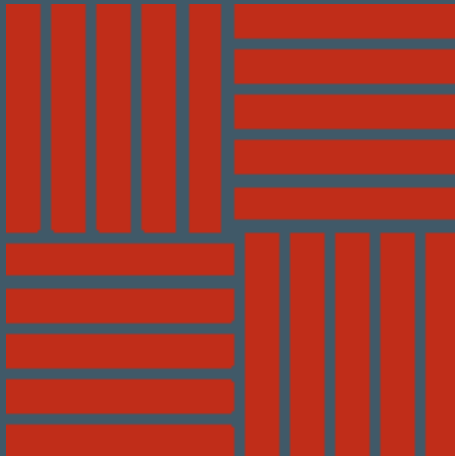
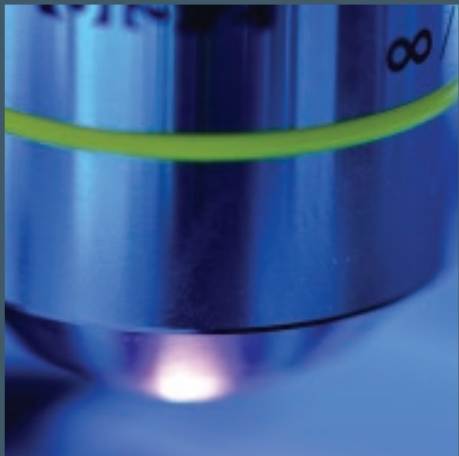
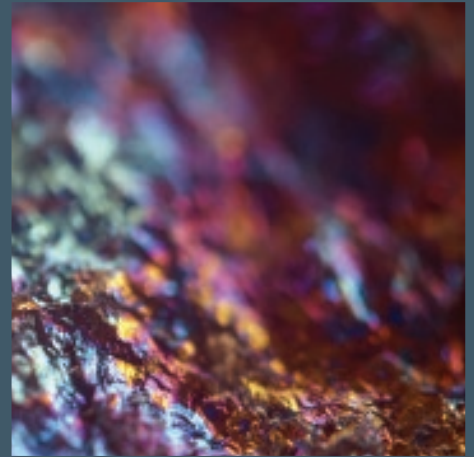
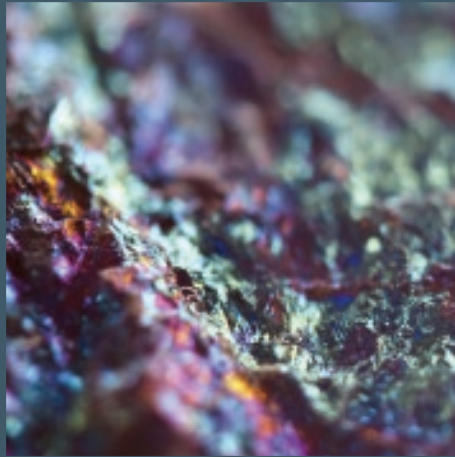
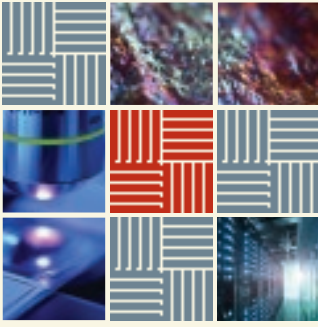


SCOTTISH MORTGAGE INVESTMENT TRUST PLC

Your low cost choice
for global investment





Scottish Mortgage Investment Trust PLC is an actively managed, low cost investment trust, investing in a high conviction global portfolio of companies with the aim of maximising its total return over the long term. It looks for strong businesses with above-average returns and aims to achieve a greater return than the FTSE All-World Index (in sterling terms) over a five year rolling period.

