

6 January 2025

Baillie Gifford US Growth Trust plc (the "Company")

Legal Entity Identifier: 213800UM1OUWXZPKE539

Notice of Requisitioned General Meeting and Unanimous Board Recommendation to Vote Against All Requisitioned Resolutions

Following the receipt of a requisition to convene a general meeting by Barclays Capital Securities Client Nominee Limited in its capacity as nominee on behalf of Saba Capital Management, L.P. ("**Saba**"), to make substantial, self-serving and destructive changes to the Company, **the Board is pleased to announce that it has today published a circular (the "Circular") setting out in full its unanimous recommendation to vote against all the Requisitioned Resolutions.**

The Circular contains a Notice of Requisitioned General Meeting to be held at the offices of Baillie Gifford & Co Limited located at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN at 12 noon on 3 February 2025.

Unless the context provides otherwise, capitalised terms used in this announcement shall have the same meanings given to them in the Circular.

Tom Burnet, Non-executive Chair of the Company said:

"Since IPO in March 2018, the Company has delivered exactly what it promised: an investment trust through which its shareholders can access and benefit from some of the most exciting growth opportunities in both public and private US companies in a low-cost structure that can be held for the long-term.

Accordingly, shareholders who invested at IPO in 2018 have nearly tripled their initial investment. Further, the growth outlook for our portfolio companies is extremely strong. Baillie Gifford's global reputation provides it with preferential access to the US growth companies of tomorrow, so the future of this Company is bright.

Saba wants to subvert all of this.

Their proposals lack detail and if implemented, could destroy the Board's independence, radically alter the investment strategy of the Company and prove highly disruptive to shareholder value.

We urge all shareholders to make their voices heard and to vote against Saba's self-serving and destructive proposals."

Rationale for the Board's Recommendation

The Board is very concerned about the future of the Company and the potential value destruction for long-term investors if the proposals put forward by US hedge fund manager, Saba, are voted through. Those proposals involve **Saba nominees replacing the current independent Board with a view to potentially appointing Saba itself as investment manager and changing the investment mandate.** Board independence is very important as the Directors represent the interests of Shareholders as a whole and not any particular Shareholder that may have appointed them. For the reasons set out in this announcement and the Circular, **the Board unanimously recommends that Shareholders VOTE AGAINST ALL the resolutions** that Saba have proposed and urges all Shareholders to vote their Shares. **Saba is counting on other Shareholders not voting their Shares to give them the best chance of taking effective control of the Company.** Accordingly, it is

very important that Shareholders **vote on the Requisitioned Resolutions as the future of their investment depends on it.**

The Company was launched in March 2018 to give all types of investors access to a long-term and liquid fund investing in the most innovative public and private companies in the US. The Company is **successfully delivering on its investment mandate**, with **strong long-term performance**, and it **provides Shareholders with access to leading private companies of this generation, such as SpaceX, Databricks and Stripe**, at **low cost**. With a **positive outlook**, and a **strong corporate governance culture** provided by the current independent Board, **we unanimously recommend Shareholders VOTE AGAINST ALL the Requisitioned Resolutions proposed by Saba.**

Strong long-term performance

The Board has consistently asked Shareholders to judge performance over periods of at least five years or more:

- Shareholders since the IPO in March 2018 have **nearly tripled their initial investment**, benefiting from a strong NAV total return of 183.9%, equating to **an annualised return of 16.7%**, in line with a truly exceptional period of performance by the **S&P 500 Index** that delivered an annualised total return of 16.9%¹.
- Since the IPO and over the last five years, the Company's performance ranks it **among the top 6% of all UK-listed investment companies and the top 14% of all US Equity open-ended funds and ETFs globally** (more than 3,000 funds in total)².

Positive outlook

- With a supportive business environment in the US, the **Company's shorter-term performance is recovering strongly** following the challenging market environment post-pandemic that impacted growth equity investors, and the **outlook is positive**, both at a macro and a portfolio level.
- Over the 12 months to 31 December 2024, the **NAV total return was 33.4%**, ahead of the S&P 500 Index which returned 27.3% over the same period³.

Preferential investment access

- The Company offers **access to exceptional private US growth companies, like SpaceX, Databricks and Stripe**, which are typically inaccessible to most investors.
- **Baillie Gifford's preferential access to the US's largest and most successful private companies** makes it very well-placed to continue to find and invest in the next generation of exceptional private US growth companies.

Low cost

- The Company maintains low ongoing charges, **ranking as the second lowest among the seven investment companies** in the AIC North America sector (the lowest does not invest in private companies).

Robust corporate governance

- The Company has a **strong corporate governance culture and its current Board is independent, experienced and conflict-free**, ensuring decisions are made in the best interests of Shareholders as a whole.

