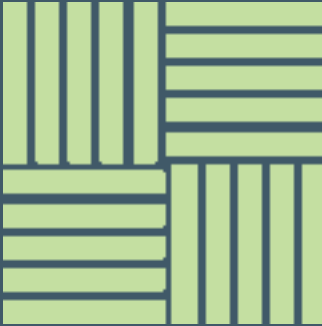
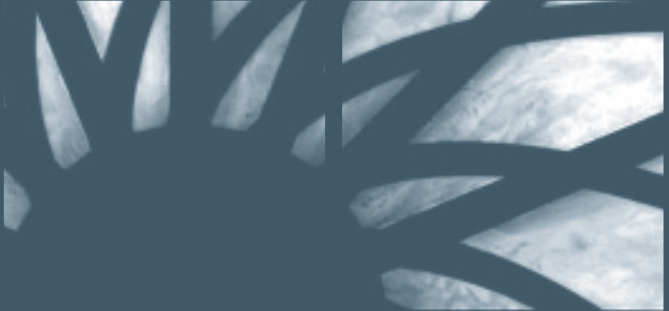


# THE SCOTTISH AMERICAN INVESTMENT COMPANY P.L.C.

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SAINTS

For income and growth



Half-Yearly Financial Report  
30 June 2014





## Objective

SAINTS' objective is to increase capital and grow income in order to deliver real dividend growth.

## 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 relate to the Company's investment activities. These risks are market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 18 of the Company's Annual Report and Financial Statements for the year to 31 December 2013. The principal risks and uncertainties have not changed since the publication of the Annual Report, which can be obtained free of charge from Baillie Gifford & Co (see contact details on the back cover of this report) and is available on the SAINTS page of the Managers' website:

[www.saints-it.com](http://www.saints-it.com). Other risks facing the Company include the following: regulatory risk (that the loss of investment trust status or a breach of applicable legal and regulatory requirements could have adverse financial consequences and cause reputational damage); operational/financial risk (failure of service providers' accounting systems

could lead to inaccurate reporting or financial loss); the risk that the premium/(discount) can change; gearing risk (the use of borrowing can magnify the impact of falling markets); and political risk (the Board is aware that the Scottish Referendum Vote introduces elements of political uncertainty which may have practical consequences; developments will be closely monitored and considered by the Board and Managers). Further information can be found on page 7 of the Annual Report.

## Responsibility Statement

We confirm that to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly Management Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months, and 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 Half-Yearly Financial Report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board  
Sir Brian Ivory, CBE  
Chairman  
25 July 2014

## Summary of Unaudited Results

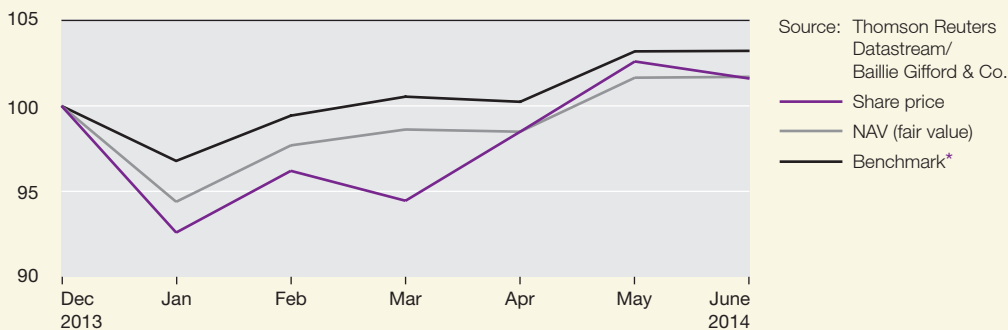
	30 June 2014	31 December 2013	% change
Shareholders' funds	£342.9m	£342.4m	
Net asset value per ordinary share (debenture at fair value)	245.7p	247.0p	(0.5)
Net asset value per ordinary share (debenture at book value)	258.5p	258.1p	0.2
Share price	255.0p	256.3p	(0.5)
Benchmark*			1.7
Premium – debenture at fair value	3.8%	3.8%	
Discount – debenture at book value	(1.4%)	(0.7%)	

	Six months to 30 June 2014	Six months to 30 June 2013	% change
Revenue earnings per share	6.62p	6.26p	5.8
Dividends paid and payable in respect of the period	5.225p	5.05p	3.5

