

# The Scottish Investment Trust PLC

Interim Report  
For the six months to 30 April 2013





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## Principal risks and uncertainties

The principal risks and uncertainties facing the business are investment and market price risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. These can be found on page 16 of the 2012 Annual Report and they are unchanged from the previous financial year.

## Responsibility statement

The board of directors confirms that to the best of its knowledge:

- a) the condensed set of financial statements, which has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, gives a true and fair view of the assets, liabilities, financial position and return of the company;
- b) the interim report includes a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties the company faces; and
- c) no transactions with related parties took place during the first six months of the financial year other than fees payable to the directors.

For and on behalf of the board



**Douglas McDougall**  
Chairman  
3 June 2013

# The Company

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Company Data as at 30 April 2013

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**£826,704,000**

Total Assets

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**£720,089,000**

Shareholders' Funds

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**£617,818,000**

Market Capitalisation

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## Objectives of The Scottish Investment Trust PLC

To provide investors, over the longer term, with above-average returns through a diversified portfolio of international equities and to achieve dividend growth ahead of UK inflation.

### Investment Risk

The Scottish Investment Trust PLC (SIT) investment portfolio is diversified over a range of industries and regions in order to spread risk. SIT has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns but should stockmarkets fall, such borrowings would magnify losses on these investments. SIT can buy back and cancel its own shares. All other things being equal, this would have the effect of increasing gearing.

### Performance Comparators

The company does not have a formal benchmark. Performance is reviewed in the context of returns achieved by a broad basket of UK equities through the FTSE All-Share Index™ and of international equities through the FTSE All-World Index™. The portfolio is not modelled on any index.

### Management

The company is managed by its own employees, led by the manager who is responsible to the directors for all aspects of the day to day management of the company.

### Capital Structure

At 30 April 2013 the company had in issue 110,918,926 shares and long-term borrowings at par amounted to £104,109,000 with an average annual interest cost of 5.8%.

### Management Expenses

The total expenses of managing the company's business during the last financial year were £4,632,000, equivalent to 0.75% of average shareholders' funds. The company aims to keep this percentage low in comparison with competing investment products.

### ISA and SIPP

The shares are eligible for ISAs and SIPPs. Details of all of the savings schemes offered by SIT Savings Ltd are shown on page 11.

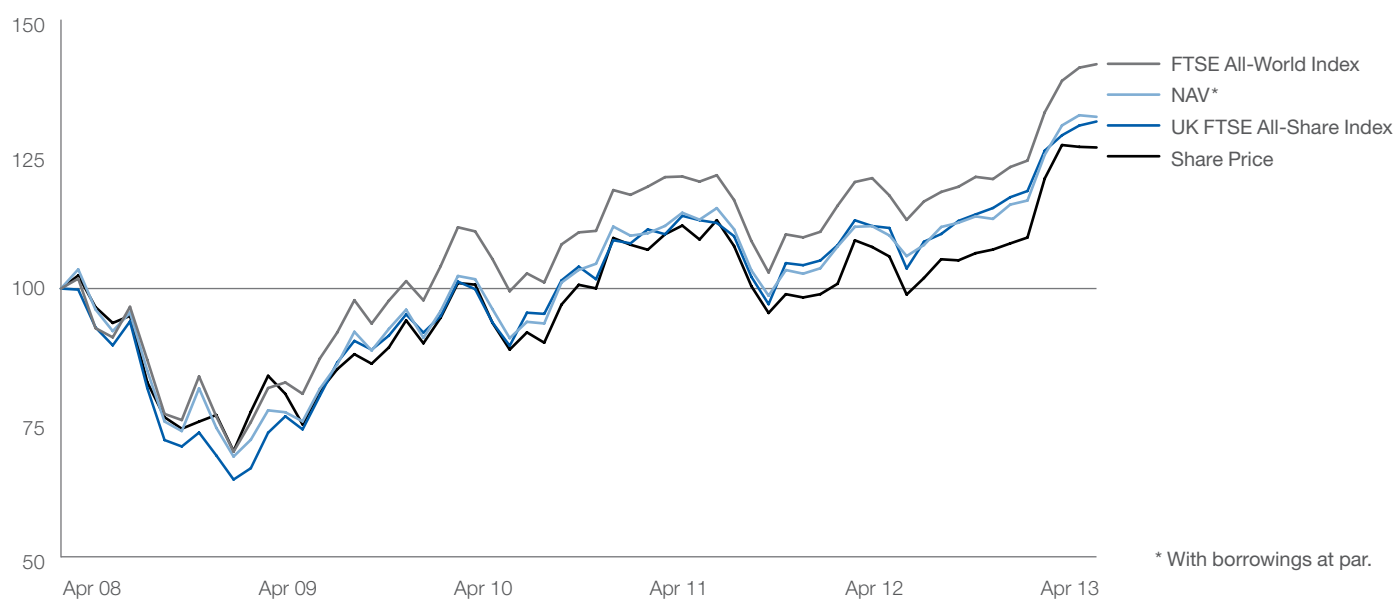
### The Association of Investment Companies (AIC)

The company is a member of the AIC, the trade organisation for the closed-ended investment company industry.

