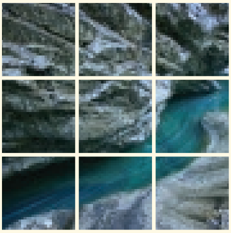
THE SCOTTISH AMERICAN INVESTMENT COMPANY P.L.C.

SAINTS
Income again and again

Interim Financial Report
30 June 2020

BAILLIE GIFFORD



Objective

SAINTS' objective is to deliver real dividend growth by increasing capital and growing income.

Investment Policy

SAINTS' policy is to invest mainly in equity markets, but other investments may be held from time to time including bonds, property and other asset classes.

Benchmark

The portfolio benchmark against which performance has been measured is the FTSE All-World Index (in sterling terms).

In comparing NAV performance to the benchmark, the Company's assets and liabilities are measured at fair value.

Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, regulatory risk, custody and depositary risk, operational risk, discount risk, leverage risk and political risk. An explanation of these risks and how they are managed is set out on pages 7 and 8 of the Company's Annual Report and Financial Statements for the year to 31 December 2019 which is available on the Company's website: **www.saints-it.com**. The principal risks and uncertainties have not changed since the date of that report with the exception of the current unprecedented situation surrounding the Covid-19 pandemic. These and other risks facing the Company are reviewed regularly by the Audit Committee and the Board, including the recently identified ongoing risk of the Covid-19 pandemic and its potential impact on the Company and its portfolio. We have been even more rigorous in reviewing our investment portfolio to consider the likely impact of the pandemic on this over the medium to longer term and we continue to monitor developments on a regular basis. Covid-19 also impacts our third party service providers, who have implemented business continuity plans and have been working almost entirely remotely and the Board is kept informed of any operational issues as they arise.

Responsibility Statement

We confirm that to the best of our knowledge:

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

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

c) the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board
Peter Moon
Chairman
30 July 2020

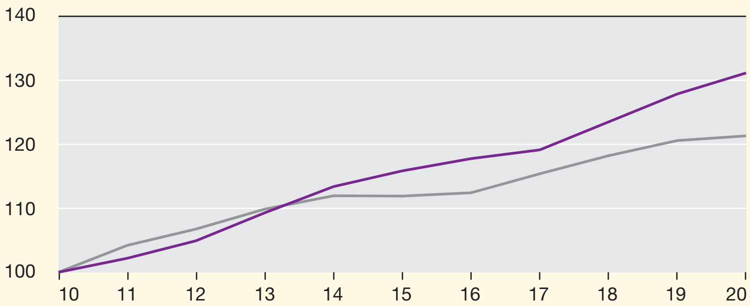
Summary of Unaudited Results

	30 June 2020	31 December 2019 (audited)	% change
Shareholders' funds	£624.5m	£600.5m	
Net asset value per ordinary share (debenture at fair value)*	401.1p	400.9p	–
Net asset value per ordinary share (debenture at book value)	405.9p	407.1p	(0.3)
Share price	412.0p	426.0p	(3.3)
FTSE All-World Index (in sterling terms)†			(0.6)
Premium – debenture at fair value*	2.7%	6.3%	
Premium – debenture at book value	1.5%	4.6%	
Active share*	89%	90%	

	Six months to 30 June 2020	Six months to 30 June 2019	% change
Revenue earnings per share	6.09p	6.58p	(7.4)
Dividends paid and payable in respect of the period	6.00p	5.875p	2.1

Dividend versus Inflation

Ten Year Cumulative to 30 June 2020 (figures rebased to 100 at 30 June 2010)



Source: Refinitiv/ Baillie Gifford and relevant underlying index providers. See disclaimer on page 22.

	Six months to 30 June 2020	Year to 31 December 2019
Total return performance (%)*†		
Net asset value (debenture at fair value)	1.6	22.9
Net asset value (debenture at book value)	1.2	22.3
Share price	(1.9)	25.1
FTSE All-World Index (in sterling terms)	0.7	22.3

* Alternative Performance Measure, see Glossary of Terms and Alternative Performance Measures on pages 19 to 21.
† Source: Refinitiv/Baillie Gifford and relevant underlying data providers. See disclaimer on page 22.

Past performance is not a guide to future performance.

Interim Management Report

The net asset value total return (debenture at fair value) for the first six months of 2020 was 1.6% and the share price total return was -1.9%. The total return on global equities, as measured by the FTSE All-World Index* in sterling, was 0.7%. These figures mask a significant setback for the market in the first quarter, as Covid-19 related fears and disruption grew, and a subsequent rebound.