	Six months to 30 June 2014	Year to 31 December 2013
<b>Total return performance</b>		
Net asset value (debenture at fair value)	1.6%	16.6%
Net asset value (debenture at book value)	2.2%	12.8%
Share price	1.6%	18.3%
Benchmark*	3.2%	21.1%

### Six Months Total Return Performance

(figures plotted on a monthly basis and rebased to 100 at 31 December 2013)



\* With effect from 1 January 2014, the Company's benchmark is the FTSE All-World Index (in sterling terms). In 2013, the Company's benchmark was 50% FTSE All-Share Index and 50% FTSE All-World Ex UK Index (in sterling terms).

Past performance is not a guide to future performance.

# Half-Yearly Management Report

The net asset value total return for the first six months of 2014 was 1.6% and the share price total return was also 1.6%. The total return of the benchmark, the FTSE All-World Index (in sterling terms), was 3.2%. Earnings per share rose to 6.62p from 6.26p in the same period last year, and our expectation is that income for the full year will show growth compared to the 10.21p earned in the year to 31 December 2013.

A first interim dividend of 2.60p was paid at the end of June and the second interim dividend of 2.625p is payable at the end of September. The total amount of dividends, 5.225p, is 3.5% higher than the amount paid for the corresponding period in 2013. This rate of increase in the dividend exceeds the current rates of inflation, with RPI and CPI increasing by 2.6% and 1.9% respectively on an annual basis as at the end of June 2014.

Global growth rates remain lacklustre, meaning that sales and profits growth are likely to remain subdued in the near term. Emerging markets appear to offer more attractive valuations than those of the developed world on both an earnings and yield basis, but this at least partially recognises the uncertain impact of the continued tapering of quantitative easing.

Despite the challenging geo-political backdrop in 2014, particularly in Eastern Europe and the Middle East, world equity indices are generally at or around historic highs, as is SAINTS' share price. Within SAINTS' portfolio the property allocation was increased. Property's real yield premium over index-linked gilts remains close to 30-year highs, and

growing signs of an economic recovery in the UK are prompting increasing demand: our purchases were funded by sales in the equity and bond portfolios. The NAV performance modestly lagged the benchmark return mainly because of our lower allocation to the US market which has performed strongly relative to other markets in the year to date.

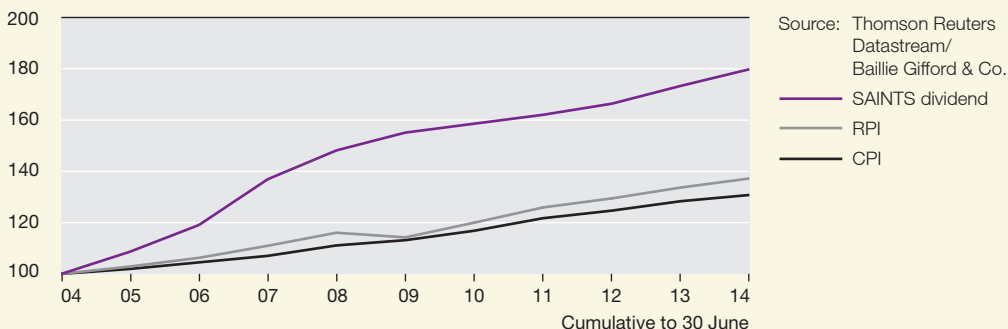
## Chairman's Statement on the Scottish Referendum

The Board and the Investment Manager are aware of the issues which may arise should the Scottish electorate vote for independence on 18 September 2014. The Company is registered as a Scottish Company, and its Investment Manager, Baillie Gifford and Co, is a Scottish Partnership. The Company's shares are listed on the London Stock Exchange (LSE), and it has shareholders throughout the United Kingdom. The Board is aware that a vote for secession would bring new regulatory, fiscal and currency risks: Scotland's relationship with the residual United Kingdom and with the EU would be subject to negotiation, with transitional periods before and after actual secession. The Directors are fully aware of their responsibilities to shareholders and have had detailed discussions with the Investment Manager regarding appropriate action should there be a 'Yes' vote: the Board believes it would have sufficient time to assess the evolving situation and to take action as appropriate.

