

Baillie Gifford US Growth Trust

Proposed merger with Edinburgh Worldwide IT

The board of Baillie Gifford US Growth Trust (USA) has announced it has been in active discussions regarding a transformational merger with Edinburgh Worldwide Investment Trust (EWI) that would lead to a continuation and refinement of the current strategy and also provide a material cash exit. Saba Capital Management, who is a 29% shareholder in EWI, does not support the transaction. Saba's holding is large enough for the company to block the deal. Nevertheless, USA's board believes that a merger with EWI would be in the interests of all shareholders and would like to consult with shareholders more broadly on their views.

On 18 December 2024, USA was requisitioned by Saba to replace its board with Saba's own nominees so it could manage the company and employ a new investment strategy. On 3 February 2025, the requisition was defeated with 98.5% of non-Saba shareholders voting against the resolutions. Subsequently, USA's chair and senior independent director met with Saba. Saba proposed another meeting later in the year but declined two offers, one in August following the annual results and one in September following the AGM, indicating that it would only be interested in meeting to discuss and proposals that USA's board would wish to put forward.

At USA's recent AGM, Saba voted its shares to remove all of USA's directors, without proposing any of its own, which would have left USA with regulatory breaches because of having no directors.

Since the December 2024 requisition meeting, USA's board has sought extensive shareholder feedback. Shareholders have been strongly supportive of USA's differentiated strategy, which has outperformed the S&P 500 over the last one and three years (performance over the last five years has faced macroeconomic headwinds). USA's strategy is not suitable for an open-ended fund structure due to the illiquidity of its private company investments. Shareholders have encouraged USA to seek suitable merger opportunities and have made it very clear that they do not wish to see a deal that would benefit Saba over other shareholders.

USA's board has negotiated, what it considers to be, a credible combination with EWI given both companies have a similar investment philosophy. Also, at the end of November 2025, EWI had a c 75% North American exposure, c 22% invested in private companies, including eight holdings in common with USA, which represented c 31% of EWI's total assets.

The proposed merger would be through a scheme of reconstruction of EWI with the combined company investing predominantly in listed and private US companies across the market cap spectrum. A larger asset base should bring cost efficiencies and increased liquidity. The merged company would continue to be managed by Baillie Gifford, which would afford access to the company's broad resources. Both USA and EWI would offer a cash exit for up to 40% of issued share capital at a narrow discount to NAV, having taken into account the illiquid nature of the companies' private company investments. Baillie Gifford would make a significant contribution to the merger costs via a management fee waiver. The intention is to employ an efficient blended board of six directors.

Investment companies
North American equities

2 December 2025

Price	280.00p
Market cap	£775m
Total assets	£868m
NAV	301.5p
¹ NAV at 28 November 2025.	
Discount to NAV	7.1%
Current yield	0.0%
Shares in issue	276.7m
Code/ISIN	USA/GB00BDFGHW41
Primary exchange	LSE
AIC sector	North America
Financial year end	31 May
52-week high/low	292.5p 196.0p
NAV high/low	308.5p 225.4p
Net gearing	4.0%

¹Net gearing at 31 October 2025.

Fund objective

Baillie Gifford US Growth Trust (USA) aims to produce long-term capital growth by investing predominantly in equities of companies that are incorporated, domiciled or conducting a significant portion of their business in the United States. The trust invests in both publicly listed and privately owned companies. Its benchmark is the S&P 500 TR Index (in sterling).

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