Earnings per share for the six months fell to 6.09p compared to 6.58p in the same period last year. Given that the world has experienced probably the most challenging environment for corporate dividends in living memory, we believe that this *circa* 7% decline is an encouraging result. Forecasts are still somewhat up-in-the-air, but for comparison it appears that dividends worldwide are likely to fall by 15%–20% in 2020, compared with 2019. Meanwhile, UK corporate dividends will be down by perhaps 40%–50%.

The resilience in SAINTS' income stream, combined with the Company's substantial revenue reserves, has allowed the Board to raise dividends to SAINTS shareholders in these challenging times. A first interim dividend of 3.00p was paid at the end of June and a second interim dividend of 3.00p is payable on 18 September 2020. The total amount of these dividends, 6.00p, is 2.1% higher than the amount paid for the corresponding period in 2019. Inflation, as measured by CPI, was 0.6% over the year to end June 2020.

Relative to our somewhat nervous expectations from earlier in the year, income from the vast majority of the companies in SAINTS' portfolio has held up well, and many have exceeded our expectations. Investments like Microsoft, Fastenal, Roche and Nestlé have actually increased their dividends year-on-year – truly a signal of their financial strength and their optimism about the future. Overall the crucial factor in the resilience of SAINTS' dividend stream has been the type of business in which we invest. Companies which have capital-light business models, meaning those which do not require huge sums of capital to generate future growth, are naturally more resilient dividend payers. These are the types of company we favour, operating in areas such as software, healthcare and consumer goods. In addition, SAINTS has benefited greatly from its global approach. Examples from further afield worth mentioning include Want Want, the Chinese food manufacturer, and B3, the Brazilian securities exchange, both of which have recently announced large special dividends as they have chosen to return surplus cash to investors to help them through these difficult times. Remarkably, it appears that special dividends paid to SAINTS' portfolio will be higher in 2020 than in 2019. SAINTS' property and bond income has also held up well, although to assist certain tenants some rent has been deferred.

Having a global portfolio, invested in capital-light companies that have great growth opportunities ahead of them, goes a long way towards generating a resilient income stream. This is not to say that we have sat on our hands however, despite our consistent focus on growth and dependability. At the start of the Covid-19 crisis we undertook another of our regular stress-tests of the portfolio and concluded that two holdings in particular were likely to pay far less in income, on a long term view, than we had previously thought likely. Both were European banks, Bankinter and Handelsbanken, which we had judged to be extremely well-capitalised, to the point of generating surplus cash flow for dividends. However, such is the intensity of the downturn we are witnessing, and so stringent have European bank regulators been in preventing even well-capitalised banks from paying dividends, that we now expect both names to generate considerably lower dividends in the long term. We therefore disinvested from both companies. We also disinvested from Total, the French oil and gas company. This has been an unusual holding for us, indeed it was the only oil and gas company in the portfolio. Our investment

* See disclaimer on page 22.

case was that, unlike most of its peers, its early and significant investments into gas (which is replacing coal) and renewables (notably its solar business Sunpower) set the company up well to manage the energy transition we are expecting to happen over the next ten years. But commodity prices have been weaker than we expected, to the point the company is now struggling to cover its dividend after capital expenditures. The company is in a difficult position and we think it should probably cut its dividend, so we have sold the holding. It is interesting to reflect that ten years ago, oil and gas companies would have been a central feature of most portfolios, certainly of most income funds. Today SAINTS has no exposure to hydrocarbons; our only energy investments are in lithium and wind farms.

But where there is change there is always opportunity. A large number of excellent companies have seen their share prices fall unfairly in the past few months, and we have invested the proceeds from our sales into a range of new names we are excited about. We have taken a holding in Hargreaves Lansdown, the UK savings platform, for the first time. This is a tremendous business with great growth opportunities ahead of it, as more savers take control of their investments and the company branches into new areas, such as advice. It also has a strong dividend commitment. For years we have been drawn to the company but felt the valuation looked acceptable rather than compelling, so when the shares fell heavily during the quarter we took a holding. A similar story is Medtronic, the American medical devices maker. The company has a strong pipeline of products to drive future growth, but there was a point during the past few months where the share price fell precipitously. Apparently Wall Street was fretting about lower numbers of surgeries taking place in hospitals, resulting in 'a bad quarter' for the company's earnings. We took advantage of this to invest in the shares for the first time. Two other new purchases worth mentioning briefly are Cisco, the network equipment maker, where we are enthused about the company's prospects to win market share with its latest innovations, and T Rowe Price, the asset manager, which has a great track record and the potential for growth outside its home market in the US. Both companies have capital-light business models and strong commitments to paying a resilient dividend. Overall, turnover within the equity portfolio remained consistent with a five year holding period, reflecting our long term, stock driven approach to investment.