The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

## Dividend versus Inflation

(figures rebased to 100 at 30 June 2004)



Past performance is not a guide to future performance.

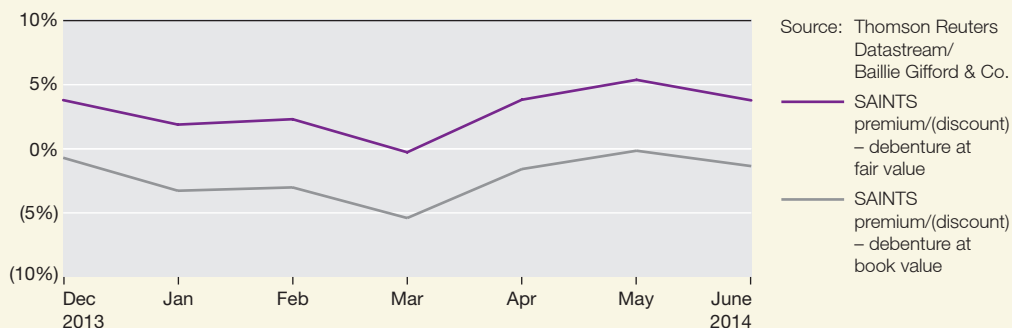
## Twenty Largest Equity Holdings at 30 June 2014

Name	Business	Value £'000	% of total assets*
Amlin	Property and casualty insurance	11,421	2.7
Total	Integrated oil company	10,091	2.3
Rio Tinto	Mining	9,139	2.1
Taiwan Semiconductor Manufacturing	Semiconductor manufacturer	8,857	2.0
Hiscox	Property and casualty insurance	7,324	1.7
Roche Holdings	Pharmaceuticals	6,793	1.6
Analog Devices	Integrated circuits	5,850	1.4
Norsk Hydro	Aluminium producer	5,755	1.3
Aviva	Investment and life assurance	5,646	1.3
Nippon Telegraph and Telephone	Communication services	5,540	1.3
SK Telecom	Mobile telecommunication services	5,508	1.3
Japan Residential Investment Company	Japanese residential property fund	5,414	1.3
Sumitomo	Trading conglomerate	5,414	1.3
Provident Financial	Loans and credit cards	5,411	1.3
BHP Billiton	Mining	5,393	1.3
Progressive	Property and casualty insurance	5,389	1.3
Capita	Business process outsourcing	5,334	1.2
Coca Cola	Beverage manufacturer	5,234	1.2
Pepsico	Snack and beverage manufacturer	5,222	1.2
Johnson and Johnson	Pharmaceuticals and healthcare products	5,196	1.2
		<b>129,931</b>	<b>30.3</b>

\* Before deduction of debenture.

### Premium/(discount) to Net Asset Value

(figures plotted on a monthly basis)



Past performance is not a guide to future performance.

## Performance Attribution for the Six Months to 30 June 2014

Portfolio breakdown	Average allocation		Total return	
	SAINTS %	Benchmark %	SAINTS %	Benchmark %
Global Equities	102.3	100.0	1.7	3.2
Bonds	8.2		8.3	
Direct Property	12.9		5.5	
Deposits	1.8		–	
Debtenture at book value	(25.2)		3.4	
<b>Portfolio Total Return</b> (debtenture at book value)			<b>2.4</b>	<b>3.2</b>
Other items*			(0.2)	
<b>Fund Total Return</b> (debtenture at book value)			<b>2.2</b>	<b>3.2</b>
Adjustment for change in fair value of debtenture			(0.6)	
<b>Fund Total Return</b> (debtenture at fair value)			<b>1.6</b>	<b>3.2</b>

The above returns are calculated on a total returns basis with net income reinvested.

Source: Baillie Gifford & Co.