Saba's self-serving requisition

- **Saba is seeking to replace the current independent Board with two Saba-connected nominees** and subsequently propose **a new investment strategy and manager (which may be Saba)**.
- Save for the three-year period that Saba focussed on in its Statement, **the Company has materially outperformed all of Saba's publicly available funds over recognised measurement periods.**
- The **ongoing charges of Saba's publicly available funds are materially higher (c.2x or more) than the Company's.**
- Saba's proposals **lack detail, with potential material conflicts of interest.** We believe **Saba's interests are not aligned with those of long-term Shareholders.**

Board's recommendation

- We believe that **the best outcome for Shareholders as a whole is to VOTE AGAINST ALL the Requisitioned Resolutions** to be proposed at the Requisitioned General Meeting.

DETAILS OF THE ACTIONS SHAREHOLDERS ARE RECOMMENDED TO TAKE BY NO LATER THAN 12 NOON ON 30 JANUARY 2025 ARE SET OUT IN THE CIRCULAR. SHAREHOLDERS SHOULD BE AWARE THAT THE DEADLINES FOR VOTING THROUGH PLATFORMS MAY BE EARLIER THAN THE COMPANY'S PROXY VOTING DEADLINE.

Copies of the Circular and other documents relevant to the Requisitioned General Meeting will be made available to Shareholders today on the Company website at: www.bailliegifford.com/USGrowthTrust-SabaDefence. In accordance with the FCA's UKLR 6.4.1R, the Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at: <https://data.faca.org.uk/#/nsm/nationalstoragemechanism>.

EVERY VOTE WILL COUNT AND EACH VOTE IS IMPORTANT – SHAREHOLDERS SHOULD ENSURE THEY VOTE TO HAVE THEIR SAY IN THE FUTURE OF THEIR COMPANY.

Shareholders who need further help or assistance in voting their Shares should email USA@georgeson.com for more information.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2025

Latest time and date for receipt of Forms of Proxy and electronic proxy appointments for the Requisitioned General Meeting	12.00 noon on 30 January 2025
Requisitioned General Meeting	12.00 noon on 3 February 2025
Results of Requisitioned General Meeting announced	3 February 2025

Shareholders should be aware that the deadlines for voting through platforms may be earlier than the Company's proxy voting deadline.

Notes:

Any changes to the times and dates set out above will be notified to Shareholders through an RIS. References to times in this document are to London time (GMT) unless otherwise stated.

KEY CONSIDERATIONS WHEN DECIDING HOW TO VOTE ON THE REQUISITIONED RESOLUTIONS

THE COMPANY IN ITS CURRENT FORM

The Board strongly believes that the Company remains a highly attractive proposition for long-term investors. It provides a straightforward and very cost-effective way for investors to gain exposure to some of the most exceptional public (listed) and private (unlisted) US growth companies. Baillie Gifford's patient, long-term approach to investment and preferential access to private companies has brought demonstrable value to the Company and enables it to fulfil its differentiated investment mandate, resulting in significant value creation for Shareholders.

Offers Shareholders a clear and differentiated investment strategy

- The Company aims to identify and invest in the most exceptional growth companies in the US.
- The opportunity set is wide as the Company's investment trust structure allows it to invest in exceptional growth companies regardless of their public status.
- Baillie Gifford has an excellent reputation of long standing in the US investment ecosystem and was an early investor in companies such as Amazon, Tesla and NVIDIA. In addition, Baillie Gifford provides preferential access to the largest and most successful private companies in the US, such as SpaceX and Stripe, and is well-placed to continue to identify and invest in the next generation of exceptional private US growth companies on behalf of the Company.
- Private companies are difficult for most investors – especially private investors - to access. For those that do have access, the associated costs are often high, which erode

investor returns. The Company, meanwhile, offers access that is both cost-effective and liquid.

Long-term performance is very strong

- Shareholders since the Company's IPO in March 2018 have nearly tripled their initial investment.
- Investing in growth companies, particularly those that are private, requires a long-term approach, which is why the Board has consistently asked Shareholders to judge performance over periods of five years or more. The table below shows the Company's long-term performance (shorter-term performance is also provided for completeness).

Total return to 31 December 2024⁴

	Since IPO	5 years	3 years	1 year
Company NAV	183.9%	107.3%	-10.2%	33.4%
<i>Annualised</i>	16.7%	15.7%	-3.5%	33.4%
S&P 500 Index	187.8%	108.4%	39.8%	27.3%
<i>Annualised</i>	16.9%	15.8%	11.8%	27.3%
Company's ranking:				
All UK listed investment companies	10 of 306	17 of 330	268 of 356	12 of 360
All US Equity open-ended funds and ETFs globally	355 of 3,144	455 of 3,483	3,873 of 4,032	258 of 4,690

- The post-pandemic period was the perfect storm for high growth investors, like Baillie Gifford. It brought economic volatility, high inflation and rising interest rates, which led to a major sell-off in the high growth stocks that Baillie Gifford favours. This is reflected in the Company's three-year performance figures, and in the performance of many investment companies. However, short-term volatility is an inevitable feature of the market. Baillie Gifford does not manage the Company's portfolio to reduce short-term volatility at the expense of long-term gains.
- With macroeconomic conditions improving and the interest rate tightening cycle receding, the Company's performance is recovering strongly, as shown in the table above.