During the period SAINTS published its first Governance and Sustainability report, and we would stress the importance we place on engaging with the companies in which we invest on your behalf. In recent months we have used video calls to speak with management teams and/or boards across almost all of SAINTS' holdings since the start of this year. Besides offering our support as long term shareholders, a question we have been keen to put to them is whether they are doing the right thing by their employees and other stakeholders, as well as continuing to invest in their business. In the long term this will pay off in spades, and those companies that behave poorly will suffer for it. We have wanted to gain reassurance that the companies in your portfolio that have increased their dividends – of which there have been many – are still doing the right thing for the long term.

Happily, we have been satisfied that these companies are indeed behaving like good corporate citizens. Many have been making substantial community contributions, as well as supporting their employees through these difficult times. One interesting example worth highlighting is Carsales.com, the online used car advertising platform in Australia, which for a period has allowed many of its customers to use its service free of charge, to help them cope with the crisis. Another is Admiral, the UK motor insurer, which voluntarily partly refunded premiums to its customers for a period when many have not been using their cars.

Interim Management Report (continued)

Turning to the Company's property investments SAINTS' property managers OLIM have reported that over 93% of revenues due for Q2 have been received, with the remainder being deferred. In addition, whilst there has been an overall fall in capital value, it has been ameliorated by some increases. The property portfolio has delivered a positive overall return over the period, and this looks like a good result in comparison to property generally. OLIM acknowledge that most sectors of the UK property market face a very difficult year this year, and probably another in 2021, but believe that the special characteristics of SAINTS' portfolio leave it well positioned. Thus far certainly, OLIM's focus on industrial assets, alternatives and supermarkets has stood the portfolio in relatively good stead.

Over the past few years we have reduced SAINTS' exposure to bonds, faced with yields that had fallen to levels so low that made it difficult for us to get excited. But the Covid-19 crisis has caused bond spreads to widen, and for the first time in some time we have seen a number of interesting investments available.

The proceeds from share issuance have been helpful in funding these new investments. Over the six month period 6,330,000 shares (representing just under 4.3% of issued share capital at 1 January 2020) were issued at a premium to net asset value, with SAINTS' share price ending the period modestly above net asset value.

Summary

SAINTS' aim is to continue to provide shareholders with a dependable source of income, together with growth in income and capital that exceeds inflation over time. Our focus as always remains on the long term. There is still great uncertainty about 2020, and we have no particular insights to offer about the immediate course of the current crisis or the precise speed and extent of the eventual economic recovery.

But we are as optimistic as ever about your portfolio's long-term prospects for resilient income growth. After the most incredible stress-test for dividends we could have devised, the portfolio's income has held up well. Where operational performance has been affected, companies have generally taken appropriate action to harbour their resources and behave responsibly towards their employees, customers and suppliers. The long-term prospects of the holdings therefore remain bright, and we have been able to augment the portfolio by adding some new names which we have long admired, at attractive prices. There is a long road ahead for all of us, as the global economy recovers from Covid-19. But we believe SAINTS has the right portfolio to march down it with confidence.

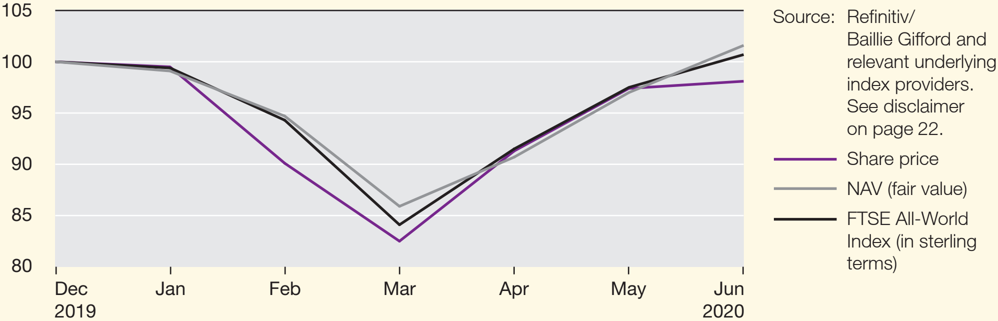
The principal risks and uncertainties facing the Company are set out on the inside front cover. Related party transaction disclosures are set out in note 10.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 19 to 21.

