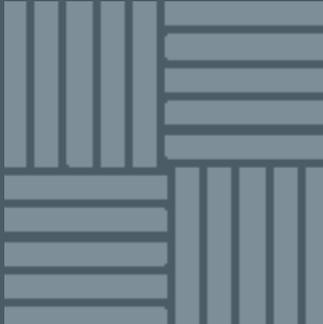
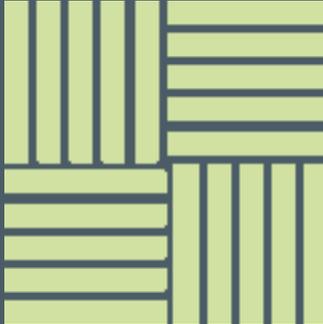
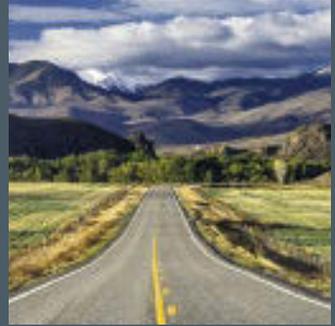
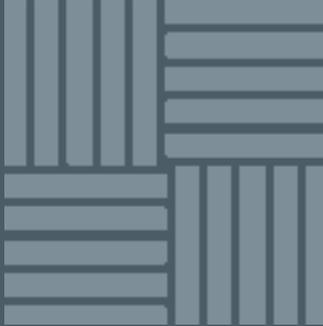


# THE SCOTTISH AMERICAN INVESTMENT COMPANY P.L.C.

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SAINTS

Income again and again



Interim Financial Report  
30 June 2016





## 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, regulatory risk, custody and depositary risk, operational risk, premium/discount volatility, 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 2015 which is available on the Company's website:

[www.saints-it.com](http://www.saints-it.com). The principal risks and uncertainties have not changed since the date of that 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 FRS 104 'Interim Financial Reporting';
- b) the Interim 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, 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 and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board  
Peter Moon  
Chairman  
28 July 2016

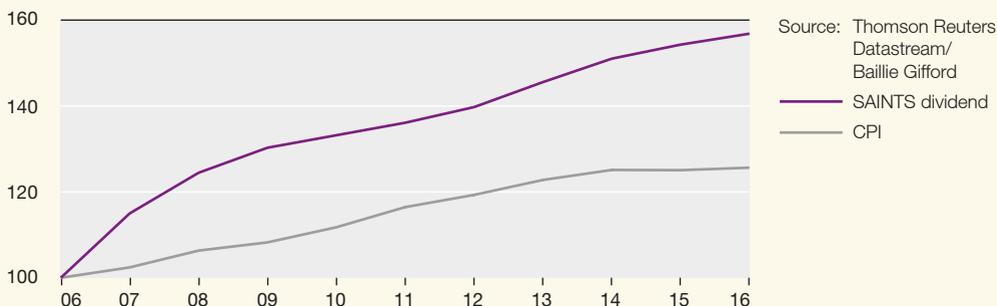
## Summary of Unaudited Results

	30 June 2016	31 December 2015	% change
Shareholders' funds	£389.0m	£348.5m	
Net asset value per ordinary share (debenture at fair value)	276.4p	247.5p	11.7
Net asset value per ordinary share (debenture at book value)	291.6p	261.7p	11.4
Share price	287.0p	261.5p	9.8
FTSE All-World Index (in sterling terms)			10.3
Premium – debenture at fair value	3.8%	5.7%	
Discount – debenture at book value	(1.6%)	(0.1%)	
Active share*	89%	89%	

	Six months to 30 June 2016	Six months to 30 June 2015	% change
Revenue earnings per share	5.77p	6.18p	(6.6)
Dividends paid and payable in respect of the period	5.40p	5.325p	1.4

### Dividend versus Inflation

Ten Year Cumulative to 30 June 2016 (figures rebased to 100 at 30 June 2006)



	Six months to 30 June 2016	Year to 31 December 2015
<b>Total return performance†</b>		
Net asset value (debenture at fair value)	14.0%	5.9%
Net asset value (debenture at book value)	13.7%	5.0%
Share price	12.0%	9.2%
FTSE All-World Index (in sterling terms)	12.0%	4.1%

\* Active share, a measure of how actively a portfolio is managed, is the percentage of the equity portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the equity 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 an equity portfolio that tracks the index.