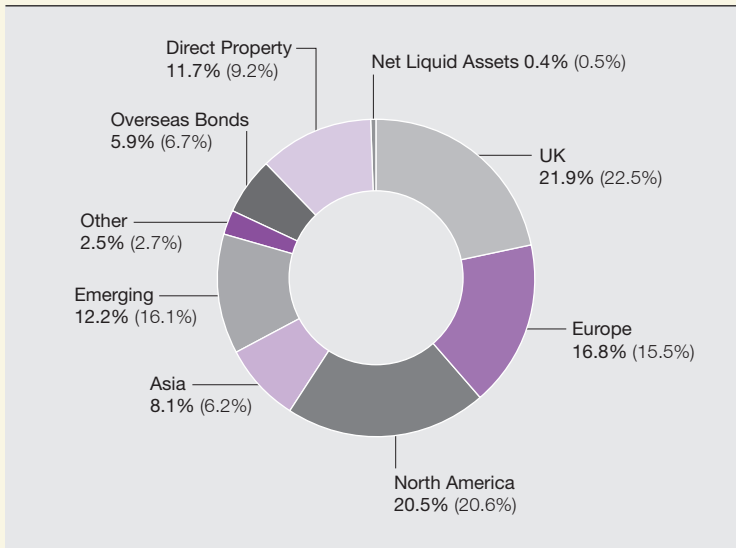
\* Includes Baillie Gifford and OLIM management fees.

Past performance is not a guide to future performance.

## Distribution of Portfolio

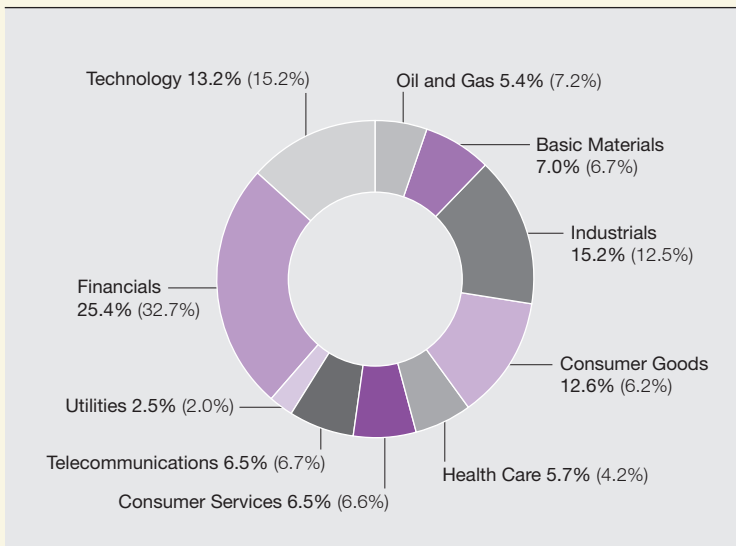
### Geographical at 30 June 2014

(31 December 2013)



### Equities by Sector at 30 June 2014

(31 December 2013)



## Income Statement (unaudited)

	For the six months ended 30 June 2014		
	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments – securities	–	15,474	<b>15,474</b>
Changes in fair value of investments – securities	–	(15,716)	<b>(15,716)</b>
Currency gains/(losses)	–	613	<b>613</b>
Income – dividends and interest	9,501	–	<b>9,501</b>
Income – rent and other	1,819	–	<b>1,819</b>
Management fees	(339)	(629)	<b>(968)</b>
Other administrative expenses	(493)	–	<b>(493)</b>
<b>Net return before finance costs and taxation</b>	<b>10,488</b>	<b>(258)</b>	<b>10,230</b>
Finance costs of borrowings	(1,020)	(1,895)	<b>(2,915)</b>
<b>Net return on ordinary activities before taxation</b>	<b>9,468</b>	<b>(2,153)</b>	<b>7,315</b>
Tax on ordinary activities	(679)	140	<b>(539)</b>
<b>Net return on ordinary activities after taxation</b>	<b>8,789</b>	<b>(2,013)</b>	<b>6,776</b>
<b>Net return per ordinary share</b> (note 4)	<b>6.62p</b>	<b>(1.52p)</b>	<b>5.10p</b>

## Statement of Total Recognised Gains and Losses (unaudited)

Net return on ordinary activities after taxation	8,789	(2,013)	<b>6,776</b>
Changes in fair value of investments – property	–	679	<b>679</b>
<b>Total recognised gains/(losses) for the period</b>	<b>8,789</b>	<b>(1,334)</b>	<b>7,455</b>
<b>Total recognised gains/(losses) per ordinary share</b> (note 4)	<b>6.62p</b>	<b>(1.00p)</b>	<b>5.62p</b>
Note: <b>Dividends paid and payable per share</b> (note 5)	<b>5.225p</b>		

All revenue and capital items in the above statements derive from continuing operations.