Benchmark

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

Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, unlisted investments risk, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, leverage risk and political risk. An explanation of these risks and how they are managed is set out on pages 8 and 9 of the Company's Annual Report and Financial Statements for the year to 31 March 2017 which is available on the Company's website: www.scottishmortgageit.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 condensed set of Financial Statements and a description of the 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
Fiona McBain
Chairman
2 November 2017

Summary of Unaudited Results

| | 30 September 2017 | 31 March 2017 (audited) | % change |
|--|----------------------|-------------------------------|----------|
| Total assets (before deduction of debentures, long and short term borrowings)* | £6,368.9m | £5,383.2m | |
| Shareholders' funds | £5,872.4m | £4,873.6m | |
| Net asset value per ordinary share (after deducting borrowings at fair value)* | 416.7p | 354.6p | 17.5 |
| FTSE All-World Index (in sterling terms)† | | | 1.0 |
| Share price | 422.3p | 366.1p | 15.4 |
| Premium (after deducting borrowings at fair value)* | 1.3% | 3.2% | |
| Active share*^ | 95% | 96% | |

| | Six months to 30 Sept 2017 | Six months to 30 Sept 2016 | % change |
|-----------------------------|-------------------------------|-------------------------------|----------|
| Revenue earnings per share | 0.82p | 0.80p | 2.5 |
| Interim dividend per share# | 1.39p | 1.39p | – |

| | Six months to 30 Sept 2017 | Six months to 30 Sept 2016 |
|--|-------------------------------|-------------------------------|
| Total returns (%)†† | | |
| Net asset value per ordinary share (after deducting borrowings at fair value)* | 18.0 | 24.9 |
| Share price | 15.8 | 25.2 |
| FTSE All-World Index (in sterling terms) | 2.4 | 18.0 |

| | Six months to 30 Sept 2017 | | Year to 31 March 2017 | |
|--|----------------------------|------------|-----------------------|------------|
| Period high and low | High | Low | High | Low |
| Share price | 435.5p | 361.5p | 367.2p | 246.9p |
| Net asset value per ordinary share (after deducting borrowings at fair value)* | 426.3p | 349.8p | 357.4p | 246.9p |
| Premium/(discount) (after deducting borrowings at fair value)* | 5.5% | (0.5%) | 5.0% | (2.9%) |
| Average sector discount (AIC Global Sector) | (3.7%) | (4.2%) | (4.3%) | (9.0%) |

* See Glossary of Terms on page 18.

† Source: Morningstar/Baillie Gifford and relevant underlying index providers. See disclaimer on page 17.

^ Active share is unaudited.

See note 5, page 13.

Past performance is not a guide to future performance.

Interim Management Report

Approach

The approach undertaken for the Company has remained consistent for more than a decade. Scottish Mortgage offers shareholders a long term and committed investment approach through a diversified portfolio of companies with significant growth potential and durable competitive advantages, from across the world. The investment philosophy is underpinned by the belief that over time the distribution of returns from equity markets is significantly and positively skewed in favour of the few extraordinary businesses which can grow to become dominant in their respective industries. The Managers focus on trying to find such opportunities. The portfolio is not constructed relative to a benchmark and the dominant themes which result from the bottom up company selection process can and will vary over time. This allows the portfolio to evolve as the best opportunities shift between industries, helping to ensure the Company's investment approach remains relevant over the coming decades.

The Board and Managers continue to believe that Scottish Mortgage's own scale, liquidity, clear investment approach and focus on offering a low cost investment proposition are key competitive advantages which are valued by shareholders.

Results

The net asset value per share (NAV) increased by 17.5% over the first half of the Company's financial year, whilst its share price rose by 15.4% as the shares moved to trade slightly closer to the underlying NAV. Global equity markets, as represented by the FTSE All-World Index, gained 1% in sterling terms over the same period.

Once again the Board and Managers wish to emphasise that six months is far too short a period over which to evaluate this investment strategy. The long term performance is much more representative of the investment approach of the Company. The total return from investing in the shares of Scottish Mortgage over the last 5 years to the end of September was 222.8%, with a corresponding performance in the underlying NAV of 193.1%. For comparison, had an investor simply passively invested in a global equities index over the same time, the return would have been considerably lower; for example, the FTSE All-World Index's total return over the 5 year period was less than half that of the Company's total share price return at 101.6%.

Over the six month period the Company continued to operate its long standing liquidity policy as documented in the Company's Annual Report. Between the start of April and the end of September, Scottish Mortgage issued 38.95 million shares from treasury in order to help facilitate the efficient functioning of the market in its shares so that they trade within a reasonable range around the underlying NAV. The Company did not buy back any shares into treasury over this period. Shareholders' funds increased by £153 million over the period as a result of the sales of treasury shares.