† Source: Thomson Reuters Datastream/Baillie Gifford.

Past performance is not a guide to future performance.

# Interim Management Report

The net asset value total return for the first six months of 2016 was 14.0% and the share price total return was 12.0%. The total return of the global equities, as measured by the FTSE All World Index in sterling, was 12.0%. Over the six month period 235,000 shares were issued at a premium to net asset value.

Earnings per share for the six months were 5.77p compared to 6.18p in the same period last year.

While the underlying trend in income from SAINTS' assets continued to show solid growth year on year, two specific factors were the primary drivers of the fall in earnings for the first half of 2016 as compared to 2015: a significantly lower contribution from special dividends, and reduced rental income from the property portfolio as a result of the sale of some higher-yielding properties in the second half of 2015.

A first interim dividend of 2.70p was paid at the end of June and a second interim dividend of 2.70p will be paid at the end of September. The total amount of dividends, 5.4p, is 1.4% higher than the amount paid for the corresponding period in 2015. The rate of increase in the dividend exceeds the current annual rate of CPI inflation of 0.3% as at the end of June 2016. Our expectation is that income for the full year will show a modest fall compared with the 10.47p earned in the year to 31 December 2015. Revenue reserves stand at 9.92p per share.

NAV performance exceeded the comparative FTSE All World Index return mainly due to strong performance from the equity portfolio, with solid operational performance from the majority of companies held. The healthcare and financial services sectors were areas of particular strength with, for example, our holdings of Cochlear, the hearing implant company, and BM&F Bovespa, the Brazilian stock exchange, performing well. General operational resilience has also enabled almost all of SAINTS' equity holdings to deliver continued dividend growth. In common with the broader UK equity market, the recent vote in favour of Brexit was a setback to progression in the share prices of SAINTS' UK-listed stocks. However, as a globally-invested Company the portfolio's overseas stocks have, in sterling terms, benefited from the related

currency movements. In the fixed income portfolio a strong rebound in the Brazilian inflation-linked bond in both local currency and sterling terms further contributed to strong total portfolio performance.

During the period a small addition was made to the directly-held UK property portfolio, which posted a positive total return. The valuations of SAINTS' property investments are well-supported by attractive yields, sound tenants on long-duration leases, and a strong component of inflation-linked rental income. The property portfolio continues to have excellent prospects for long-term capital and income growth irrespective of the widely-reported challenges experienced by open-ended property funds in the wake of the European referendum result.

Whatever the broader economic and fiscal effects of Brexit, the long term outlook for SAINTS' income and capital growth is robust. Both the international nature of SAINTS' portfolio, and the Manager's focus on identifying investments which have strong and sustainable growth prospects, and that offer a dependable and growing income stream, should support the Company in continuing its long record of delivering a dividend which rises in real terms over time.

## Board and Management Arrangements

As previously announced, during the period Sir Brian Ivory stepped down from the Board and Peter Moon has taken over as Chairman.