# Financial Highlights

	30 April 2013	31 October 2012	Change %	Total return %
NAV with borrowings at par	649.2p	561.6p	15.6	16.8
NAV with borrowings at market value	615.4p	531.3p	15.8	17.1
Ex-income NAV with borrowings at par	642.0p	554.2p	15.9	
Ex-income NAV with borrowings at market value	608.2p	523.8p	16.1	
Share price	557.0p	479.0p	16.3	17.7
Discount to ex-income NAV with borrowings at market value	8.4%	8.6%		
FTSE All-World Index			16.2	17.8
UK FTSE All-Share Index			12.1	14.0
	£'000	£'000		
Total assets	826,704	734,801		
Long-term borrowings at par	(104,109)	(104,051)		
Pension liability	(2,506)	(2,506)		
<b>Shareholders' funds</b>	<b>720,089</b>	<b>628,244</b>		
	Six months to 30 April 2013 £'000	Six months to 30 April 2012 £'000	%	
Total income	11,605	10,409		
Earnings per share	7.15p	5.98p		
Interim dividend per share	4.80p	4.60p	4.3	
UK Consumer Prices Index – annual inflation			2.4	
UK Retail Prices Index – annual inflation			2.9	

## NAV\* and Share Price against Comparator Indices Total Return (5 years to 30 April 2013)



# Chairman's Review

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In the six months to 30 April 2013, the net asset value per share (NAV) total return was 17.1% (with borrowings at market value). The share price total return over the period was 17.7%. The UK FTSE All-Share Index total return was 14.0% and the FTSE All-World Index total return was 17.8%. The share price discount to ex-income NAV ended the period at 8.4% (with borrowings at market value).

Global stockmarkets were buoyant over the period, with the November agreement to ease the conditions attached to the Greek bailout taken by investors as a sign that an imminent dissolution of the eurozone was unlikely. The global monetary environment remained highly supportive to financial markets, with further measures from the US Federal Reserve and the Bank of Japan announced over the period. The election of a new government in Japan, with a mandate for change, prompted a rise of 58% in the domestic stockmarket although the sterling return was reduced to 34% by the related drop in the value of the yen.

Episodes of investor concern over the period proved short-lived as politicians applied pragmatic solutions to the US 'fiscal cliff' and the controversial bailout of the Republic of Cyprus. The slowdown in the rate of growth of the Chinese economy was a source of disappointment to investors and served to subdue emerging market returns.

Dividend income generated from the portfolio was strong and total income increased by 11.5%, while expenses remained under control. The board has declared an interim dividend of 4.80p per share (2012: 4.60p) which will be paid on 15 July 2013.

The equity portfolio returned 17.0%, with a positive contribution to relative performance compared to global equities from stock selection which was negated by a comparative under-exposure to a strong US dollar. The company's equity portfolio total return is ahead of both comparator indices over 1, 2 and 3 years.

A number of regions generated significant total returns with the largest from Europe (ex UK) at £33.4m. By industry group, the largest total return came from Financials at £27.8m, with contributions from Sampo (Finland), Sumitomo Mitsui Financial Group (Japan) and Standard Life (UK). Industrial holdings contributed a total return of £18.5m driven by the infrastructure holdings of Airports of Thailand, Spectris (UK) and Aeroportuario del Sureste (Mexico). Consumer Goods delivered a total return of £18.2m driven by housebuilder Persimmon (UK), car manufacturer Toyota Motor (Japan) and retailer LPP (Poland). The total return from Basic Materials holdings was a decrease of £1.6m due to heavy falls in commodity prices related to the loss of confidence in the Chinese economy.

Gearing rose from 7% at the last year end to 8% (with borrowings at market value). Gearing contributed 1.4% to NAV performance which offset the deduction of 0.9% for interest and expenses. The movement in the market valuation of borrowings over the period deducted a further 0.5% to leave the NAV total return similar to the equity portfolio at 17.1%.

The board has reviewed the valuation basis of the company's borrowings at market value and with effect from 1 May 2013, the margin added to the yield of the relevant existing reference gilt is now derived from the spread of BBB UK corporate bond yields (15 years +) over UK gilt yields (15 years +). The initial impact on 1 May was to increase the NAV with borrowings at market value by 1.9%.

The company operates a share buyback policy which is intended to keep the discount to ex-income NAV at or below 9% (with borrowings at market value). Over the first half of the financial year, the company repurchased for cancellation 0.9m shares (2012: 1.4m) accounting for 0.8% of the shares in issue at the start of the period, at an average discount of 9.8% and a cost of £4.7m inclusive of dealing expenses. The average discount over the first half of the year was 9.5% and the average discount since the introduction of the scheme was 8.7%.

As previously highlighted, the investment trust industry will shortly become subject to the EU Alternative Investment Fund Managers (AIFM) Directive. Compliance with this directive will increase the administration costs of the company but by a smaller amount than our initial expectations.

While the company has steadily deployed borrowings, with £36.4m added to equities over the last 12 months, a substantial proportion of these long-term borrowings is retained in cash with net current assets of £88.7m at the interim period end.