Earnings and Dividend

The Company has a total return based investment objective, albeit with a clear emphasis on capital appreciation. The Board and the Managers believe that it is important to evaluate the Company's total returns over a period of at least five years to be consistent with the investment time horizon. Whilst anticipating that capital appreciation will be the predominant reason for shareholders' investments in Scottish Mortgage, the Board is nevertheless mindful that many investors also value their modest dividend payments from their shares. These have grown consistently, if slowly, in line with the stated dividend policy over a long period.

As the Managers select companies which prioritise investing for their own future growth over paying out dividends, the portfolio overall tends to generate a relatively low level of earnings. This position has not changed over the period. Earnings per share were 0.82p over the six months to 30 September 2017, whilst the earnings per share over the same period last year were 0.80p.

The Board wishes to repeat the guidance given in the Company's Annual Report regarding its intentions in respect of future dividend payments. Without a sizeable increase in the income received from the portfolio in the second half of the financial year, come 31 March 2018 the Board will face a choice either to cut the dividend, or to continue to pay a comparable dividend supplemented from capital profits and the remainder of the revenue reserve. Currently, no such significant increase in revenue is anticipated. As the Company's stated objective contains an explicit dividend growth component, the Board wishes to reiterate to shareholders that it would be willing to consider funding a dividend payment in part from capital profits, provided that the Board is of the view that the total returns being earned by the Company over the long run justify this. The Board will review the position again at the end of the financial year, once all of the final figures are known. With this in mind the Board proposes to pay an interim dividend of 1.39p, which is unchanged from the same period last year.

The Portfolio

Consistent with the long term approach, there has been little change in the portfolio over the first half of the financial year. At the end of September 2017, the portfolio was invested in 75 different companies. This compared with 72 held at the end of the same period last year.

The end of June marked a decade since the launch of the first Apple iPhone. This device was truly revolutionary and ultimately led to a mobile digital world which has connected us all like never before. This has forever changed the operating environment for a vast array of companies, as a result of the proliferation of such smart mobile devices. Over the past decade, the Managers have relentlessly focused on investing in those companies which have embraced these changes. This digital arena has come to be dominated by just six companies, three in China: Alibaba, Tencent and Baidu, and three in the US: Amazon, Facebook and Alphabet. All six will hopefully be familiar to shareholders of Scottish Mortgage.

Past performance is not a guide to future performance.

Total return information sourced from Morningstar.

See disclaimer on page 17.

Last year, this statement highlighted that these network businesses had reached a critical tipping point. Over the intervening period, their operational results all suggest that their sheer dominance and scale in their respective markets have indeed become reinforcing competitive advantages. The Managers had noted that this would be likely to be driven by progress in machine learning and artificial intelligence and the last twelve months have provided further support for this contention. As a result, the Managers continue to believe that the competitive positions of these digital network businesses will be further cemented by the power of their massive data sets and new advances in computing. The share prices of the three Chinese companies in particular have risen strongly over the last six months, as shareholders may note from later in this report. The Managers have been considering the future prospects for all six of these companies, asking if they still have the potential to become a multiple of their current size. There has also been discussion of the regulatory risk for the US companies, although this is not a new challenge for these businesses and has featured in the investment analysis for some time now. These companies need to be viewed as good corporate citizens in the eyes of their users and customers. Amazon has perhaps been the most thoughtful and made the most progress in this regard.

Looking out over the coming years, the Managers believe that we are on the cusp of a step change in healthcare through the development of personalised diagnostics and therapeutics. This will come from improvements in our understanding of genomics, primarily through large scale population studies which were previously not viable on cost and data processing capacity grounds. Dominant gene sequencing giant, Illumina, remains at the forefront of lowering sequencing costs to expand the use of this technology. This is still a large holding in the portfolio and the Managers have been making further investments in companies developing such new therapies and diagnostic tools.

Less widely appreciated perhaps has been the increase in scale and reach of some of the portfolio's largest private companies. Spotify's digital music service had over 60 million subscribers by the end of July 2017, more than twice the number of its largest competitor, Apple. Over 140 million people actively use the service each month worldwide. Travel business Airbnb now offers over four million listings across over 191 countries; no hotel chain has more rooms than their site has instantly bookable listings. These are truly global businesses, significantly impacting their large publicly-listed competitors, but as yet, they remain private companies. This makes it hard for most investors (professional or individual) to benefit from the capital creation from their growth. The ability to invest in such businesses on a global basis is an important differentiator for Scottish Mortgage and has been much discussed in the pages of the Company's reports over the last few years. The Board and Managers believe this will continue to be the case in the future.

