale or an initial public offering ('IPO').

* Significant Variable Inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(b) on pages 50 and 51.

(a) Application of Valuation Basis

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

(b) Probability Estimation of Liquidation Event

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the Transaction-based and Multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario, or in a situation where a company is underperforming expectations significantly and therefore deemed very unlikely to pursue an IPO.

19 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

(c) Selection of Comparable Companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in and can vary in the range of 1x to 10x.

(d) Estimated Sustainable Earnings

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

(e) Application of Illiquidity Discount

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

(f) Selection of Appropriate Benchmarks

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

Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities (63.2% of total assets as at 31 May 2022) that are readily realisable. The Board provides guidance to the Managers as to the maximum exposure to any one holding and to the maximum aggregate exposure to substantial holdings.

The Company has the power to take out borrowings, which give it access to additional funding when required. The Company's current borrowing facilities are detailed in notes 11 and 12. Under the terms of the borrowing facility, borrowings are repayable on demand at their current carrying value.

Credit Risk

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

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

— the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Depositary has delegated the custody function to The Bank of New York Mellon (International) Limited. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Managers monitor the Company's risk by reviewing the Custodian's internal control reports and reporting its findings to the Board;

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

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

— cash is only held at banks that are regularly reviewed by the Managers. At 31 May 2022 and 31 May 2021 all cash deposits were held with the custodian bank.

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

19 Financial Instruments (continued)

Credit Risk Exposure

The exposure to credit risk at 31 May was:

	2022 £'000	2021 £'000
Fixed interest investments	2,170	1,122
Cash and short-term deposits	3,007	18,484
Debtors and prepayments	359	3,253
	5,536	**22,859**

The maximum exposure in cash during the year to 31 May 2022 was £28,330,000 (31 May 2021 – £58,732,000) and the minimum was £3,007,000 (31 May 2021 – £5,496,000). None of the Company's financial assets are past due or impaired.

Fair Value of Financial Assets and Financial Liabilities

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

	2022		2021	
	Book Value £'000	Fair Value £'000	Book Value £'000	Fair Value £'000
Floating rate multi-currency loan*	19,837	19,837	8,794	8,794
Fixed rate multi-currency loan	19,837	19,244	17,545	17,822
	39,674	**39,081**	**26,339**	**26,616**

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

Capital Management

The capital of the Company is its share capital and reserves as set out in notes 13 and 14 together with its borrowings (see notes 11 and 12). The objective of the Company is to invest predominantly in listed and unlisted US companies in order to achieve capital growth. The Company's investment policy is set out on page 4. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 6 and 7. The Company has the authority to issue and buy back its shares and changes to the share capital during the period are set out in notes 13 and 14. The Company does not have any externally imposed capital requirements other than the covenants on its loan which are detailed in notes 11 and 12.

20 Subsequent Events

Share Price and Net Asset Value Movements

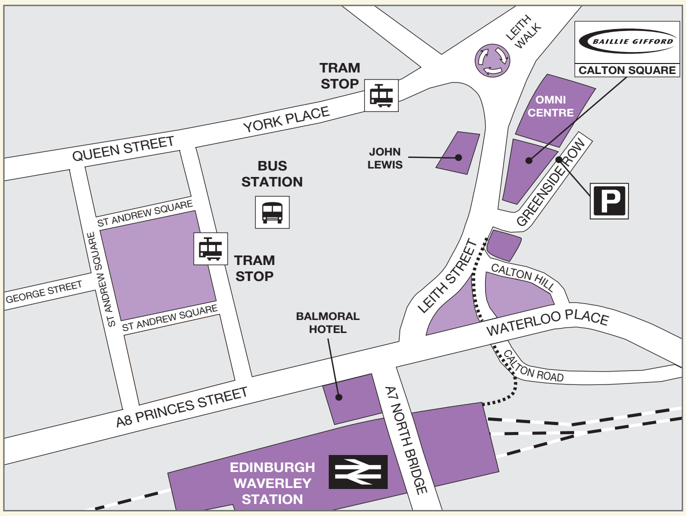
Subsequent to the year end investment valuations have continued to increase through underlying investment performance since the year end valuation which has resulted in an increase in investment valuation of 11.0% and a related movement in net asset value of 11.2% to 213.12p as at 5 August 2022.

As at 5 August 2022 the share price was 186.80p, 11.2% higher than as at 31 May 2022. As all movements relate to post year end activity these will be reported within the Annual Report for the year ended 31 May 2023.

Further Investment in Private Company Investments

Since 31 May 2022 up to 5 August 2022 a further investment has been made in Solugen. The total value of this purchase amounted to £4,150,000.

Notice of Annual General Meeting



Subject to Government measures restricting public gatherings, and related public health guidance associated with the Covid-19 pandemic, the Annual General Meeting of the Company will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Friday, 16 September 2022 at 9.30am.