The outlook is bright

- The Board and the Investment Manager believe that the world will see monumental change over the next decade, driven by new technology domains such as AI, automation and renewable energy. These forces will reshape global markets.
- New companies are expected to emerge, creating exciting opportunities for investors with the skillset to identify, and the ability to access, them. Many existing companies,

some of which are currently viewed as safe havens, are expected to be rendered obsolete.

- The US market remains the best hunting ground for such opportunities. It dominates the global innovation economy and produces more than its fair share of exceptional growth companies.
- Many of these US growth companies will be private where Baillie Gifford has preferential access.
- Identifying and investing in these exceptional growth companies requires skill and patience. Baillie Gifford's history of investing early in companies like Amazon, Tesla and NVIDIA and, importantly, holding on to those positions through periods of volatility, demonstrates it has the expertise to successfully execute the Company's investment strategy.

Provides investors with cost-effective access to exceptional US growth companies

- The annual management fee payable to Baillie Gifford 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. There is no performance fee.
- With ongoing charges of 0.7%, the Company has the second lowest ongoing charges among the seven investment companies in the AIC North America sector (the lowest does not invest in private companies).

Discount management strategy reflects feedback from investors

- The Company's discount management strategy takes into account a broad range of factors, considering both the pros (in particular, NAV enhancement) and cons (in particular, portfolio diversification). The strategy takes into account feedback from Shareholders, which has been broadly supportive of share buybacks provided that they do not change the Company's risk profile by substantially increasing its exposure to private companies.
- It should be noted that, in the 12 months prior to the Requisition, members of the Board met with Saba twice and Saba did not provide any feedback on the Company's discount or its management strategy.
- Since 8 November 2023, the Company has bought back 18.45 million Shares (representing 6.1% of the Company's voting share capital as at that date) for an aggregate consideration of £36.4 million.

The current Board is independent, experienced and conflict-free

- As a diverse and fully independent Board complying with the highest standards of corporate governance, the current Directors' sole priority is achieving the best outcomes for Shareholders as a whole.
- The current Directors bring a breadth and depth of knowledge and experience to the Board, including relevant investment knowledge and listed investment company and private company valuation experience. Biographical details of the current Directors are set out in Appendix 2 of the Circular.
- The current Board operates conflict-free and is independent of the Company's AIFM and Investment Manager.
- The Board regularly engages with Shareholders, both directly and indirectly through the Investment Manager and the Company's broker. The Board uses feedback from these meetings to inform its decision making (including, as noted above, with regard to the Company's discount management strategy).

SABA'S PROPOSALS

Saba's proposals lack detail, with potential material conflicts of interest. The Board believes Saba's proposals are self-serving and that Saba's interests are not aligned with those of long-term Shareholders. The Board is very disappointed that Saba has not engaged constructively with it; having met Saba on two occasions, most recently in November 2024 in person in New York, Saba expressed no concerns in relation to the running, management, governance or liquidity policy of the Company. In addition, at each meeting the Chair offered up the opportunity to meet with the Investment Manager and Saba specifically declined this invitation.

Saba is proposing that the current independent Board should be replaced by two individuals who have close connections to Saba, a significant Shareholder

- Boaz Weinstein is the founder and chief investment officer of Saba.
- The husband of the other proposed Director, Miriam Khasidy, is a trustee of Saba Capital Income & Opportunities Fund II.
- UK investment trusts operate in a highly regulated environment. Based on the details provided by the Requisitioning Shareholder, the Proposed Directors appear to have no UK investment trust board experience.

Removing the current Board and appointing Boaz Weinstein and Miriam Khasidy will place the Company in breach of applicable corporate governance requirements, contrary to the "best-in-class governance" Saba has suggested it will deliver

- The close connections between the Proposed Directors and Saba, a significant Shareholder, are likely to lead to conflicts of interest, and will certainly do so if Saba is appointed as the Company's investment manager.
- A Board comprised of the two Proposed Directors will immediately place the Company in breach of the highest standards of corporate governance for a UK-listed investment company, including key provisions of the AIC Code which states a board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and specifically notes that representing a significant shareholder is likely to impair a director's independence.
- Although Saba has stated its intention for one or more additional Directors to be appointed to the Board if the Requisitioned Resolutions are passed, no names have been put forward so Shareholders have no visibility or certainty over the skills and experience, potential conflicts or independence of any additional Directors.