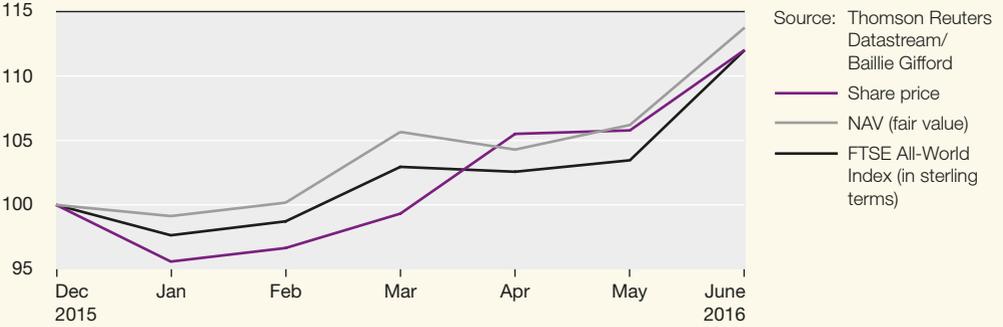
The Company is pleased to announce the appointment of James Dow and Toby Ross as deputy managers of SAINTS with immediate effect. James and Toby are investment managers in Baillie Gifford's Global Income Growth team which is headed by Dominic Neary, the manager of SAINTS. This positive development reflects their close involvement in the management of SAINTS and Baillie Gifford's team-based approach.

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

Past performance is not a guide to future performance.

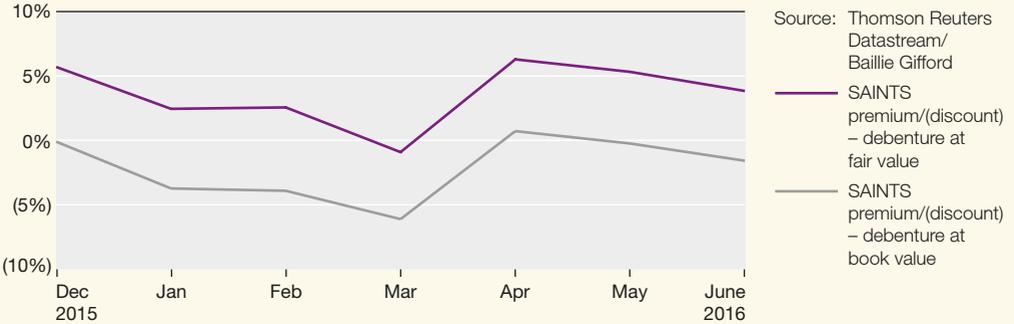
## Six Months Total Return Performance

(figures plotted on a monthly basis and rebased to 100 at 31 December 2015)



## 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 2016

Portfolio breakdown	Average allocation		Total return	
	SAINTS %	Benchmark %	SAINTS %	Benchmark %
Global Equities	101.6	100.0	12.8	12.0
Bonds	4.7		28.8	
Direct Property	15.9		3.9	
Deposits	1.5		–	
Debenture at book value	(23.7)		3.4	
<b>Portfolio Total Return</b> (debenture at book value)			<b>13.9</b>	<b>12.0</b>
Other items*			(0.3)	
<b>Fund Total Return</b> (debenture at book value)			<b>13.6</b>	<b>12.0</b>
Adjustment for change in fair value of debenture			0.4	
<b>Fund Total Return</b> (debenture at fair value)			<b>14.0</b>	<b>12.0</b>

The above returns are calculated on a total returns basis with net income reinvested. Source: Baillie Gifford.

\* Includes Baillie Gifford and OLIM management fees.

Past performance is not a guide to future performance.