The Managers continued to make new investments in private companies and have added to a number of the existing holdings (including Spotify) over the period. Despite this activity, the level of such holdings within the overall portfolio has remained broadly consistent at around 13%. This is simply due to the relative strength of the performance of a number of the largest holdings, particularly those noted above, increasing the Company's total assets.

Outlook

The Board and Managers would like to emphasise that Scottish Mortgage is best suited to those who share its long term approach to investing. Without wishing to strike an unduly pessimistic note, shareholders are asked to bear in mind that there will almost certainly be periods when the focus of equity markets shifts away from company fundamentals. If this were to be the case, the portfolio investments may well fall out of favour for a period of time. In such circumstances, shareholders should expect that the Board and Managers will remain faithful to the long term investment approach taken by Scottish Mortgage and will not seek to mitigate periods of portfolio underperformance over the shorter term. At the margin, the Managers may well look to turn such market volatility to shareholders' advantage by making further investments if a particular company's share price has been disproportionately impacted by wider negative market sentiments. Most of the time, though, the appropriate response will in fact be to do nothing.

It is notoriously difficult to predict which events will or will not generate a market tantrum. The last six months have seen significant political tensions rising in the Korean peninsula and Sea of Japan, and there has been no shortage of news flow surrounding a US president who, at the very least, shows no diminution in his love of controversy and the limelight. This is to say nothing of the ongoing saga around Britain's exit from the European Union. Perhaps rather surprisingly, markets seem to have weathered the various geopolitical events of the summer almost with equanimity. This might have surprised many investors, had they been asked to predict the outcome of such events even just a year ago. The Managers do not attempt to make such forecasts.

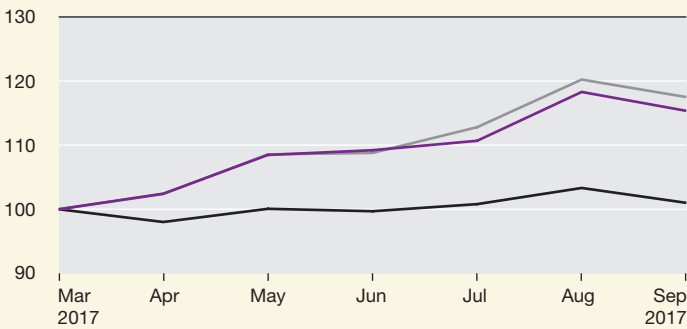
What can be said with confidence is that the Managers will remain focused on the prospects of the underlying operational businesses in the portfolio over their investment time horizon. On this basis, they are excited by the rising potential of a broadening range of companies when compared with a year ago and remain convinced that this is a great time to be a long term growth investor.

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

Performance

Six Months Performance

(plotted on a monthly basis and rebased to 100 at 31 March 2017)



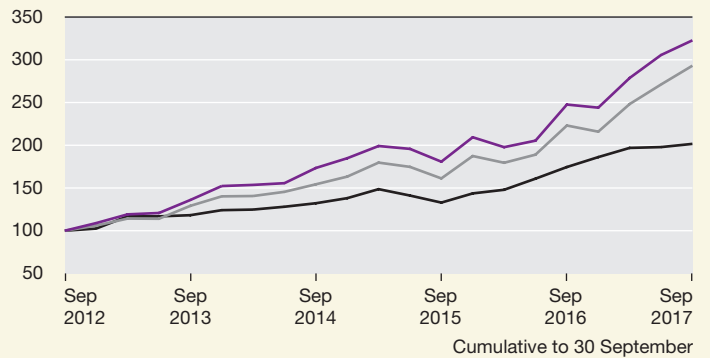
Source: Thomson Reuters Datastream/Baillie Gifford and relevant underlying index providers#.

- Share price
- NAV (after deducting borrowings at fair value)†
- FTSE All-World Index (in sterling terms)

Dividends are not reinvested.