Saba is proposing potential radical changes to the Company

- Saba has stated that, if the Requisitioned Resolutions are passed, "*we intend to provide shareholders with long-overdue liquidity options alongside the opportunity for greater long-term returns under a new investment strategy and manager*". Based on its Statement:
 - Saba appears to support refocusing the Company's investment mandate on purchasing discounted trusts and/or combining it with other investment trusts. This would be a radical change to the investment strategy Shareholders are currently accessing.
 - Saba intends to offer "*...liquidity events (e.g., tender offers, share buybacks) so all shareholders immediately have the opportunity to receive substantial liquidity near NAV if they wish*". For those Shareholders who do not wish to remain invested in the Company if the Requisitioned Resolutions are passed and any resulting proposals implemented, there is no certainty that such an event can, or will, be provided.

- Saba has not explained how the Company's private investments, which are illiquid and mostly subject to restrictions on transfer, would be dealt with on a change of mandate or liquidity event. Any attempts to realise these investments quickly are likely to be value destructive.

Saba is acting in its own interests, motivated by a desire to take over the management of the Company

- If the Requisitioned Resolutions are passed, the newly reconstituted Board may select Saba as the new investment manager (as in similar situations in the US), which we believe would represent a clear conflict.
- There may be no further Shareholder votes required in connection with Saba's appointment as investment manager, including in relation to the proposed fees payable to Saba. Saba has not provided any details of the terms on which it may be appointed.

The Company has materially outperformed Saba over most recognised measurement periods

- Save for the three-year period that Saba focussed on in its Statement, the Company has materially outperformed all of Saba's publicly available funds over recognised measurement periods, as shown in the table below.

Total shareholder return to 31 December 2024⁵				
	Since the Company's IPO	5 years	3 years	1 year
Company	180.1%	100.4%	-9.9%	56.0%
Saba Closed-End Funds ETF⁶	125.8%	78.8%	50.2%	25.7%
Saba Capital Income & Opportunities Fund⁷	N/A	N/A	37.8%	14.2%
Saba Capital Income & Opportunities Fund II⁷	N/A	N/A	N/A	32.6%

Potential substantial increase in the Company's ongoing charges if managed by Saba

- Saba has not provided the terms on which it would seek to be appointed. Shareholders should be aware that the ongoing charges of Saba's publicly available funds are materially higher (c.2x or more) than the Company's ongoing charges, as shown in the table below.

Ongoing charges⁸	
Company (as at 31 May 2024)	0.7%
Saba Closed-End Funds ETF (as at 31 May 2024)	1.3%
Saba Capital Income & Opportunities Fund (as at 31 October 2024)	1.3%
Saba Capital Income & Opportunities Fund II (as at 31 October 2024)	1.9%

Saba's listed investment companies are trading at entrenched discounts

- Saba currently manages two US-listed investment companies. Those companies have traded at average discounts of -7.8% and -10.3% since Saba took over their management. There can be no certainty that, if managed by Saba, the Company's Shares would trade at or around NAV.

THE BOARD BELIEVES THAT THE BEST OUTCOME FOR SHAREHOLDERS AS A WHOLE IS TO VOTE AGAINST ALL THE REQUISITIONED RESOLUTIONS. EVERY VOTE WILL COUNT AND EACH VOTE IS IMPORTANT. SHAREHOLDERS SHOULD ENSURE THEY VOTE TO HAVE THEIR SAY IN THE FUTURE OF THEIR COMPANY.

Footnotes

1. Source: LSEG, Baillie Gifford.
2. Source: Morningstar.
3. Source: LSEG, Baillie Gifford, relevant underlying index providers and Morningstar.
4. Source: LSEG, Baillie Gifford, relevant underlying index providers and Morningstar.
5. Source: Morningstar Direct. All values in Sterling. Share price total return basis.
6. Note: This ETF, managed by Saba since 21 March 2017, seeks to generate high income by investing in closed-end funds trading at a discount to net asset value, and hedging the portfolio's exposure to rising interest rates.
7. Note: These listed closed-end investment companies seek to provide a high level of current income, with a secondary goal of capital appreciation by investing globally in debt and equity securities of public and private companies, including investments in closed-end funds, special purpose acquisition companies, reinsurance, and public and private debt instruments. Saba has managed Saba Capital Income & Opportunities Fund since 4 June 2021 and Saba Capital Income & Opportunities Fund II since 1 January 2024.
8. Source: Latest annual reports and accounts for each fund referred to in the table. The ongoing charges of the Saba-managed funds do not include any underlying fund fees.