Past performance is not a guide to future performance.

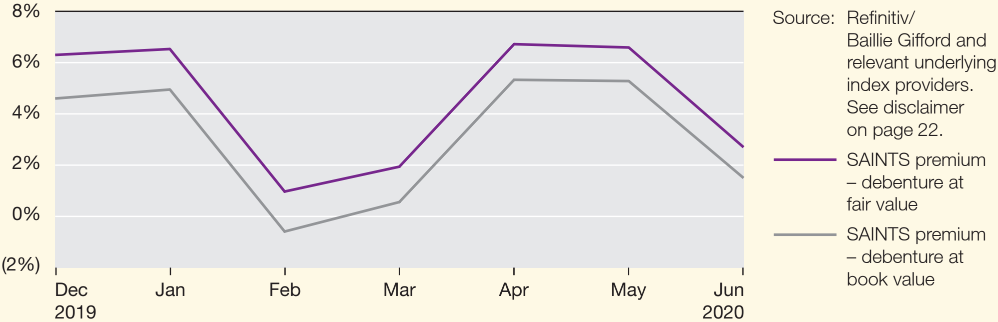
Six Months Total Return* Performance

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



Premium/discount* to Net Asset Value

(figures plotted on a monthly basis)



* See Glossary of Terms and Alternative Performance Measures on pages 19 to 21.

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Performance Attribution for the Six Months to 30 June 2020

Portfolio breakdown	Average allocation SAINTS %	Average allocation Benchmark † %	Total return SAINTS %	Total return Benchmark † %
Global Equities	95.2	100.0	2.5	0.7
Bonds	2.8		(10.8)	
Direct Property	14.7		1.4	
Deposits	1.5		–	
Debenture at book value	(14.2)		3.4	
Portfolio Total Return (debenture at book value)			1.5	0.7
Other items*			(0.3)	
Fund Total Return (debenture at book value)			1.2	
Adjustment for change in fair value of debenture			0.4	
Fund Total Return (debenture at fair value)			1.6	0.7

The above returns are calculated on a total returns basis with net income reinvested. Source: Baillie Gifford and relevant underlying index providers.

* Includes Baillie Gifford and OLIM management fees. † See disclaimer on page 22.

Past performance is not a guide to future performance.

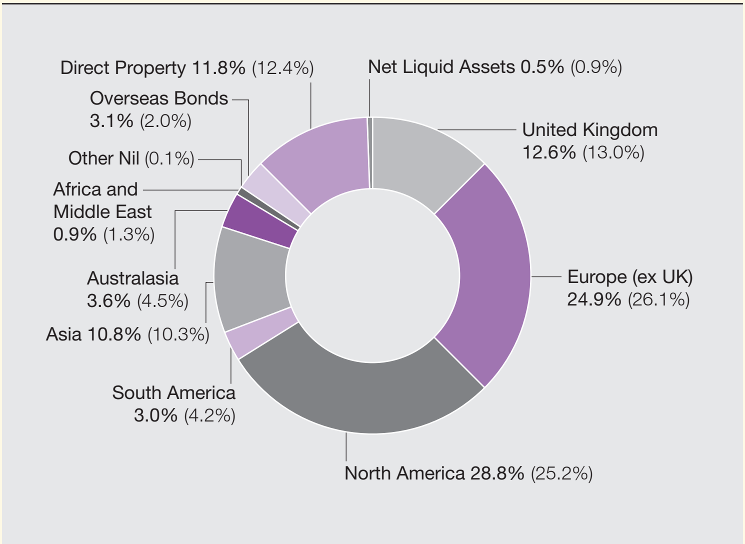
Twenty Largest Equity Holdings at 30 June 2020