Many of the long-standing imbalances in the global economy, with a root cause in excessive debt, remain unresolved. Investors have been reassured by central bank stimulatory actions but, as a consequence, markets are vulnerable to any suggestion that these measures could be reduced. The slowdown in the rate of Chinese growth is a source of concern, although to date the effects have been largely confined to areas exposed to commodity prices. Stockmarket valuations appear reasonable but are possibly distorted by unusually high corporate profit margins. The company is moderately geared and, particularly after a period of strong stockmarket performance, we prefer to retain the majority of the long-term borrowings in liquid assets and will utilise them as and when opportunities arise.

Mr James Will has been appointed as a non-executive director of the company with effect from 1 May 2013 and will stand for election at the next annual general meeting. Mr Will is chairman of Shepherd and Wedderburn, solicitors, and has extensive experience of investment trusts.



**Douglas McDougall**  
Chairman  
3 June 2013

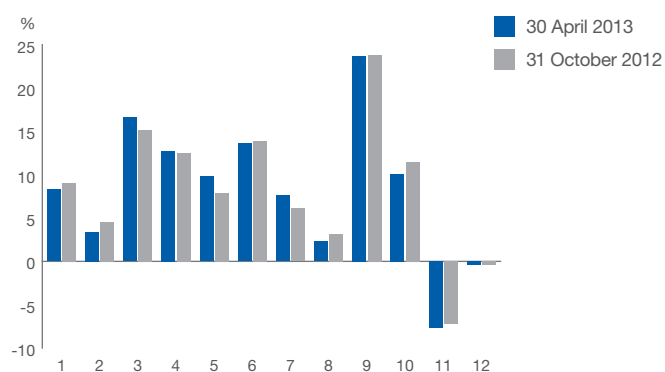
# NAV Attribution Analysis

Six months to 30 April 2013

Relative to FTSE:	All-World %	All-Share (UK) %
NAV with borrowings at market value total return	17.1	17.1
Index total return	17.8	14.0
<b>Relative performance</b>	<b>-0.5</b>	<b>+2.7</b>
Total equities	-0.7	+2.8
Gearing	+1.4	+1.1
Other income, tax and currency	+0.1	+0.1
Buybacks	+0.1	+0.1
Interest and expenses	-0.9	-0.9
Change in market value of borrowings	-0.5	-0.5
<b>Relative performance</b>	<b>-0.5</b>	<b>+2.7</b>

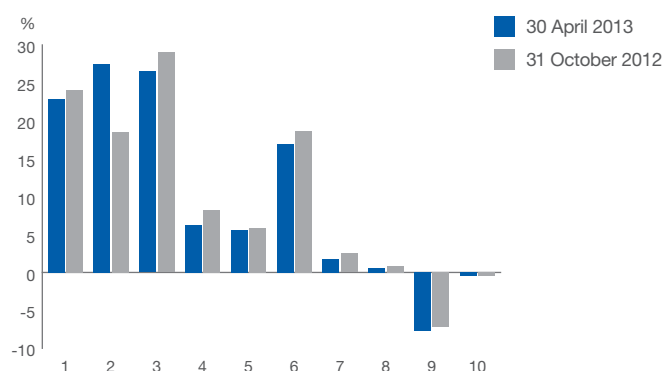
## Distribution of Shareholders' Funds

### By Industry



	30 April 2013 %	31 October 2012 %
1 Oil & Gas	8.3	9.0
2 Basic Materials	3.4	4.5
3 Industrials	16.6	15.2
4 Consumer Goods	12.7	12.5
5 Health Care	9.8	7.9
6 Consumer Services	13.6	13.9
7 Telecommunications	7.6	6.1
8 Utilities	2.3	3.2
9 Financials	23.7	23.8
10 Technology	10.1	11.5
Total equities	108.1	107.6
Net current assets	13.0	16.0
Borrowings at market value	(20.7)	(23.2)
11 Gearing	(7.7)	(7.2)
12 Pension liability	(0.4)	(0.4)
<b>Shareholders' funds</b>	<b>100.0</b>	<b>100.0</b>

### By Region



	30 April 2013 %	31 October 2012 %
1 UK	22.9	24.0
2 Europe (ex UK)	27.5	18.5
3 North America	26.5	29.0
4 Latin America	6.3	8.2
5 Japan	5.6	5.9
6 Asia Pacific (ex Japan)	16.9	18.7
7 Middle East & Africa	1.8	2.5
8 Unlisted	0.6	0.8
Total equities	108.1	107.6
Net current assets	13.0	16.0
Borrowings at market value	(20.7)	(23.2)
9 Gearing	(7.7)	(7.2)
10 Pension liability	(0.4)	(0.4)
<b>Shareholders' funds</b>	<b>100.0</b>	<b>100.0</b>