By Rail:
Edinburgh Waverley – approximately a 5 minute walk away

By Bus:
Lothian Buses local services include:
1, 5, 7, 8, 10, 12, 14, 15, 15A, 16, 22, 25, 34

By Tram:
Stops at St Andrew Square and York Place

Access to Waverley Train Station on foot

The Board will monitor developments and any changes will be updated on the Company's website and the London Stock Exchange regulatory news service. In the meantime, the Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 9.30am on 14 September 2022. We would encourage shareholders to monitor the Company's website at bgusgrowthtrust.com. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to trustenquiries@bailliegifford.com or call 0800 917 2112.

Baillie Gifford may record your call.

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of Baillie Gifford US Growth Trust plc (the 'Company') will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Friday, 16 September 2022 at 9.30am for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 11 will be proposed as Ordinary Resolutions and Resolutions 12 and 13 will be proposed as Special Resolutions:

1. To receive and adopt the Annual Report and Financial Statements of the Company for the financial year ended 31 May 2022 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 May 2022.
4. To re-elect Mr TJW Burnet as a Director of the Company.
5. To re-elect Ms SP Inglis as a Director of the Company.
6. To re-elect Mr GD Paterson as a Director of the Company.
7. To re-elect Mr CRD van der Kuyl as a Director of the Company.
8. To re-elect Ms RL Palmer as a Director of the Company.
9. To reappoint KPMG LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.
11. That, in substitution to any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot ordinary shares in the capital of the Company, or C shares convertible into ordinary shares, provided that such authority shall be limited to the allotment of ordinary shares and grant of rights in respect of ordinary shares with an aggregate nominal value of up to £1,017,179.00 (representing approximately one-third of the nominal value of the issued share capital excluding treasury shares as at 5 August 2022), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require ordinary shares or C shares to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant ordinary shares or C shares in pursuance of such an offer or agreement as if such authority had not expired.

12. That, subject to the passing of Resolution 11 above, and in substitution to any existing authorities but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act, and including ordinary shares and C shares) for cash pursuant to the authority given by Resolution 11 above and to sell treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:

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

    (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £305,153.70 (representing approximately 10% of the nominal value of the issued share capital excluding treasury shares of the Company as at 5 August 2022).

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

    (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 45,742,539, or, if less, the number representing approximately 14.99% of the issued ordinary share capital (excluding treasury shares) of the Company as at the date of the passing of this Resolution;

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

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

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

        (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 13 will be carried out; and

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

By Order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
16 August 2022

Notes:

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the Financial Statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.
2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or **eproxyappointment.com** no later than two days (excluding non-working days) before the time of the meeting or any adjourned meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and/or by logging on to the website euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must,

in order to be valid, be transmitted so as to be received by the Company's registrar (ID 3RA50) no later than 9.30am two days (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than 9.30am two days (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.
11. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.
12. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website at **bgusgrowthtrust.com**.
13. Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act 2006.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. As at 5 August 2022 (being the last practicable date prior to the publication of this notice) the Company's issued share capital (excluding treasury shares) consisted of 305,153,700 ordinary shares of 1p each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 5 August 2022 were 305,153,700 votes.
16. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his or her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
17. No Director has a contract of service with the Company.

Further Shareholder Information

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

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

How to Invest

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

Sources of Further Information on the Company

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

Baillie Gifford US Growth Share Identifiers

ISIN GB00BDFGHW41

Sedol BDFGHW4

Ticker USA

Legal Entity Identifier 213800UMIOUWXZPKE539

Key Dates

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

Share Register Enquiries

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

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

- hear the latest share price;
- confirm your current shareholding balance; and
- order Change of Address and Stock Transfer forms.

By quoting the reference number on your share certificate you can check your holding on the Registrar's website at investorcentre.co.uk.

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

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;
- change address details; and
- use online dealing services.

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

Electronic Proxy Voting

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

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

CREST Proxy Voting

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

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

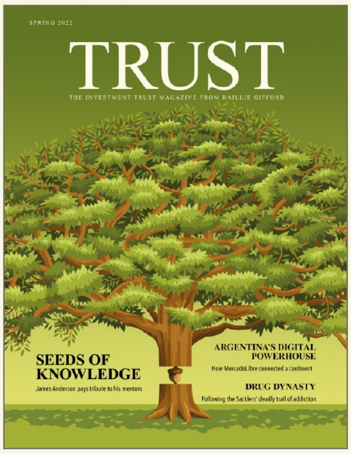
Analysis of Shareholders at 31 May

	2022 Number of shares held	2022 %	2021 Number of shares held	2021 %
Institutions	53,807,542	17.6	49,870,189	16.3
Intermediaries	248,309,862	81.4	252,468,269	82.3
Individuals	1,162,411	0.4	3,422,928	1.1
Marketmakers	1,873,885	0.6	1,073,614	0.3
	305,153,700	**100.0**	**306,835,000**	**100.0**