Name	Business	Value £'000	% of total assets *
Roche Holdings	Pharmaceuticals and diagnostics	21,601	3.1
Deutsche Boerse	Securities exchange owner/operator	20,147	2.9
Procter & Gamble	Household product manufacturer	18,929	2.7
Fastenal	Distribution and sales of industrial supplies	18,903	2.7
Microsoft	Computer software	18,541	2.6
Nestlé	Food producer	17,390	2.5
Sonic Healthcare	Laboratory testing	17,015	2.4
Taiwan Semiconductor Manufacturing	Semiconductor manufacturer	16,606	2.3
Coca Cola	Beverage company	16,249	2.3
United Parcel Service	Courier services	15,942	2.3
Pepsico	Snack and beverage company	15,718	2.2
B3 S.A.	Securities exchange owner/operator	14,508	2.0
Partners Group	Asset management	13,940	2.0
Admiral	Car insurance	13,708	1.9
Edenred	Voucher programme outsourcer	13,419	1.9
CH Robinson	Delivery and logistics	12,954	1.8
Atlas Copco	Engineering	11,900	1.7
Analog Devices	Integrated circuits	11,835	1.7
Anta Sports Products	Sportswear manufacturer and retailer	11,431	1.6
Schneider Electric	Electrical power products	11,293	1.6
		312,029	**44.2**

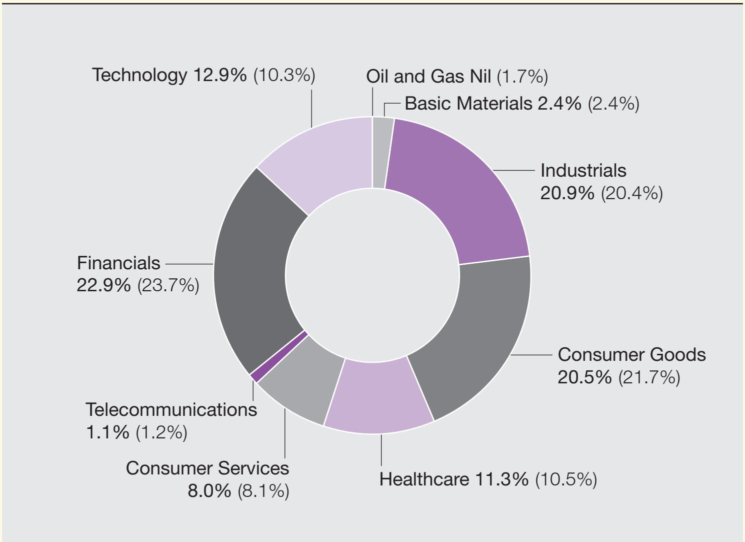
* Before deduction of debenture.

Distribution of Portfolio

Geographical at 30 June 2020
(31 December 2019)



Equities by Sector at 30 June 2020
(31 December 2019)



Income Statement (unaudited)

	For the six months ended 30 June 2020			For the six months ended 30 June 2019			For the year ended 31 December 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on sales of investments – securities	–	(19,857)	**(19,857)**	–	17,319	**17,319**	–	11,575	**11,575**
Gains on sales of investments – property	–	–	**–**	–	–	**–**	–	2,055	**2,055**
Changes in fair value of investments – securities	–	22,586	**22,586**	–	57,082	**57,082**	–	83,560	**83,560**
Changes in fair value of investments – property	–	(1,550)	**(1,550)**	–	–	**–**	–	(1,436)	**(1,436)**
Currency (losses)/gains	–	(212)	**(212)**	–	72	**72**	–	(56)	**(56)**
Income – dividends and interest	9,579	–	**9,579**	9,910	–	**9,910**	17,576	–	**17,576**
Income – rent and other	2,708	–	**2,708**	2,604	–	**2,604**	5,374	–	**5,374**
Management fees (note 3)	(509)	(946)	**(1,455)**	(504)	(937)	**(1,441)**	(1,047)	(1,945)	**(2,992)**
Other administrative expenses	(799)	–	**(799)**	(813)	–	**(813)**	(1,247)	–	**(1,247)**
Net return before finance costs and taxation	10,979	21	**11,000**	11,197	73,536	**84,733**	20,656	93,753	**114,409**
Finance costs of borrowings	(976)	(1,813)	**(2,789)**	(985)	(1,829)	**(2,814)**	(1,970)	(3,659)	**(5,629)**
Net return on ordinary activities before taxation	10,003	(1,792)	**8,211**	10,212	71,707	**81,919**	18,686	90,094	**108,780**
Tax on ordinary activities	(917)	131	**(786)**	(856)	114	**(742)**	(1,590)	363	**(1,227)**
Net return on ordinary activities after taxation	**9,086**	**(1,661)**	**7,425**	**9,356**	**71,821**	**81,177**	**17,096**	**90,457**	**107,553**
Net return per ordinary share (note 4)	**6.09p**	**(1.11p)**	**4.98p**	**6.58p**	**50.53p**	**57.11p**	**11.87p**	**62.81p**	**74.68p**
Note: **Dividends paid and payable per share** (note 5)	**6.00p**			**5.875p**			**11.875p**		