Five Year Total Return Performance†

(figures rebased to 100 at 30 September 2012)



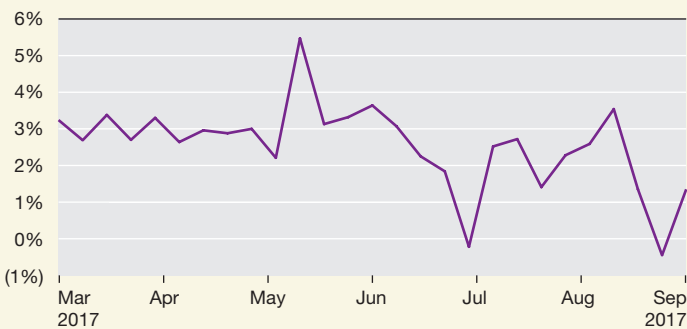
Source: Thomson Reuters Datastream and relevant underlying index providers#.

- Share price total return
- NAV (fair) total return
- Benchmark* total return

* Benchmark: FTSE All-World Index (in sterling terms).

Premium/(Discount) to Net Asset Value†

(plotted on a weekly basis)

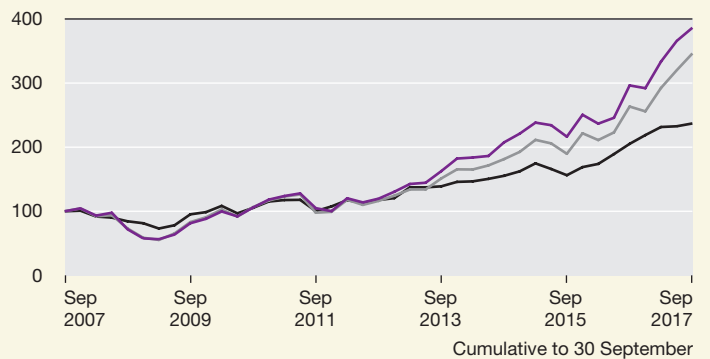


Source: Baillie Gifford.

- Scottish Mortgage premium/(discount) (after deducting borrowings at fair value)†

Ten Year Total Return Performance†

(figures rebased to 100 at 30 September 2007)



Source: Thomson Reuters Datastream and relevant underlying index providers#.

- Share price total return
- NAV (fair) total return
- Benchmark* total return

* Benchmark: FTSE All-World Index (in sterling terms).

† See Glossary of Terms on page 18.

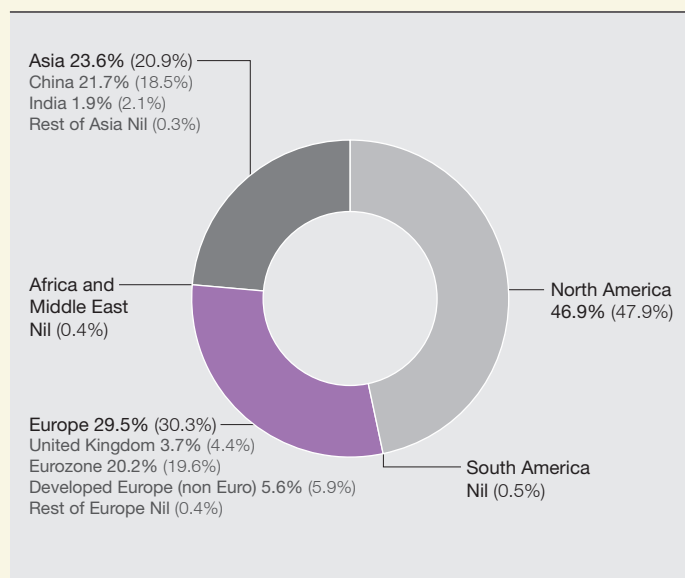
See disclaimer on page 17.

Past performance is not a guide to future performance.

Distribution of Total Assets*

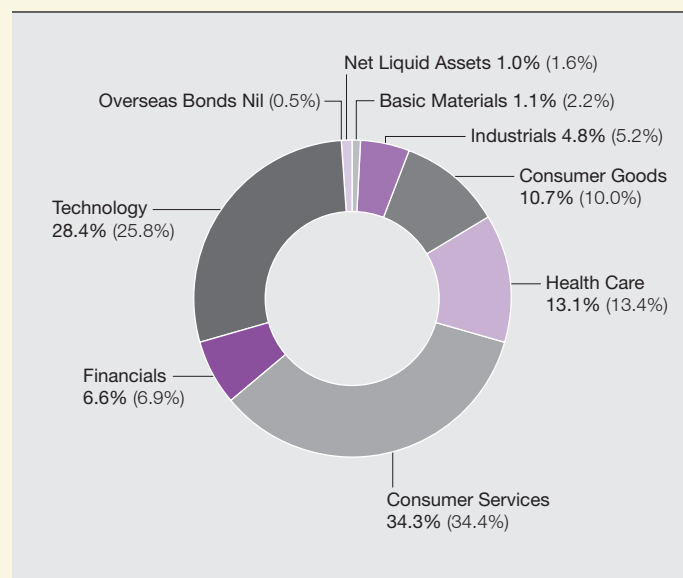
Geographical Analysis at 30 September 2017