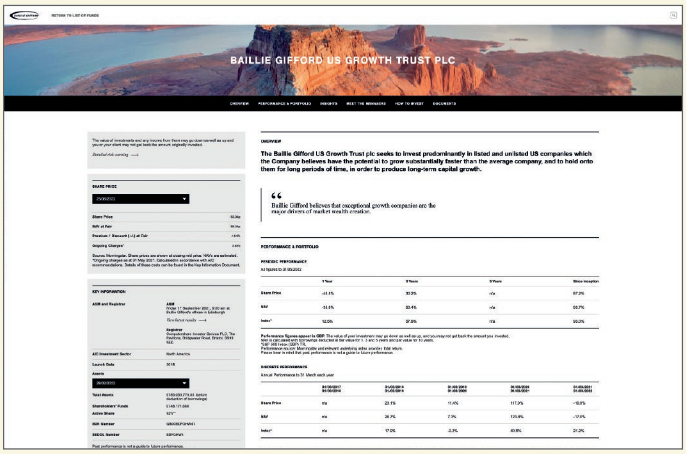
Data Protection

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

Communicating with Shareholders



Trust Magazine



Baillie Gifford US Growth Trust web page at bgusgrowthtrust.com

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to Baillie Gifford's investment approach by including interviews with Baillie Gifford's fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Baillie Gifford US Growth. *Trust* plays an important role in helping to explain Baillie Gifford's products so that readers can really understand them.

You can subscribe to *Trust* magazine or view a digital copy at bailliegifford.com/trust.

Baillie Gifford US Growth on the Web

Up-to-date information about Baillie Gifford US Growth can be found on the Company's page of the Managers' website at bgusgrowthtrust.com. You will find full details on Baillie Gifford US Growth, including recent portfolio information and performance figures.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcomed. Please contact the Baillie Gifford Client Relations Team (see contact details below) and give them your suggestions. They will also be very happy to answer questions that you may have about Baillie Gifford US Growth.

Client Relations Team Contact Details

Telephone: 0800 917 2112
Your call may be recorded for training or monitoring purposes.

Email: trustenquiries@bailliegifford.com
Website: bailliegifford.com

Baillie Gifford Client Relations Team
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice, please ask an authorised intermediary.

Risk Warnings

Past performance is not a guide to future performance.

Baillie Gifford US Growth Trust plc ('Baillie Gifford US Growth') is a listed UK 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.

Baillie Gifford US Growth 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.

Baillie Gifford US Growth 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.

Baillie Gifford US Growth can buy back its own shares. The risks from borrowing, referred to above, are increased when a 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.

Baillie Gifford US Growth can make use of derivatives which may impact on its performance.

Investments in smaller companies is generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller companies may do less well in periods of unfavourable economic conditions.

Baillie Gifford US Growth's exposure to a single market and currency may increase risk.

Baillie Gifford US Growth has a significant investment in private companies. The Company's risk could be increased as these assets may be more difficult to sell, so changes in their prices may be greater.

Share prices may either be below (at a discount) or above (at a premium) the net asset value ('NAV'). The Company may issue new shares when the price is at a premium which may reduce the share price. Shares bought at a premium may have a greater risk of loss than those bought at a discount.

Charges are deducted from income. Where income is low, the expenses may be greater than the total income received and the capital value would be reduced.

The aim of Baillie Gifford US Growth is to achieve capital growth and it is unlikely that the Company will provide steady, or indeed any, income.

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

Baillie Gifford US Growth is a UK public listed company and as such complies with the requirements of the Financial Conduct Authority but is not authorised or regulated by the Financial Conduct Authority.

The information and opinions expressed within the Annual Report and Financial Statements are subject to change without notice.

The staff of Baillie Gifford & Co and Baillie Gifford US Growth Directors may hold shares in Baillie Gifford US Growth and may buy and sell such shares from time to time.

Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at bgusgrowthtrust.com, or by calling Baillie Gifford on 0800 917 2112. Your call may be recorded for training or monitoring purposes.

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

Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As Baillie Gifford US Growth Trust plc is marketed in the EU by the AIFM, BG & 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 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 Managers' approach to sustainability can be found in the Governance and Sustainability Principles and Guidelines document, available publicly on the Baillie Gifford website (bailliegifford.com/en/uk/about-us/literature-library/corporate-governance/our-stewardship-approach-esg-principles-and-guidelines-2022/).

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 alternative investment funds 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.