The accompanying notes on pages 13 to 16 are an integral part of the Financial Statements.
The total column of this statement is 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 the above statements derive from continuing operations.

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

Balance Sheet (unaudited)

	At 30 June 2020 £'000	At 31 December 2019 (audited) £'000
Non-current assets		
Investments – securities	619,270	591,664
Investments – property	83,250	84,800
Deferred expenses	207	207
	702,727	676,671
Current assets		
Debtors	2,428	1,501
Cash and deposits	6,792	7,457
	9,220	8,958
Creditors		
Amounts falling due within one year	(5,922)	(3,211)
Net current assets	3,298	5,747
Total assets less current liabilities	706,025	682,418
Creditors		
Debenture stock (note 7)	(81,519)	(81,930)
Net assets	**624,506**	**600,488**
Capital and reserves		
Share capital	38,463	36,880
Share premium account	76,530	52,535
Capital redemption reserve	22,781	22,781
Capital reserve	469,288	470,949
Revenue reserve	17,444	17,343
Shareholders' funds	**624,506**	**600,488**
Net asset value per ordinary share*	**405.9p**	**407.1p**
Ordinary shares in issue (note 8)	**153,850,943**	**147,520,943**

* See Glossary of Terms and Alternative Performance Measures on pages 19 to 21.

The accompanying notes on pages 13 to 16 are an integral part of the Financial Statements.

Statement of Changes in Equity (unaudited)

For the six months ended 30 June 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2020	36,880	52,535	22,781	470,949	17,343	**600,488**
Shares issued	1,583	23,995	–	–	–	**25,578**
Net return on ordinary activities after taxation	–	–	–	(1,661)	9,086	**7,425**
Dividends paid (note 5)	–	–	–	–	(8,985)	**(8,985)**
Shareholders' funds at 30 June 2020	**38,463**	**76,530**	**22,781**	**469,288**	**17,444**	**624,506**

For the six months ended 30 June 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2019	35,233	27,694	22,781	380,492	17,253	**483,453**
Shares issued	756	10,949	–	–	–	**11,705**
Net return on ordinary activities after taxation	–	–	–	71,821	9,356	**81,177**
Dividends paid (note 5)	–	–	–	–	(8,317)	**(8,317)**
Shareholders' funds at 30 June 2019	**35,989**	**38,643**	**22,781**	**452,313**	**18,292**	**568,018**

* The Capital Reserve balance at 30 June 2020 includes investment holding gains of £214,862,000 (30 June 2019 – gains of £168,784,000).

The accompanying notes on pages 13 to 16 are an integral part of the Financial Statements.

Cash Flow Statement (unaudited)

	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000
Cash flows from operating activities		
Net return on ordinary activities before taxation	8,211	81,919
Net gains on investments – securities	(2,729)	(74,401)
Net losses on investments – property	1,550	–
Currency losses/(gains)	212	(72)
Finance costs of borrowings	2,789	2,814
Overseas withholding tax	(791)	(729)
Changes in debtors and creditors	(913)	(793)
Other non-cash changes	13	(18)
Cash from operations	8,342	8,720
Interest paid	(3,200)	(3,200)
Net cash inflow from operating activities	5,142	5,520
Cash flows from investing activities		
Acquisitions of investments	(57,272)	(68,227)
Disposals of investments	35,084	61,605
Net cash outflow	(22,188)	(6,622)
Equity dividends paid	(8,985)	(8,317)
Shares issued	25,578	11,705
Net cash inflow from financing activities	16,593	3,388
(Decrease)/increase in cash and cash equivalents	(453)	2,286
Exchange movements	(212)	72
Cash and cash equivalents at start of period*	7,457	7,464
Cash and cash equivalents at end of period*	**6,792**	**9,822**

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

The accompanying notes on pages 13 to 16 are an integral part of the Financial Statements.