(31 March 2017)



Sectoral Analysis at 30 September 2017

(31 March 2017)



| | Listed equities % | Unlisted equities % | Bonds % | Net liquid assets % | Total % |
|--------------------------|-------------------|---------------------|----------|---------------------|--------------|
| 30 September 2017 | 86.1 | 12.9 | - | 1.0 | 100.0 |
| 31 March 2017 | 84.9 | 13.0 | 0.5 | 1.6 | 100.0 |

* Total assets before deduction of debentures, long and short term borrowings. See Glossary of Terms on page 18.

List of Investments

At 30 September 2017

| Name | Business | Fair value 30 September 2017 £'000 | % of total assets | Contribution to absolute performance* % | Notes † | Fair value 31 March 2017 £'000 |
|---|--|---|-------------------------|--|---|---|
| Amazon.com | Online retailing and cloud computing | 492,983 | 7.7 | 0.3 | | 510,086 |
| Tesla Inc | Electric cars, autonomous driving and solar energy | 434,906 | 6.8 | 1.2 | | 366,984 |
| Tencent Holdings | Internet services | 432,021 | 6.8 | 2.5 | | 308,730 |
| Alibaba Group | Online retail | 408,543 | 6.4 | 2.6 | | 273,626 |
| Illumina | Biotechnology equipment | 346,032 | 5.4 | 0.5 | | 318,103 |
| Baidu | Online search engine | 334,417 | 5.3 | 1.5 | | 237,505 |
| Inditex | Global clothing retailer | 300,379 | 4.7 | 0.2 | | 297,098 |
| Facebook | Social networking site | 265,420 | 4.2 | 0.7 | | 257,167 |
| Alphabet | Holding company for Google and associated ventures | 214,430 | 3.4 | 0.4 | | 199,136 |
| Ferrari | Luxury automobiles | 205,695 | 3.2 | 1.2 | | 148,851 |
| Kering | Luxury goods producer and retailer | 201,904 | 3.2 | 1.1 | Significant addition | 104,970 |
| Ctrip.com | Travel agent | 162,096 | 2.6 | – | Significant addition | 131,093 |
| ASML | Lithography | 148,517 | 2.3 | 0.4 | | 110,439 |
| Zalando | International online clothing retailer | 145,197 | 2.3 | 0.4 | | 108,578 |
| Netflix | Subscription service for TV shows and movies | 125,434 | 2.0 | 0.3 | | 98,605 |
| Atlas Copco | Engineering | 119,646 | 1.9 | 0.2 | | 107,723 |
| Nvidia | Visual computing | 115,271 | 1.8 | 0.7 | Significant addition | 51,904 |
| Kinnevik | Investment company | 102,888 | 1.6 | 0.3 | | 90,981 |
| Bluebird Bio Inc | Provider of biotechnological products and services | 96,467 | 1.5 | 0.4 | | 68,486 |
| Intuitive Surgical | Surgical robots | 95,834 | 1.5 | 0.4 | | 75,393 |
| Housing Development Finance Corporation | Indian mortgage provider | 84,395 | 1.3 | 0.1 | | 78,537 |
| Workday | Enterprise information technology | 80,850 | 1.3 | 0.2 | | 60,431 |
| Renishaw | Electronic equipment | 68,968 | 1.1 | 0.5 | | 45,076 |
| BASF | Chemicals | 68,632 | 1.1 | (0.1) | Significant reduction | 118,852 |
| Svenska Handelsbanken | Banking | 66,495 | 1.0 | – | Significant addition | 48,280 |
| Rolls-Royce Group | Aerospace equipment | 58,894 | 0.9 | 0.3 | Significant reduction | 63,002 |
| Delivery Hero | Online food delivery service | 56,762 | 0.9 | 0.2 | New purchase | – |
| Grail Inc Series B Pref.® | Clinical stage biotechnology company | 55,901 | 0.9 | (0.1) | | 59,978 |
| Rocket Internet | Internet startup factory | 53,747 | 0.8 | 0.3 | | 38,422 |
| TransferWise Ltd Series D Pref.® | Online money transfer | 21,181 | 0.3 | 0.1 | | 13,091 |
| TransferWise Ltd Ordinary® | Online money transfer | 9,004 | 0.2 | – | | – |
| TransferWise Ltd Series A Pref.® | Online money transfer | 4,926 | 0.1 | – | | – |
| TransferWise Ltd Series B Pref.® | Online money transfer | 4,481 | 0.1 | – | | – |
| TransferWise Ltd Series E Pref.® | Online money transfer | 2,562 | – | – | | – |
| TransferWise Ltd Seed® | Online money transfer | 1,199 | – | – | | – |
| TransferWise Ltd Series C Pref.® | Online money transfer | 188 | – | – | | – |
| | | 43,541 | 0.7 | 0.1 | Increase in fair valuation and significant addition | 13,091 |