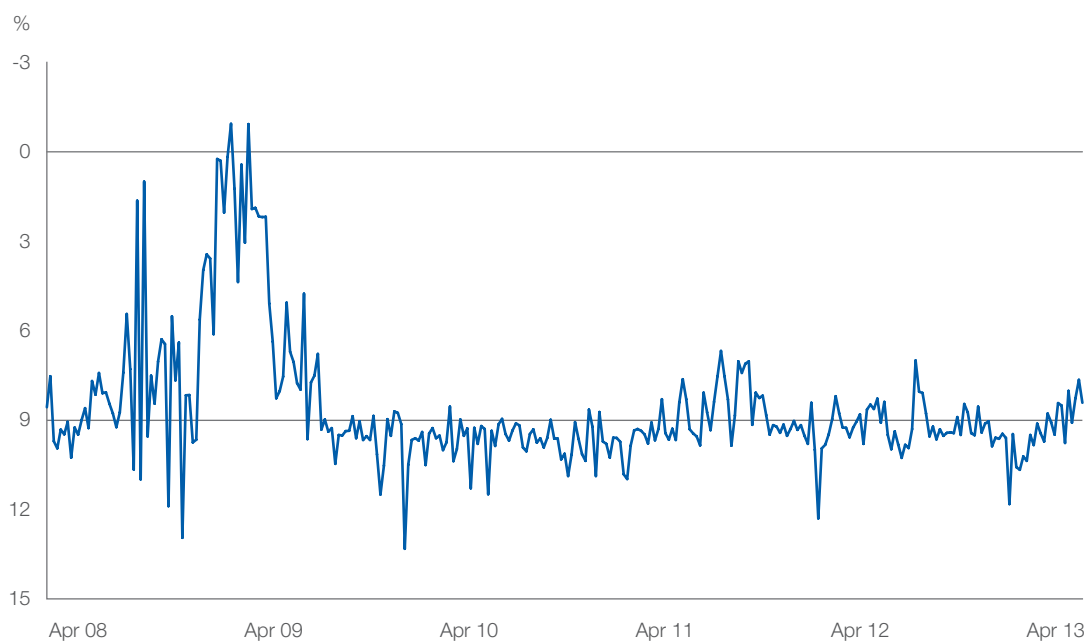
# Changes in Asset Distribution by Industry

	31 October 2012 £m	Net purchases/ (sales) £m	Appreciation/ (depreciation) £m	30 April 2013 £m
Oil & Gas	53.5	0.3	3.0	56.8
Basic Materials	26.7	(1.4)	(2.0)	23.3
Industrials	90.5	6.0	16.6	113.1
Consumer Goods	74.6	(4.4)	16.2	86.4
Health Care	46.8	11.9	8.4	67.1
Consumer Services	82.3	(2.7)	13.5	93.1
Telecommunications	36.4	3.8	11.6	51.8
Utilities	18.7	(4.4)	1.3	15.6
Financials	141.4	(4.4)	24.6	161.6 <sup>1</sup>
Technology	68.5	(3.1)	3.8	69.2
Total equities	639.4	1.6	97.0	738.0
Net current assets	95.4	(8.3)	1.6	88.7
Total assets	734.8	(6.7)	98.6	826.7
Long-term borrowings at par	(104.1)	0.0	0.0	(104.1)
Pension liability	(2.5)	-	-	(2.5)
Shareholders' funds	628.2	(6.7)	98.6	720.1

<sup>1</sup> Includes £4.1m of investments which are unlisted (31 October 2012: £4.8m).

## Discount to ex-income NAV\*

### 5 years to 30 April 2013



\* With borrowings at market value.