## Twenty Largest Equity Holdings at 30 June 2016

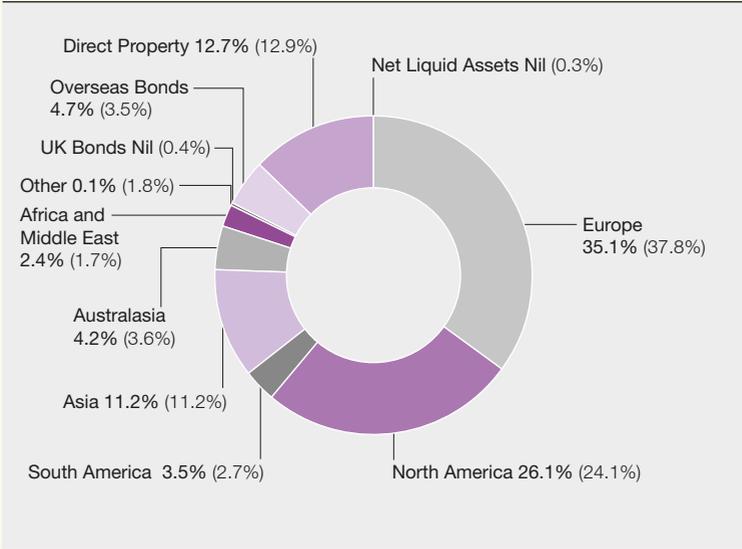
Name	Business	Value £'000	% of total assets*
Coca Cola	Beverage manufacturer	12,508	2.6
Taiwan Semiconductor Manufacturing	Semiconductor manufacturer	10,475	2.2
WPP	Advertising agencies	10,385	2.2
Hiscox	Property and casualty insurance	9,969	2.1
Johnson and Johnson	Pharmaceuticals and healthcare products	9,926	2.1
Partners Group	Asset management	9,290	2.0
Procter & Gamble	Household product manufacturer	8,836	1.9
Kimberly-Clark de México	Paper-based household products	8,552	1.8
Pepsico	Snack and beverage manufacturer	8,380	1.8
Fastenal	Distribution and sales of industrial supplies	8,373	1.8
Linear Technology	Integrated circuits	8,274	1.8
Sonic Healthcare	Laboratory testing	8,209	1.7
Total	Integrated oil company	8,158	1.7
Reynolds American	Cigarette manufacturer	8,137	1.7
Admiral	Car insurance	8,039	1.7
United Parcel Service	Courier services	7,501	1.6
China Mobile	Mobile telecommunication services	7,278	1.5
Deutsche Boerse	Securities exchange owner/operator	7,215	1.5
Want Want	Snacks and milk-based products	7,118	1.5
Prudential	Life insurer	6,960	1.5
		<b>173,583</b>	<b>36.7</b>

\* Before deduction of debenture.

# Distribution of Portfolio

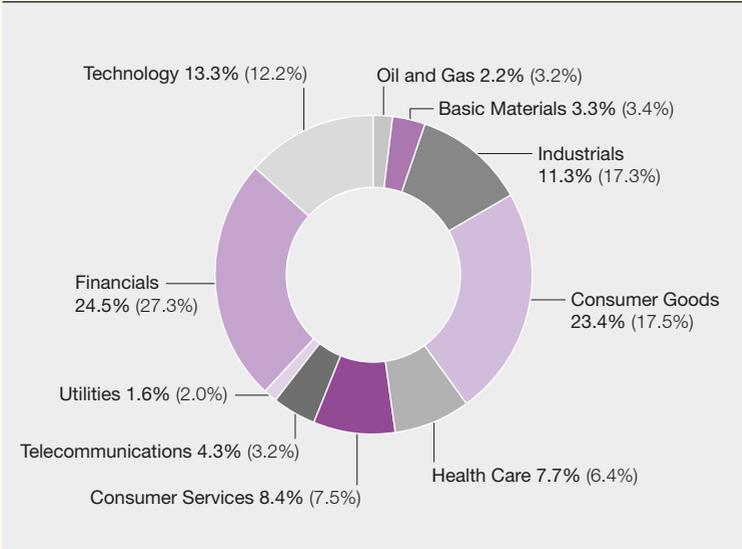
## Geographical at 30 June 2016

(31 December 2015)



## Equities by Sector at 30 June 2016

(31 December 2015)