Notes to the Condensed Financial Statements (unaudited)

1 The condensed Financial Statements for the six months to 30 June 2020 comprise the statements set out on the previous pages together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in October 2019 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 June 2020 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 December 2019.

Going Concern

The Directors have considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover, together with its current position. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 outbreak but does not believe the Company's going concern status is affected. In addition, the Company's investment objective and policy, its assets and liabilities and projected income and expenditure, together with the Company's dividend policy, have been taken into consideration and it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has no short term borrowings and the redemption date for the Company's debenture is April 2022. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

2 The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 December 2019 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3 Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. With effect from 1 April 2020, the annual management fee, calculated quarterly, is 0.45% on the first £500m of total assets and 0.35% on the remaining total assets, where 'total assets' is defined as the total value of the assets held, excluding the value of the property portfolio, less all liabilities (other than any liability in the form of debt intended for investment purposes). Prior to 1 April 2020, the annual management fee was 0.45% of total assets, excluding the value of the property portfolio, less current liabilities.

As AIFM, Baillie Gifford & Co Limited has delegated the management of the property portfolio to OLIM Property Limited. OLIM receives an annual fee from SAINTS of 0.5% of the value of the property portfolio, subject to a minimum quarterly fee of £6,250. The agreement can be terminated on three months' notice.

Notes to the Condensed Financial Statements (unaudited)

		Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000
4	**Net return per ordinary share**		
	Revenue return on ordinary activities after taxation	9,086	9,356
	Capital return on ordinary activities after taxation	(1,661)	71,821
	Total net return	**7,425**	**81,177**
	Weighted average number of ordinary shares in issue	**149,249,816**	**142,128,144**

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

There are no dilutive or potentially dilutive shares in issue.

		Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000
5	**Dividends**		
	Amounts recognised as distributions in the period:		
	Previous year's fourth interim of 3.00p (2019 – 2.925p), paid 9 April 2020	4,447	4,132
	First interim of 3.00p (2019 – 2.925p), paid 23 June 2020	4,538	4,185
		8,985	**8,317**
	Amounts paid and payable in respect of the period:		
	First interim of 3.00p (2019 – 2.925p), paid 23 June 2020	4,538	4,185
	Second interim of 3.00p (2019 – 2.95p)	4,616	4,255
		9,154	**8,440**

The second interim dividend was declared after the period end date and therefore has not been included as a liability in the Balance Sheet. It is payable on 18 September 2020 to shareholders on the register at the close of business on 14 August 2020. The ex-dividend date is 13 August 2020. The Company's Registrar offers a Dividend Reinvestment Plan and the final date for elections for this dividend is 27 August 2020.

6 Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

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

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

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

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

As at 30 June 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities/funds	591,937	–	265	**592,202**
Bonds	–	27,068	–	**27,068**
Property				
Freehold	–	–	83,250	**83,250**
Total financial asset investments	591,937	27,068	83,515	**702,520**

As at 31 December 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities/funds	577,131	726	265	**578,122**
Bonds	–	13,542	–	**13,542**
Property				
Freehold	–	–	84,800	**84,800**
Total financial asset investments	**577,131**	**14,268**	**85,065**	**676,464**

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is bid value or, in the case of holdings on certain recognised overseas exchanges, last traded price. They are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. The fair value of unlisted investments is determined using valuation techniques, determined by the Directors, based upon observable and/or non-observable data such as latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate. The Company's holdings in unlisted investments are categorised as Level 3 as the valuation techniques applied include the use of non-observable data.

Notes to the Condensed Financial Statements (unaudited)

7 The market value of the 8% Debenture Stock 2022 at 30 June 2020 was £88.9m (31 December 2019 – £91.0m).

8 At 30 June 2020, the Company had the authority to buy back 22,219,818 ordinary shares and to issue 13,603,092 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in June 2020. During the six months to 30 June 2020, 6,330,000 (31 December 2019 – 6,590,000) shares were issued at a premium to net asset value raising proceeds of £25,578,000 (31 December 2019 – £26,488,000). Between 1 July 2020 and 30 July 2020, the Company issued a further 1,155,000 shares at a premium to net asset value raising proceeds of £4,853,000. No shares were bought back (31 December 2019 – nil).

9 During the period, transaction costs on equity purchases amounted to £54,000 (30 June 2019 – £73,000) and on equity sales £25,000 (30 June 2019 – £24,000). There were no transaction costs on property purchases or sales during the six months to 30 June 2020 or 30 June 2019.