# List of Investments

## Listed Equities

Holding	Country	Market value £'000	Cumulative weight %	Holding	Country	Market value £'000	Cumulative weight %
eBay	US	13,411*		Great Wall Motor	China	5,084	
Comcast	US	13,378*		Daito Trust Construction	Japan	4,890	
Sampo	Finland	13,069*		Seadrill	Norway	4,857	
Qualcomm	US	13,055*		British Land	UK	4,755	
Chevron	US	12,942*		Fast Retailing	Japan	4,696	
Aspen Pharmacare	South Africa	12,379*		Adecco	Switzerland	4,668	
CCR	Brazil	12,208*		JPMorgan Indian Investment Trust	India	4,646	
Persimmon	UK	12,136*		Deere	US	4,614	
Wharf Holdings	Hong Kong	10,813*		Rockwell Automation	US	4,555	
Samsung Electronics	South Korea	10,287*	16.8	Topdanmark	Denmark	4,553	83.9
Jardine Matheson	Singapore	10,282		Micro Focus International	UK	4,523	
Standard Life	UK	10,112		Banco Brasil	Brazil	4,375	
UnitedHealth	US	9,948		Vinci	France	4,333	
BT	UK	9,920		Sydney Airport	Australia	4,289	
Toyota Motor	Japan	9,821		NCC	Sweden	4,286	
Spectris	UK	9,801		TF1	France	4,248	
Ambev	Brazil	9,725		Advanced Info Service	Thailand	4,048	
SoftBank	Japan	9,458		Mail.Ru	Russia	4,030	
Accenture	US	9,330		Avery Dennison	US	4,015	
Sumitomo Mitsui Financial	Japan	9,330	30.0	Vale	Brazil	4,011	89.6
Iliad	France	9,287		Elekta	Sweden	3,956	
Casino Guichard-Perrachon	France	9,031		Vivendi	France	3,846	
BNP Paribas	France	8,934		Biogen Idec	US	3,742	
Pfizer	US	8,922		TalkTalk Telecom	UK	3,740	
Hess	US	8,851		MedicX Fund	UK	3,735	
Philip Morris International	US	8,726		Boskalis Westminster	Netherlands	3,726	
Tencent	Hong Kong	8,648		Home Retail	UK	3,703	
ANZ Banking	Australia	8,515		Weir	UK	3,622	
Atlas Copco	Sweden	8,350		Rio Tinto	UK	3,607	
PPR	France	8,341	41.9	CPFL Energia	Brazil	3,448	94.7
Telstra	Australia	8,235		Prada	Hong Kong	3,447	
Ross Stores	US	8,166		Celgene	US	3,413	
Ladbrokes	UK	7,966		Amgen	US	3,324	
US Bancorp	US	7,884		Taiwan Semiconductor Manufacturing	Taiwan	3,168	
DBS	Singapore	7,794		Eurocash	Poland	3,062	
Goldman Sachs	US	7,783		Sands China	Hong Kong	2,999	
Airports of Thailand	Thailand	7,712		Mahle Metal Leve	Brazil	2,850	
LPP	Poland	7,711		Inditex	Spain	2,723	
Yum! Brands	US	7,527		Richemont	Switzerland	2,440	
Google	US	7,501	52.5	Essilor International	France	2,211	98.7
Roche	Switzerland	7,230		Dürr	Germany	2,014	
Aberdeen Asset Management	UK	7,121		Lippo Karawaci	Indonesia	1,948	
National Oilwell Varco	US	7,109		Baidu	China	1,605	
Vodafone	UK	7,053		<b>Total listed equities</b>		<b>733,845</b>	<b>99.4</b>
Apple	US	7,024					
Barclays	UK	6,905					
Nestlé	Switzerland	6,891					
Royal Dutch Shell	UK	6,806					
Coloplast	Denmark	6,759					
Zurich Insurance	Switzerland	6,464	61.9				
Aeropuerto del Sureste	Mexico	6,387					
Severn Trent	UK	6,360					
Continental	Germany	6,356					
BASF	Germany	6,290					
Deutsche Post	Germany	6,266					
China Overseas Land & Investment	China	6,129					
HSBC	UK	6,066					
Tüpras	Turkey	5,883					
Hutchison Port Holdings Trust	Singapore	5,866					
United Utilities	UK	5,833	70.2				
Standard Chartered	UK	5,762					
Associated British Foods	UK	5,631					
GKN	UK	5,575					
Capital One Financial	US	5,502					
BHP Billiton	UK	5,346					
Svenska Handelsbanken	Sweden	5,330					
Fresenius Medical Care	Germany	5,245					
TGS-NOPEC Geophysical	Norway	5,238					
Serco	UK	5,198					
Petrofac	UK	5,126	77.5				

## Unlisted

Holding	Country	Market value £'000	Cumulative weight %
Boston Ventures VI	US	1,899	
Heritable Property	UK	1,131	
Apax Europe V-B	UK	816	
Others (under £0.5m) (3)	US	264	
<b>Total unlisted</b>		<b>4,110</b>	<b>0.6</b>
<b>Total equities</b>		<b>737,955</b>	<b>100.0</b>

\* Denotes 10 largest holdings with an aggregate market value of £123,678,000.

## Income Statement (unaudited)

	Six months to 30 April 2013			Six months to 30 April 2012			Year to 31 October 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments held at fair value through profit and loss	-	97,014	97,014	-	33,334	33,334	-	46,470	46,470
Net gains/(losses) on currencies	-	1,567	1,567	-	(1,463)	(1,463)	-	(761)	(761)
Income	11,605	-	11,605	10,409	-	10,409	20,565	-	20,565
Expenses	(1,491)	(1,036)	(2,527)	(1,481)	(1,029)	(2,510)	(2,735)	(1,897)	(4,632)
Net Return before Finance Costs and Taxation	10,114	97,545	107,659	8,928	30,842	39,770	17,830	43,812	61,642
Premium on repayment of secured bonds	-	-	-	-	-	-	-	(1,344)	(1,344)
Interest payable	(1,547)	(1,548)	(3,095)	(1,598)	(1,598)	(3,196)	(3,188)	(3,189)	(6,377)
Return on Ordinary Activities before Tax	8,567	95,997	104,564	7,330	29,244	36,574	14,642	39,279	53,921
Tax on ordinary activities	(623)	-	(623)	(538)	-	(538)	(1,085)	-	(1,085)
<b>Return attributable to Shareholders</b>	<b>7,944</b>	<b>95,997</b>	<b>103,941</b>	<b>6,792</b>	<b>29,244</b>	<b>36,036</b>	<b>13,557</b>	<b>39,279</b>	<b>52,836</b>
Return per share	7.15p	86.35p	93.50p	5.98p	25.74p	31.72p	12.01p	34.79p	46.80p
Weighted average number of shares in issue	111,163,600			113,593,596			112,896,385		
	£'000			£'000			£'000		
Dividends proposed and paid	5,324			5,178			12,573		
Income comprises:									
Dividends	11,868			10,018			20,102		
Interest	55			208			328		
(Losses)/gains on FX forwards	(318)			183			135		
	<b>11,605</b>			<b>10,409</b>			<b>20,565</b>		