## Income Statement (unaudited)

	For the six months ended 30 June 2016		
	Revenue	Capital	Total
	£'000	£'000	£'000
Gains on sales of investments – securities	–	3,089	<b>3,089</b>
Gains/(losses) on sales of investments – property	–	14	<b>14</b>
Changes in fair value of investments – securities	–	39,043	<b>39,043</b>
Changes in fair value of investments – property	–	250	<b>250</b>
Currency losses	–	(527)	<b>(527)</b>
Income – dividends and interest	7,968	–	<b>7,968</b>
Income – rent and other	1,966	–	<b>1,966</b>
Management fees	(368)	(684)	<b>(1,052)</b>
Other administrative expenses	(526)	–	<b>(526)</b>
<b>Net return before finance costs and taxation</b>	<b>9,040</b>	<b>41,185</b>	<b>50,225</b>
Finance costs of borrowings	(1,007)	(1,871)	<b>(2,878)</b>
<b>Net return on ordinary activities before taxation</b>	<b>8,033</b>	<b>39,314</b>	<b>47,347</b>
Tax on ordinary activities	(352)	110	<b>(242)</b>
<b>Net return on ordinary activities after taxation</b>	<b>7,681</b>	<b>39,424</b>	<b>47,105</b>
<b>Net return per ordinary share</b> (note 4)	<b>5.77p</b>	<b>29.60p</b>	<b>35.37p</b>
Note: <b>Dividends paid and payable per share</b> (note 5)	<b>5.40p</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 2015			For the year ended 31 December 2015		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	4,312	<b>4,312</b>	–	11,356	<b>11,356</b>
–	217	<b>217</b>	–	(1,703)	<b>(1,703)</b>
–	1,972	<b>1,972</b>	–	(4,318)	<b>(4,318)</b>
–	736	<b>736</b>	–	3,346	<b>3,346</b>
–	(1,056)	<b>(1,056)</b>	–	(272)	<b>(272)</b>
8,747	–	<b>8,747</b>	14,598	–	<b>14,598</b>
1,990	–	<b>1,990</b>	4,028	–	<b>4,028</b>
(351)	(651)	<b>(1,002)</b>	(690)	(1,282)	<b>(1,972)</b>
(639)	–	<b>(639)</b>	(1,137)	–	<b>(1,137)</b>
9,747	5,530	<b>15,277</b>	16,799	7,127	<b>23,926</b>
(1,014)	(1,883)	<b>(2,897)</b>	(2,028)	(3,767)	<b>(5,795)</b>
8,733	3,647	<b>12,380</b>	14,771	3,360	<b>18,131</b>
(534)	90	<b>(444)</b>	(858)	226	<b>(632)</b>
<b>8,199</b>	<b>3,737</b>	<b>11,936</b>	<b>13,913</b>	<b>3,586</b>	<b>17,499</b>
<b>6.18p</b>	<b>2.82p</b>	<b>9.00p</b>	<b>10.47p</b>	<b>2.70p</b>	<b>13.17p</b>
<b>5.325p</b>			<b>10.70p</b>		

## Balance Sheet (unaudited)

	At 30 June 2016 £'000	At 31 December 2015 £'000
<b>Fixed assets</b>		
Investments – securities	413,349	375,868
Investments – property	59,950	56,000
	473,299	431,868
<b>Current assets</b>		
Debtors	6,308	1,115
Cash and deposits	4,820	3,399
	11,128	4,514
<b>Creditors</b>		
Amounts falling due within one year	(10,972)	(3,173)
<b>Net current assets</b>	156	1,341
<b>Total assets less current liabilities</b>	473,455	433,209
<b>Creditors</b>		
Debenture stock (note 7)	(84,434)	(84,756)
<b>Net assets</b>	<b>389,021</b>	<b>348,453</b>
<b>Capital and reserves</b>		
Called up share capital	33,349	33,290
Share premium	2,131	1,534
Capital redemption reserve	22,781	22,781
Capital reserve	313,462	274,038
Revenue reserve	17,298	16,810
<b>Shareholders' funds</b>	<b>389,021</b>	<b>348,453</b>
<b>Net asset value per ordinary share</b> (Debenture at fair value) (note 7)	<b>276.4p</b>	<b>247.5p</b>
<b>Net asset value per ordinary share</b> (Debenture at book value)	<b>291.6p</b>	<b>261.7p</b>
<b>Ordinary shares in issue</b> (note 8)	<b>133,395,943</b>	<b>133,160,943</b>