The total column of this statement is the profit and loss account of the Company.



For the six months ended 30 June 2013			For the year ended 31 December 2013		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	13,529	<b>13,529</b>	–	18,269	<b>18,269</b>
–	7,080	<b>7,080</b>	–	12,589	<b>12,589</b>
–	(1,315)	<b>(1,315)</b>	–	(266)	<b>(266)</b>
9,184	–	<b>9,184</b>	15,183	–	<b>15,183</b>
1,616	–	<b>1,616</b>	3,238	–	<b>3,238</b>
(340)	(631)	<b>(971)</b>	(678)	(1,259)	<b>(1,937)</b>
(450)	–	<b>(450)</b>	(958)	–	<b>(958)</b>
10,010	18,663	<b>28,673</b>	16,785	29,333	<b>46,118</b>
(1,026)	(1,906)	<b>(2,932)</b>	(2,052)	(3,812)	<b>(5,864)</b>
8,984	16,757	<b>25,741</b>	14,733	25,521	<b>40,254</b>
(677)	236	<b>(441)</b>	(1,192)	457	<b>(735)</b>
<b>8,307</b>	<b>16,993</b>	<b>25,300</b>	<b>13,541</b>	<b>25,978</b>	<b>39,519</b>
<b>6.26p</b>	<b>12.81p</b>	<b>19.07p</b>	<b>10.21p</b>	<b>19.58p</b>	<b>29.79p</b>
8,307	16,993	<b>25,300</b>	13,541	25,978	<b>39,519</b>
–	100	<b>100</b>	–	950	<b>950</b>
<b>8,307</b>	<b>17,093</b>	<b>25,400</b>	<b>13,541</b>	<b>26,928</b>	<b>40,469</b>
<b>6.26p</b>	<b>12.88p</b>	<b>19.14p</b>	<b>10.21p</b>	<b>20.29p</b>	<b>30.50p</b>
<b>5.05p</b>			<b>10.20p</b>		

## Balance Sheet (unaudited)

	At 30 June 2014 £'000	At 30 June 2013 £'000	At 31 December 2013 £'000
<b>Fixed assets</b>			
Investments – securities	376,566	381,370	386,448
Investments – property	50,250	38,750	39,600
	426,816	420,120	426,048
<b>Current assets</b>			
Debtors	1,969	1,946	1,158
Cash and deposits	2,333	1,242	3,956
	4,302	3,188	5,114
<b>Creditors</b>			
Amounts falling due within one year	(2,535)	(3,030)	(2,849)
<b>Net current assets</b>	1,767	158	2,265
<b>Total assets less current liabilities</b>	428,583	420,278	428,313
<b>Creditors</b>			
Debenture stock (note 6)	(85,646)	(86,199)	(85,931)
<b>Net assets</b>	<b>342,937</b>	<b>334,079</b>	<b>342,382</b>
<b>Capital and reserves</b>			
Called up share capital	33,169	33,169	33,169
Share premium	357	357	357
Capital redemption reserve	22,781	22,781	22,781
Capital reserve	267,768	259,267	269,102
Revenue reserve	18,862	18,505	16,973
<b>Shareholders' funds</b>	<b>342,937</b>	<b>334,079</b>	<b>342,382</b>
<b>Net asset value per ordinary share</b> (Debenture at fair value) (note 6)	<b>245.7p</b>	<b>238.0p</b>	<b>247.0p</b>
<b>Net asset value per ordinary share</b> (Debenture at book value)	<b>258.5p</b>	<b>251.8p</b>	<b>258.1p</b>
<b>Ordinary shares in issue</b> (note 7)	<b>132,675,943</b>	<b>132,675,943</b>	<b>132,675,943</b>

## Reconciliation of Movements in Shareholders' Funds (unaudited)

### For the six months ended 30 June 2014

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2014	33,169	357	22,781	269,102	16,973	<b>342,382</b>
Total recognised gains and losses	–	–	–	(1,334)	8,789	<b>7,455</b>
Dividends paid (note 5)	–	–	–	–	(6,900)	<b>(6,900)</b>
<b>Shareholders' funds at 30 June 2014</b>	<b>33,169</b>	<b>357</b>	<b>22,781</b>	<b>267,768</b>	<b>18,862</b>	<b>342,937</b>