## Summary Balance Sheet (unaudited)

	30 April 2013 £'000	31 October 2012 £'000	30 April 2012 £'000
Equity investments	737,955	639,355	591,430
Fixed interest investments	-	-	2,081
Net current assets	88,749	95,446	138,275
Total assets less current liabilities	826,704	734,801	731,786
Long-term borrowings at par	(104,109)	(104,051)	(107,913)
Pension liability	(2,506)	(2,506)	(2,249)
<b>Shareholders' funds</b>	<b>720,089</b>	<b>628,244</b>	<b>621,624</b>
Net asset value per share with borrowings at par	649.2p	561.6p	551.0p

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

	Six months to 30 April 2013 £'000	Six months to 30 April 2012 £'000	Year to 31 October 2012 £'000
Total recognised gains	103,941	36,036	52,275*
Total recognised gains per share	93.50p	31.72p	46.30p

\* Includes an actuarial deficit of £561,000.

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

	Six months to 30 April 2013 £'000	Six months to 30 April 2012 £'000	Year to 31 October 2012 £'000
Opening shareholders' funds	628,244	598,870	598,870
Total recognised gains	103,941	36,036	52,275
Dividends paid	(7,395)	(6,602)	(11,780)
Share buybacks	(4,701)	(6,680)	(11,121)
Closing shareholders' funds	720,089	621,624	628,244

## Cash Flow Statement (unaudited)

	Six months to 30 April 2013 £'000	Six months to 30 April 2012 £'000	Year to 31 October 2012 £'000
Net cash inflow from operating activities	6,344	5,921	14,009
Servicing of finance	(3,038)	(3,153)	(7,610)
Taxation recovered	253	59	225
Purchases of investments	(132,468)	(124,178)	(212,577)
Disposals of investments	127,697	102,055	166,878
Dividends paid	(7,395)	(6,602)	(11,780)
Decrease in current asset investments and short-term deposits	8,171	27,660	71,961
Repayment of secured bonds	–	–	(3,921)
Share buybacks	(4,879)	(6,212)	(10,992)
(Decrease)/increase in cash	(5,315)	(4,450)	6,193

# Notes

The interim accounts have been prepared under accounting policies consistent with those used in the preparation of the annual report and accounts for the year to 31 October 2012.

The information contained in this report for the year ended 31 October 2012 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. Where applicable, the figures have been extracted from the annual report and accounts for the year ended on that date which has been filed with the Registrar of Companies and which contains an unqualified report from the auditors. The financial information contained in this interim report does not constitute statutory accounts as defined in section 434-436 of the Companies Act 2006. The financial information for the six months ended 30 April 2013 and 30 April 2012 has not been audited.

Based on the number of shares in issue at 30 April 2013, the interim dividend will cost £5,324,000 (2012: £5,178,000) and is payable on 15 July 2013 to shareholders registered at 14 June 2013. The shares will be traded 'ex' the interim dividend from 12 June 2013 and investors purchasing on or after that date will not be entitled to the interim dividend for 2012/13.

Equity investments include the unlisted portfolio of £4.1m (31 October 2012: £4.8m).

The weighted average number of shares in issue during the half-year was 111,163,600 (2012: 113,593,596) and this figure has been used in calculating the return per share shown in the income statement. The net asset value per share at 30 April 2013 has been calculated using the number of shares in issue on that date which was 110,918,926 (31 October 2012: 111,857,926).

## Analysis of Changes in Net Debt

	31 October 2012 £'000	Cash flows £'000	Non-cash movements £'000	30 April 2013 £'000
Cash	24,709	(5,315)	–	19,394
Short-term deposits	63,240	1,953	–	65,193
Current asset investments	10,174	(10,124)	(50)	–
Long-term borrowings at par	(104,051)	–	(58)	(104,109)
	(5,928)	(13,486)	(108)	(19,522)

## Glossary

**Total assets** means total assets less current liabilities.

**NAV** is net asset value per share after deducting borrowings at par or market value, as stated.

**Ex-income NAV** is the NAV excluding current year revenue.

**Borrowings at par** is the nominal value of the company's borrowings less any unamortised issue expenses.

**Borrowings at market value** is the company's estimate of the 'fair value' of its borrowings. The current estimated fair value of the company's borrowings is based on the redemption yield of the relevant existing reference gilt plus a margin derived from the spread of AA UK corporate bond yields (15 years+) over UK gilt yields (15 years+). The reference gilt for the secured bonds is the 6% UK Treasury Stock 2028 and the reference gilt for the perpetual debenture stocks is the longest dated UK Treasury Stock listed in the Financial Times.

The board has reviewed the valuation basis of the Company's borrowings at market value and with effect from 1 May 2013, the margin added to the yield of the relevant existing reference gilt will be derived from the spread of BBB UK corporate bond yields (15 years+) over UK gilt yields (15 years+).

**Discount** is the difference between the market price of a share and the NAV expressed as a percentage of the NAV.

**Potential gearing** is the geared position if all the borrowings were invested in equities: Borrowings expressed as a percentage of shareholders' funds.