## Statement of Changes in Equity (unaudited)

### For the six months ended 30 June 2016

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2016	33,290	1,534	22,781	274,038	16,810	<b>348,453</b>
Shares issued	59	597	–	–	–	<b>656</b>
Net return on ordinary activities after taxation	–	–	–	39,424	7,681	<b>47,105</b>
Dividends paid (note 5)	–	–	–	–	(7,193)	<b>(7,193)</b>
<b>Shareholders' funds at 30 June 2016</b>	<b>33,349</b>	<b>2,131</b>	<b>22,781</b>	<b>313,462</b>	<b>17,298</b>	<b>389,021</b>

### For the six months ended 30 June 2015

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 January 2015	33,169	357	22,781	270,452	17,047	<b>343,806</b>
Shares issued	71	697	–	–	–	<b>768</b>
Net return on ordinary activities after taxation	–	–	–	3,737	8,199	<b>11,936</b>
Dividends paid (note 5)	–	–	–	–	(7,032)	<b>(7,032)</b>
<b>Shareholders' funds at 30 June 2015</b>	<b>33,240</b>	<b>1,054</b>	<b>22,781</b>	<b>274,189</b>	<b>18,214</b>	<b>349,478</b>

\* The Capital Reserve balance at 30 June 2016 includes investment holding gains of £92,979,000 (30 June 2015 – gains of £57,365,000).

## Condensed Cash Flow Statement (unaudited)

	Six months to 30 June 2016 £'000	Six months to 30 June 2015 £'000
<b>Cash flows from operating activities</b>		
Net return on ordinary activities before taxation	47,347	12,380
Net gains on investments – securities	(42,132)	(6,284)
Net gains on investments – property	(264)	(953)
Currency losses	527	1,056
Finance costs of borrowings	2,878	2,897
Overseas withholding tax	(490)	(439)
Changes in debtors and creditors	(416)	(1,223)
Other non-cash changes	(65)	(43)
<b>Cash from operations</b>	7,385	7,391
Interest paid	(3,200)	(3,200)
<b>Net cash inflow from operating activities</b>	4,185	4,191
<b>Net cash inflow/(outflow) from investing activities</b>	3,442	(4,010)
Equity dividends paid	(7,193)	(7,032)
Shares issued	656	768
<b>Net cash outflow from financing activities</b>	(6,537)	(6,264)
Increase/(decrease) in cash and cash equivalents	1,090	(6,083)
Exchange movements	331	(1,494)
Cash and cash equivalents at start of period	3,399	9,977
<b>Cash and cash equivalents at end of period*</b>	<b>4,820</b>	<b>2,400</b>

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

## Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 30 June 2016 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 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 2016 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 2015.

### Going Concern

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 considered it appropriate to adopt the going concern basis of accounting in preparing the Interim 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 2015 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, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, 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. 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.

## Notes to the Condensed Financial Statements (unaudited)

	Six months to 30 June 2016 £'000	Six months to 30 June 2015 £'000
<b>4 Net return per ordinary share</b>		
Revenue return on ordinary activities after taxation	7,681	8,199
Capital return on ordinary activities after taxation	39,424	3,737
<b>Total net return</b>	<b>47,105</b>	<b>11,936</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>133,184,953</b>	<b>132,677,821</b>