Alternative Investment Fund Managers (AIFM) Directive

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

AIFM Remuneration

In accordance with the Regulations, the AIFM's remuneration policy is available at bailliegifford.com or on request (see contact details on the back cover) and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period are also available at bailliegifford.com.

Leverage

The Company's maximum and actual leverage levels (see Glossary of Terms and Alternative Performance Measures on pages 72 and 73) at 31 May 2022 are shown below:

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.07:1	1.07:1

Automatic Exchange of Information

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

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Baillie Gifford US Growth Trust plc must 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 gov.uk/government/publications/exchange-of-information-account-holders.

Third Party Data Provider Disclaimer

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

No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

S&P Index Data

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

FTSE Index Data

London Stock Exchange Group plc and its group undertakings (collectively, the 'LSE Group'). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. 'FTSE®' 'Russell®', 'FTSE Russell®', is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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

An alternative performance measure ('APM') is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APM's noted below are commonly used measures within the investment trust industry and serve to improve comparability between investment trusts.

Total Assets

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

Shareholders' Funds and Net Asset Value

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

Borrowings at Book Value

Borrowings are valued at nominal book 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)

	31 May 2022	31 May 2021
Net asset value per ordinary share (borrowings at book value)	191.44p	296.21p
Shareholders' funds (borrowings at book value)	£584,186,000	£908,883,000
Add: book value of borrowings	£39,674,000	£26,339,000
Less: fair value of borrowings	(£39,081,000)	(£26,616,000)
Shareholders' funds (borrowings at fair value)	£584,779,000	£908,606,000
Number of shares in issue	**305,153,700**	**306,835,000**
Net asset value per ordinary share (borrowings at fair value)	**191.63p**	**296.12p**

Net Liquid Assets

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

(Discount)/Premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

		31 May 2022	31 May 2021
Net asset value per ordinary share (after deducting borrowings at fair value)	(a)	191.63p	296.12p
Share price	(b)	168.00p	308.00p
(Discount)/premium (borrowings at fair value)	((b)-(a)) ÷ (a)	**(12.3%)**	**4.0%**

		31 May 2022	31 May 2021
Net asset value per ordinary share (after deducting borrowings at book value)	(a)	191.44p	296.21p
Share price	(b)	168.00p	308.00p
(Discount)/premium (borrowings at book value)	((b)-(a)) ÷ (a)	**(12.2%)**	**4.0%**

Total Return (APM)

The total return is the return to shareholders after reinvesting any dividend on the date that the share price goes ex-dividend. The Company does not pay a dividend, therefore, the one year and since inception total returns for the share price and NAV per share at book and fair value are the same as the percentage movements in the share price and NAV per share at book and fair value as detailed on pages 1 and 25.

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).

Ongoing Charges Calculation

		31 May 2022 £'000	31 May 2021 £'000
Investment management fee		4,865	4,701
Other administrative expenses		676	537
Total expenses	(a)	**5,541**	**5,238**
Average daily cum-income net asset value	(b)	898,007	772,873
Ongoing charges	((a)÷(b))	**0.62%**	**0.68%**

Gearing (APM)

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

Gearing is the Company's borrowings at book value less cash and cash equivalents (including any outstanding trade settlements) expressed as a percentage of shareholders' funds.

	31 May 2022	31 May 2021
Borrowings (at book cost)	£39,674,000	£26,339,000
Less: cash and cash equivalents	(£3,007,000)	(£18,484,000)
Less: sales for subsequent settlement	–	(£2,909,000)
Add: purchases for subsequent settlement	–	£1,320,000
Adjusted borrowings (a)	£36,667,000	£6,266,000
Shareholders' funds (b)	£584,186,000	£908,883,000
Gearing: (a) as a percentage of (b)	6%	1%

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

	31 May 2022	31 May 2021
Borrowings (at book cost) (a)	£39,674,000	£26,339,000
Shareholders' funds (b)	£584,186,000	£908,883,000
Potential gearing: (a) as a percentage of (b)	7%	3%

Leverage (APM)

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

Active Share (APM)

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

Directors

Chairman:
TJW Burnet

SP Inglis
CRD van der Kuyl
RL Palmer
GD Paterson

Registered Office

Baillie Gifford & Co Limited
Grimaldi House
28 St James's Square
London
SW1Y 4JH

Alternative Investment Fund Manager and Company Secretaries

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 707 1711

Depositary

The Bank of New York Mellon
(International) Limited
1 Canada Square
London
E14 5AL

Company Broker

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Independent Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Company Details

bgusgrowthtrust.com
Company Registration
No. 11194060
ISIN GB00BDFGHW41
Sedol BDFGHW4
Ticker USA

Legal Entity Identifier:
213800UMIOUWXZPKE539

Further Information

Baillie Gifford Client Relations Team
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Tel: 0800 917 2112
Email:
trustenquiries@bailliegifford.com