**Gearing** is the true geared position of the company: Borrowings less cash and equivalents expressed as a percentage of shareholders' funds. Gearing is the term used to describe the process of borrowing money for investment purposes in the expectation that the returns on the investments purchased will exceed the cost of those borrowings.

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## How to Invest

The company's wholly-owned subsidiary, SIT Savings Ltd, provides a number of low-cost, flexible investment products which enable investors to acquire SIT shares easily.

### STOCKPLAN

SIT's investment trust savings scheme is one of the most cost-effective available. There is no initial plan charge, other than stamp duty and dealing spread, and no annual charge. It costs just £11.95 to sell some or all of your holding. STOCKPLAN allows you to invest regularly (minimum investment £25 per month) and/or with a lump sum (minimum investment £250). There is no maximum investment limit and you can stop and restart investing at any time.

### STOCKPLAN: A Flying Start

SIT's investing for children plan is based on the STOCKPLAN scheme. It benefits from the same low charges and flexibility and can be opened in one of two ways; either as a designated plan or, more formally, as a bare trust. STOCKPLAN: A Flying Start enables family and friends to invest on behalf of a child to help build savings for the future.

### The SIT ISA

This is one of the lowest-charging investment trust company stocks and shares ISAs on offer. There is no initial plan charge, other than stamp duty and dealing spread, nor are there closure or selling charges. The annual management fee of 0.6% of the value of the investment is currently capped at £30 + VAT regardless of how much your SIT ISA investment grows or how many years' ISA allowances you have invested with SIT.

### The SIT ISA Transfer

SIT can accept the transfer of existing stocks and shares ISAs from other qualifying managers into The SIT ISA at any time without losing the ISAs' tax status. SIT can also accept the transfer of cash ISAs into The SIT ISA. This would turn the cash ISA being transferred into a stocks and shares ISA. SIT makes no charge for transfers in. However, the current ISA manager may charge for administering the transfer out.

### The SIT SIPP

This allows investment into SIT through a low-cost, flexible, self-invested personal pension. The wide choice of investments available, including SIT, enables you to tailor the investment combination in the SIPP to suit your particular needs and objectives – whether you are just starting to contribute to your pension or are approaching retirement. You can open a SIT SIPP even if you are already an active member of an employer's pension scheme or are contributing to other pension plans. You can also set up a SIT SIPP for a child or a non-earning spouse or partner.

In addition to these products, you can buy SIT shares directly on the stockmarket through a stockbroker. Your bank, lawyer, accountant or other professional adviser may also be able to help with this. SIT's registrar, Computershare Investor Services PLC, provides a sharedealing service which can be accessed on its website, [www.investorcentre.co.uk](http://www.investorcentre.co.uk) or by telephoning 0870 703 0195.

## Update on Tax-Efficient Investing

### ISAs

- The overall annual ISA investment limit is currently £11,520.
- Up to the full £11,520 can be invested in a stocks and shares ISA with one provider.
- Alternatively, up to £5,760 can be saved in a cash ISA with one provider; the remainder of the £11,520 can be invested in a stocks and shares ISA with either the same or another provider.
- Transfers from previous years' cash ISAs into stocks and shares ISAs are permitted and do not count against the current year's investment.
- Investment in ISAs continues to be free from any capital gains tax. Higher and additional rate tax payers do not have to pay any further tax on the dividend, nor does it need to be included in a tax return.

## Contact Telephone Numbers

Full contact details for SIT's scheme administrator and SIT's registrar can be found on page 13.

STOCKPLAN and ISA investors wishing to:

- give a change of address
- instruct a sale
- request a valuation
- make an investment using their debit card
- change the amount of their monthly investment
- obtain help with accessing their STOCKPLAN and ISA information online
- make general enquiries about their account or scheme

can contact the scheme administrator, Halifax Share Dealing Limited (HSDL), on: 0845 850 0181.

SIT SIPP investors with questions about the administration of their SIPP, or any other pension-related enquiry, can contact the SIPP administrator, AJ Bell Management Limited, on: 08457 22 55 25.

Shareholders who hold share certificates can contact the registrar, Computershare Investor Services PLC, on: 0870 703 0195.

## Dividends

### SIT STOCKPLAN and ISA schemes

The STOCKPLAN and SIT ISA schemes provide automatic reinvestment of dividends. However, they also allow for dividends to be taken as income, if required. STOCKPLAN and SIT ISA holders should contact the scheme administrator, HSDL, on 0845 850 0181 if they would like to change their dividend arrangements.

### Shareholders who hold share certificates

Conversely, for shareholders who hold share certificates (investors whose names are on SIT's share register and who are not in SIT's schemes) dividends are automatically paid as income. However, it is easy to arrange to have these dividends reinvested, free of charge, by joining SIT's Dividend Reinvestment Plan (DRiP). Details are available from Computershare Investor Services, SIT's registrar, on 0870 703 0195, or from the investor relations section on SIT's website, [www.sit.co.uk](http://www.sit.co.uk)

## Accessing Your Account Online

### ISA, STOCKPLAN and STOCKPLAN: A Flying Start designated scheme investors

The above scheme investors may view their accounts online by registering with [halifaxsharedealing-online](http://halifaxsharedealing-online). This can be accessed through the links in the various product sections on SIT's website, [www.sit.co.uk](http://www.sit.co.uk) or by visiting [www.halifaxsharedealing.co.uk/online](http://www.halifaxsharedealing.co.uk/online)

Please note, you will need your Share Dealing Personal Reference Number (PRN) to access this service. If you do not have this, please contact SIT's scheme administrator, HSDL, on 0845 850 0181.