10 Related Party Transactions

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

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

Further Shareholder Information

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought through a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in SAINTS 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 **www.bailliegifford.com**.

Client Relations Team Contact Details

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

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1282.

Dividend Reinvestment Plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to **www.investorcentre.co.uk** and follow the instructions or telephone 0370 707 1694.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, The Scottish American Investment Company P.L.C. 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, The Scottish American Investment Company P.L.C. will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

New shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders **https://www.gov.uk/government/publications/exchange-of-information-account-holders**.

Risk Warnings

Past performance is not a guide to future performance.

SAINTS is a listed UK Company. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.

SAINTS 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 these 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 borrowings will increase the amount of this loss.

SAINTS 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.

SAINTS can make use of derivatives which may impact upon its performance.

SAINTS 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.

SAINTS invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

SAINTS invests in corporate bonds which are generally perceived to carry a greater possibility of capital loss than investment in, for example, higher rated UK government bonds. Bonds issued by companies and governments may be adversely affected by changes in interest rates and expectations of inflation.

Further Shareholder Information (continued)

SAINTS has some direct property investments which may be difficult to sell. Valuations of property are only estimates based on the valuer's opinion. These estimates may not be achieved when the property is sold.

SAINTS charges 65% of its investment management fee, borrowing costs and property management fee to capital, which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning the Company may not pay a dividend and the capital value would be further reduced.

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

The favourable tax treatment of ISAs may change.

The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

Details of other risks that apply to investments in the above savings vehicles are contained in the product brochures.

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

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at **www.saints-it.com**, or by calling Baillie Gifford on 0800 917 2112. (Your call may be recorded for training or monitoring purposes.)

The information and opinions expressed within this Interim Financial Report are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

Total assets less current liabilities, before deduction of all borrowings.

Net Asset Value

Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue.

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

Borrowings are valued at an estimate of their market worth.

Net Asset Value (Debenture at Book Value)

Borrowings are valued at adjusted net issue proceeds. Book value approximates amortised cost.

	30 June 2020	31 December 2019
Shareholders' funds (debenture at book value)	£624,506,000	£600,488,000
Add: book value of debenture	£81,519,000	£81,930,000
Less: fair value of debenture	(£88,920,000)	(£91,024,000)
Shareholders' funds (debenture at fair value)	**£617,105,000**	**£591,394,000**
Shares in issue	153,850,943	147,520,943
Net Asset Value per ordinary share (debenture at fair value)	**401.1p**	**400.9p**

Discount/Premium (APM)

As stockmarkets 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.

	30 June 2020 NAV (book)	30 June 2020 NAV (fair)	31 December 2019 NAV (book)	31 December 2019 NAV (fair)
Closing NAV per share	405.9p	401.1p	407.1p	400.9p
Closing share price	412.0p	412.0p	426.0p	426.0p
Premium	**1.5%**	**2.7%**	**4.6%**	**6.3%**

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

Total Return (APM)

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

		30 June 2020 NAV (book)	30 June 2020 NAV (fair)	30 June 2020 share price	31 December 2019 NAV (book)	31 December 2019 NAV (fair)	31 December 2019 share price
Opening NAV per share/ share price	(a)	407.1p	400.9p	426.0p	343.0p	336.4p	351.0p
Closing NAV per share/ share price	(b)	405.9p	401.1p	412.0p	407.1p	400.9p	426.0p
Dividend adjustment factor*	(c)	1.015028	1.015457	1.01432	1.030459	1.03118	1.030751
Adjusted closing NAV per share/share price	(d = b x c)	412.0p	407.3p	417.9p	419.5p	413.4p	439.1p
Total return	(d ÷ a)-1	**1.2%**	**1.6%**	**(1.9%)**	**22.3%**	**22.9%**	**25.1%**

* The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum income NAV at the ex-dividend date.

Ongoing Charges (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value). The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

Performance Attribution (APM)

Analysis of how the Company achieved its performance relative to its benchmark.

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 represents borrowings at book less cash and cash equivalents expressed as a percentage of shareholders' funds.

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

Equity gearing is the Company's borrowings adjusted for cash, bonds and property expressed as a percentage of shareholders' funds.

Leverage (APM)

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

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the listed equity 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.

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FTSE Index Data

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