### For the six months ended 30 June 2013

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2013	33,169	357	22,781	242,174	16,832	<b>315,313</b>
Total recognised gains and losses	–	–	–	17,093	8,307	<b>25,400</b>
Dividends paid (note 5)	–	–	–	–	(6,634)	<b>(6,634)</b>
<b>Shareholders' funds at 30 June 2013</b>	<b>33,169</b>	<b>357</b>	<b>22,781</b>	<b>259,267</b>	<b>18,505</b>	<b>334,079</b>

### For the year ended 31 December 2013

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2013	33,169	357	22,781	242,174	16,832	<b>315,313</b>
Total recognised gains and losses	–	–	–	26,928	13,541	<b>40,469</b>
Dividends paid (note 5)	–	–	–	–	(13,400)	<b>(13,400)</b>
<b>Shareholders' funds at 31 December 2013</b>	<b>33,169</b>	<b>357</b>	<b>22,781</b>	<b>269,102</b>	<b>16,973</b>	<b>342,382</b>

\* The Capital Reserve balance at 30 June 2014 includes investment holding gains of £54,107,000 (30 June 2013 – gains of £62,580,000; 31 December 2013 – gains of £68,939,000).

## Condensed Cash Flow (unaudited)

	Six months to 30 June 2014 £'000	Six months to 30 June 2013 £'000	Year to 31 December 2013 £'000
Net cash inflow from operating activities	8,817	8,735	15,644
Net cash outflow from servicing of finance	(3,200)	(3,200)	(6,400)
Total tax paid	(549)	(435)	(735)
Net cash inflow from financial investment	205	787	6,993
Equity dividends paid (note 5)	(6,900)	(6,634)	(13,400)
<b>(Decrease)/increase in cash</b>	<b>(1,627)</b>	<b>(747)</b>	<b>2,102</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash in the period	(1,627)	(747)	2,102
Translation difference	4	(31)	(166)
Other non-cash changes	285	268	536
<b>Movement in net debt in the period</b>	<b>(1,338)</b>	<b>(510)</b>	<b>2,472</b>
<b>Net debt at start of the period</b>	<b>(81,975)</b>	<b>(84,447)</b>	<b>(84,447)</b>
<b>Net debt at end of the period</b>	<b>(83,313)</b>	<b>(84,957)</b>	<b>(81,975)</b>
<b>Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities</b>			
Net return before finance costs and taxation	10,230	28,673	46,118
Losses/(gains) on investments – securities	242	(20,609)	(30,858)
Currency (gains)/losses	(613)	1,315	266
Changes in debtors and creditors	(1,026)	(523)	557
Other non-cash changes	(16)	(121)	(439)
<b>Net cash inflow from operating activities</b>	<b>8,817</b>	<b>8,735</b>	<b>15,644</b>

## Notes to the Condensed Financial Statements (unaudited)

- 1** The condensed financial statements for the six months to 30 June 2014 comprise the statements set out on pages 6 to 10 together with the related notes on pages 11 and 12. They 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 2013 and in accordance with the ASB's Statement 'Half-Yearly Financial Reports' and have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'.

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 Half-Yearly Financial Report has been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

- 2** The financial information contained within this Half-Yearly 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 2013 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 with effect from 1 July 2014. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual fee is 0.45% of total assets less current liabilities, excluding the property portfolio, calculated on a quarterly basis.

As AIFM, Baillie Gifford & Co Limited has delegated the management of the property portfolio to OLIM Property Limited. OLIM receives an annual fee 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.

### **4 Returns per ordinary share**

Net return per ordinary share is based on the return on ordinary activities after taxation figures in the Income Statement and on 132,675,943 (30 June 2013 – 132,675,943; 31 December 2013 – 132,675,943) ordinary shares of 25p, being the weighted average number of ordinary shares in issue during each period. Total recognised gains and losses per ordinary share is based on the total recognised gains for the period in the Statement of Total Recognised Gains and Losses and on 132,675,943 (30 June 2013 – 132,675,943; 31 December 2013 – 132,675,943) ordinary shares of 25p, being the weighted average number of ordinary shares in issue during each period.