### SIPP investors

SIPP investors can set up monthly payments, buy and sell shares and access their account online, by visiting [www.halifaxsharedealing.co.uk/online](http://www.halifaxsharedealing.co.uk/online)

### Shareholders who hold share certificates

Investors who hold share certificates can check their holdings by registering on SIT's registrar's website, [www.investorcentre.co.uk](http://www.investorcentre.co.uk) The registrar's website can also be accessed through the link in the investor relations section on SIT's website, [www.sit.co.uk](http://www.sit.co.uk)

Please note that to access this facility, investors will need to quote the shareholder reference number shown on their share certificate.

By registering for the Investors' Centre facility on Computershare's website, investors can also view details of all their holdings for which Computershare is registrar, as well as access additional facilities and documentation.

Please see [www.investorcentre.co.uk](http://www.investorcentre.co.uk) for further information.

## Electronic Communications

### Shareholders who hold share certificates

Investors who hold share certificates (i.e. investors who are not in the STOCKPLAN, ISA or SIPP schemes, nor in a broker's nominee), may choose to receive SIT's interim and annual reports and other shareholder communications electronically instead of in paper form. Investors can register by visiting the link in the investor relations section on SIT's website, [www.sit.co.uk](http://www.sit.co.uk) and providing email details. Investors will then be advised by email when an electronic communication is available to be accessed.

## Risk Warning

Past performance may not be repeated and is not a guide to future performance. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. The Scottish Investment Trust PLC has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns but should stockmarkets fall, such borrowings would magnify losses on these investments. SIT can buy back and cancel its own shares. All other things being equal, this would have the effect of increasing gearing. Investment in SIT is intended as a long-term investment. Tax rates and reliefs can change in the future and the value of any tax advantages will depend on personal circumstances.

Please remember that we are unable to offer individual investment or taxation advice. If you require such advice, you should consult your professional adviser.

SIT Savings Limited is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London E14 5HS.

# Investor Information (continued)

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## Board of Directors

Douglas McDougall OBE (Chairman)  
Francis Finlay  
Hamish Buchan  
James MacLeod  
Russell Napier  
James Will (with effect from 1 May 2013)

## Registered Office

6 Albyn Place  
Edinburgh  
EH2 4NL  
Registered no. SCO 01651

Telephone: 0131 225 7781  
Facsimile: 0131 226 3663  
Website: [www.sit.co.uk](http://www.sit.co.uk)  
Email: [info@sit.co.uk](mailto:info@sit.co.uk)

## Auditor

Deloitte LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB

## Bankers

The Royal Bank of Scotland plc  
Brown Brothers Harriman & Co

## Actuaries

Punter Southall & Co  
7 Castle Street  
Edinburgh  
EH2 3AH

## The Association of Investment Companies

SIT is a member of the Association of Investment Companies (AIC) which publishes a number of useful factsheets and email updates for investors interested in investment trust companies.

The AIC  
9th Floor  
24 Chiswell Street  
London  
EC1Y 4YY

Telephone: 020 7282 5555  
Website: [www.theaic.co.uk](http://www.theaic.co.uk)

## Investor Relations

For further information and brochures on any SIT products please visit our website, [www.sit.co.uk](http://www.sit.co.uk) or contact:

SIT Investor Relations  
SIT Savings Limited  
Freepost EH882  
Edinburgh  
EH2 0BR

Brochure Request Line: 0800 42 44 22  
Facsimile: 0131 226 3663  
Email: [info@sit.co.uk](mailto:info@sit.co.uk)

For valuations and other details of your investment or to notify a change of address, please contact the following:

## Shareholders who hold share certificates:

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ

Helpline: 0870 703 0195  
Website: [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

## STOCKPLAN, STOCKPLAN: A Flying Start and The SIT ISA investors:

SIT Schemes  
Halifax Share Dealing Limited  
Lovell Park Road  
Leeds  
LS1 1NS

Helpline: 0845 850 0181  
Website: [www.halifaxsharedealing.co.uk/online](http://www.halifaxsharedealing.co.uk/online)

## The SIT SIPP investors

If you have any specific questions about the administration of your SIT SIPP, or any other pension-related enquiries, please contact The SIT SIPP Administrator, AJ Bell Management Limited:

The SIT SIPP  
Halifax Share Dealing SIPP Administration Team  
AJ Bell Management Limited  
Trafford House  
Chester Road  
Manchester  
M32 0RS

Helpline: 08457 22 55 25



The Scottish Investment Trust PLC  
6 Albyn Place  
Edinburgh  
EH2 4NL

Telephone: 0131 225 7781  
Facsimile: 0131 226 3663

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