The net return per ordinary share figures are 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 2016 £'000	Six months to 30 June 2015 £'000
<b>5 Dividends</b>		
<b>Amounts recognised as distributions in the period:</b>		
Previous year's final of 2.70p (2015 – 2.65p), paid 5 April 2016	3,595	3,516
First interim of 2.70p (2015 – 2.65p), paid 24 June 2016	3,598	3,516
	<b>7,193</b>	<b>7,032</b>
<b>Amounts paid and payable in respect of the period:</b>		
First interim of 2.70p (2015 – 2.65p), paid 24 June 2016	3,598	3,516
Second interim of 2.70p (2015 – 2.675p)	3,602	3,559
	<b>7,200</b>	<b>7,075</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 23 September 2016 to shareholders on the register at the close of business on 19 August 2016. The ex-dividend date is 18 August 2016. The Company's Registrar offers a Dividend Reinvestment Plan and the final date for elections for this dividend is 2 September 2016.

## 6 Fair Value Hierarchy

In accordance with FRS 102 and FRS 104, fair value measurements have been classified using the following fair value hierarchy:

Level 1 – investments with quoted prices in an active market;

Level 2 – investments whose fair value is based directly on observable current market prices or is indirectly being derived from market prices; and

Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

The Company has early adopted the amendments to section 34 of FRS 102 regarding fair value hierarchy disclosures.

As at 30 June 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Securities</b>				
Listed equities/funds	389,178	1,823	–	<b>391,001</b>
Bonds	–	13,420	8,928	<b>22,348</b>
Total financial asset investments	<b>389,178</b>	<b>15,243</b>	<b>8,928</b>	<b>413,349</b>
<b>Property</b>				
Freehold				59,950
				<b>59,950</b>
Total investments				<b>473,299</b>
As at 31 December 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Securities</b>				
Listed equities/funds	350,346	1,808	–	<b>352,154</b>
Other equities	–	–	7,061	<b>7,061</b>
Bonds	1,735	6,335	8,583	<b>16,653</b>
Total financial asset investments	<b>352,081</b>	<b>8,143</b>	<b>15,644</b>	<b>375,868</b>
<b>Property</b>				
Freehold				56,000
				<b>56,000</b>
Total investments				<b>431,868</b>

## Notes to the Condensed Financial Statements (unaudited)

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is bid price or, in the case of FTSE 100 constituents or holdings on certain recognised overseas exchanges, last traded price. They are categorised as Level 1 if they trade in an active market and Level 2 if they are traded on a market which is not considered to be active. 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.

- 7** The market value of the 8% Debenture Stock 2022 at 30 June 2016 was £104.7m (31 December 2015 – £103.6m).
- 8** At 30 June 2016, the Company had the authority to buy back 19,960,825 ordinary shares and to issue 13,081,092 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in April 2016. During the six months to 30 June 2016, 235,000 (31 December 2015 – 485,000) shares were issued at a premium to net asset value raising proceeds of £656,000 (31 December 2015 – £1,298,000). No shares were bought back (31 December 2015 – nil).
- 9** During the period, transaction costs on equity purchases amounted to £107,000 (30 June 2015 – £74,000) and on equity sales £30,000 (30 June 2015 – £47,000). Transaction costs on property purchases amounted to £200,000 (30 June 2015 – £550,000) and on property sales £nil (30 June 2015 – £8,000).
- 10** 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 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, leverage 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.

*(Risk Warnings continued on next page)*

## Further Shareholder Information

### Risk Warnings (continued)

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. 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](http://www.saints-it.com), or by calling Baillie Gifford on 0800 917 2112.

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.

### The Common Reporting Standard

On 1 January 2016 a new piece of tax legislation, The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard'), came into effect.

The legislation requires SAINTS 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.

All new shareholders, excluding those whose shares are held in CREST, who come on to the share register with effect from 1 January 2016 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>.

## Directors

Chairman:  
Peter Moon

Bronwyn Curtis, OBE  
Eric Hagman, CBE, CA  
Lord Kerr of Kinlochard, GCMG

## Alternative Investment Fund Managers, Secretaries and Registered Office

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