## Notes to the Condensed Financial Statements (unaudited)

	Six months to 30 June 2014 £'000	Six months to 30 June 2013 £'000	Year to 31 December 2013 £'000
<b>5 Dividends</b>			
<b>Amounts recognised as distributions in the period:</b>			
Previous year's final of 2.60p (2013 – 2.50p), paid 11 April 2014	3,450	3,317	3,317
First interim of 2.60p (2013 – 2.50p), paid 27 June 2014	3,450	3,317	3,317
Second interim (2013 – 2.55p)	–	–	3,383
Third interim (2013 – 2.55p)	–	–	3,383
	<b>6,900</b>	<b>6,634</b>	<b>13,400</b>
<b>Amounts paid and payable in respect of the period:</b>			
First interim of 2.60p (2013 – 2.50p), paid 27 June 2014	3,450	3,317	3,317
Second interim of 2.625p (2013 – 2.55p)	3,483	3,383	3,383
Third interim (2013 – 2.55p)	–	–	3,383
Final dividend (2013 – 2.60p)	–	–	3,450
	<b>6,933</b>	<b>6,700</b>	<b>13,533</b>

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 26 September 2014 to shareholders on the register at the close of business on 22 August 2014. The ex-dividend date is 20 August 2014. The Company's Registrar offers a Dividend Reinvestment Plan and the final date for elections for this dividend is 5 September 2014.

- 6** The market value of the 8% Debenture Stock 2022 at 30 June 2014 was £102.6m (30 June 2013 – £104.5m; 31 December 2013 – £100.6m).
- 7** At 30 June 2014, the Company had the authority to buy back 19,888,123 ordinary shares and to issue 13,267,592 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in April 2014. No shares were bought back or issued during the period under review.
- 8** During the period, transaction costs on purchases amounted to £75,000 (30 June 2013 – £68,000; 31 December 2013 – £131,000) and transaction costs on sales amounted to £29,000 (30 June 2013 – £23,000; 31 December 2013 – £33,000).
- 9** None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

## Further Shareholder Information

SAINTS' shares are traded on the London Stock Exchange. They can be bought through a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles.

### Baillie Gifford's Investment Trust Share Plan

You can invest from a minimum of £250 or from £30 per month. The plan is designed to be a cost-effective way of saving on a regular or lump sum basis.

### Baillie Gifford's Investment Trust ISA

You can invest in a tax efficient way by investing a minimum of £2,000 or from £100 per month or by transferring an ISA with a value of at least £2,000 from your existing manager.

### Baillie Gifford's Children's Savings Plan

A cost-effective plan tailored especially to meet the requirements to save for children. You can invest a minimum of £100 or from £25 per month.

### Online Management Service

You can open and manage your Share Plan, Children's Savings Plan\* and/or ISA online, through our secure Online Management Service (OMS) which can be accessed through the Baillie Gifford website at [www.bailliegifford.com/OMS](http://www.bailliegifford.com/OMS). As well as being able to view the details of your plan online, the service also allows you to:

- obtain current valuations;
- make lump sum investments, except where there is more than one holder;
- sell part or all of your holdings, except where there is more than one holder;
- switch between investment trusts, except where there is more than one holder;
- set up a direct debit to make regular investments, except where there is more than one holder; and
- update certain personal details e.g. address and telephone number.

\* Please note that a Bare Trust cannot be opened via OMS. A Bare Trust application form must be completed.

The information about the ISA, Share Plan and Children's Savings Plan has been approved by Baillie Gifford Savings Management Limited ('BGSM'). BGSM is the ISA Manager, the Manager of the Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Conduct Authority. Baillie Gifford only provides information about its products and does not provide investment advice.

### 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](http://www.investorcentre.co.uk) and follow the instructions or telephone 0870 707 1694.

### 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). 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, gearing 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. The use of derivatives may impact on its performance.

*(Risk Warnings continued on next page)*

## **Risk Warnings (continued)**

As 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.

SAINTS has some direct property investments which may be difficult to sell. Valuations of property are only estimates based on the valuer's opinion rather than fact. 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.

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at [www.saints-it.com](http://www.saints-it.com), or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed within this half-yearly 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.









## Directors

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Sir Brian Ivory, CBE, CA

Eric Hagman, CBE, CA

Lord Kerr of Kinlochard, GCMG

Peter Moon

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