



# Press Release

## Scottish Mortgage Investment Trust PLC

### Scottish Mortgage Investment Trust PLC raises further long-term borrowings of £200 million

11 August 2021

Scottish Mortgage Investment Trust PLC announces that it has raised a further c£200 million by issuing two long-term, fixed rate, senior, unsecured private placement notes. The first is a 15-year note for £100 million with a fixed coupon of 2.03%, the second, a 25-year note for £100 million with a fixed coupon of 2.30%. Both notes are denominated in sterling and funded on 10 August 2021.

As Scottish Mortgage's assets have grown, the Board has increased the absolute level of the borrowings for the Company in order to maintain what it believes to be the appropriate level of gearing of the portfolio. In line with the gearing policy and guidance provided in the Company's Annual Report, the Board remains committed to the strategic use of borrowings for the Company in this way, with the aim of enhancing returns to shareholders over time, in line with Scottish Mortgage's distinctive investment philosophy and disciplined long-term approach.

Banco Santander S.A. London acted as the placement agent for the transaction.

#### **Justin Dowley, Senior Independent Director, Scottish Mortgage Investment Trust PLC, says:**

"I am pleased to report that once again the Company has issued long-term private placement debt at attractive rates. The ability to raise long-term capital in this way to invest in the outstanding growth companies in the portfolio should enhance the returns for our shareholders over the coming decades. The Board continues to view the capacity to do this as one of the significant advantages of Scottish Mortgage's investment trust structure. The Board wishes to thank Baillie Gifford, Santander and others for their diligence and hard work on this."

#### **Catharine Flood, Corporate Strategy Director for Scottish Mortgage, says:**

"Over the last decade, Scottish Mortgage's portfolio has included many companies positioned well for the long term shifts in the way we live, work and travel, benefitting from the explosion of social media, online shopping and electric transport. The computing power behind this disruption is accelerating and now reaching other industries where we expect the advances to be even larger and more meaningful - such as healthcare, transport, space exploration and biological manufacturing. The exciting progress we are seeing is reflected in the changing shape of our portfolio. Today we no longer invest in Alphabet or Facebook, and Illumina and Moderna are our two largest holdings, rather than Amazon or Tesla."

"Raising new capital at this point allows us to back more of the next generation of innovative companies without having to sell current investments which we continue to find attractive. The new funding allows the managers to invest more in the portfolio, with the aim of enhancing long-term returns for shareholders."

#### **Performance**

##### **Periodic Performance to 30 June 2021 (%)**

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Share Price	62.8	154.8	405.6	871.8
NAV	70.1	170.0	419.1	811.6
Index*	25.0	45.5	95.7	214.1

##### **Discrete Annual Performance to end June each year (%)**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Share Price	48.8	33.4	0.7	55.4	62.8
NAV	43.4	34.1	2.5	54.8	70.1
Index*	23.0	9.4	10.1	5.7	25.0

Past performance is not a guide to future returns. Sterling.

Performance source: Morningstar and underlying index provider, total return.

\*FTSE All-World Index.

All references to NAV and NAV performance are calculated with borrowings deducted at fair value. Borrowings at fair value is borrowings (if any) at an estimate of their market worth

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## Notes to editors

### Scottish Mortgage Investment Trust PLC

Scottish Mortgage offers an actively managed investment trust, investing in a high conviction, global portfolio of companies with the aim of maximising its total return to its shareholders over the long term. It is jointly managed by James Anderson and Tom Slater, with Lawrence Burns as the Deputy Manager. All three are partners of Baillie Gifford & Co.

Scottish Mortgage was founded in 1909 and is now the UK's largest conventional investment trust with gross assets of over £20.7bn\* (as at 30 June 2021). The Company has a strong focus on providing a low-cost long-term investment proposition. Shareholders benefited from an industry leading ongoing charges level of 0.34% for the financial year to 30 March 2021, for Scottish Mortgage's actively managed portfolio of both private and public growth companies.

\* Total fair value of loans & debentures amount to £1.4bn as at 31 June 2021. The potential gearing of the Company was 7.2% of shareholders' funds and the invested gearing level was 6.8% on the same basis.

### Baillie Gifford

Baillie Gifford & Co Limited is the manager of Scottish Mortgage Investment Trust PLC. Baillie Gifford & Co currently employs 1,488 people as at 30 June 2021 and has assets under management and advice of £352 billion as at 30 June 2021. An asset management firm founded in 1908, it is headquartered in Edinburgh.

With any investment, capital is at risk. The value of shares can fall as well as rise and investors may not get back the amount invested. The trust's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater. Due to the trust's investments in overseas securities, changes in the rates of exchange may also cause the value of investments to go down or up. Scottish Mortgage also invests in emerging markets and is only suitable for those investors prepared to accept a higher level of risk. The trust can borrow money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the trust, the value of the investments may not be enough to cover the borrowing and interest costs, and the trust will make a loss. If the trust's investments fall in value, any invested borrowings will increase the amount of this loss.

For Key Information Documents for Scottish Mortgage, please visit our website at [www.bailliegifford.com](http://www.bailliegifford.com).

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