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2017 to 30 September 2017.

† Significant additions and reductions to investments have been noted where the transaction value represents at least a 20% movement from the value of the holding at 31 March 2017.

The change in value over the period also reflects the share price performance and the movement in exchange rates.

® Denotes unlisted security.

Past performance is not a guide to future performance.

| Name | Business | Fair value 30 September 2017 £'000 | % of total assets | Contribution to absolute performance* % | Notes † | Fair value 31 March 2017 £'000 |
|--|--|---|-------------------------|--|---|---|
| Spotify Technology SA [Ⓞ] | Online music streaming service | 39,030 | 0.6 | 0.2 | Increase in fair valuation and significant addition | 22,428 |
| You & Mr Jones Class A Units [Ⓞ] | Digital advertising | 37,379 | 0.6 | (0.1) | Decrease in fair valuation | 45,064 |
| Thumbtack Inc Series G Pref. [Ⓞ] | Online directory service for local businesses | 35,866 | 0.6 | (0.1) | Decrease in fair valuation | 39,610 |
| Home24 AG Series D Pref. [Ⓞ] | Online furniture retailer | 20,467 | 0.3 | – | | 19,869 |
| Home24 AG Series E Pref. [Ⓞ] | Online furniture retailer | 14,098 | 0.2 | – | Participated in additional funding round | 8,554 |
| | | 34,565 | 0.5 | – | | 28,423 |
| Flipkart Series G Pref. [Ⓞ] | Indian e-commerce | 33,541 | 0.5 | – | Increase in fair valuation | 32,387 |
| Hellofresh SE Series C3 Pref. [Ⓞ] | Grocery retailer | 15,519 | 0.2 | (0.1) | | 19,047 |
| Hellofresh SE Series D1 Pref. [Ⓞ] | Grocery retailer | 10,490 | 0.2 | – | | 12,830 |
| Hellofresh SE Series C4 Pref. [Ⓞ] | Grocery retailer | 6,696 | 0.1 | – | | 8,218 |
| | | 32,705 | 0.5 | (0.1) | Decrease in fair valuation | 40,095 |
| Tableau Software | Analytics software | 32,579 | 0.5 | 0.2 | | 23,117 |
| Juno Therapeutics | Clinical stage biotechnology company | 29,932 | 0.5 | 0.2 | | 15,893 |
| Palantir Technologies Inc Series J Pref. [Ⓞ] | Data integration software and service provider | 29,890 | 0.5 | (0.2) | Decrease in fair valuation | 38,142 |
| Alnylam Pharmaceuticals | Biotechnology | 28,621 | 0.4 | 0.3 | | 13,400 |
| Essence Healthcare Series 3 Pref. [Ⓞ] | Cloud-based health provider | 27,737 | 0.4 | 0.1 | Increase in fair valuation | 22,126 |
| Airbnb Inc Series E Pref. [Ⓞ] | Online market place for travel accommodation | 26,985 | 0.4 | 0.1 | Increase in fair valuation | 22,550 |
| Salesforce | Cloud computing and hosting | 26,556 | 0.4 | – | | 25,166 |
| Indigo Agriculture Inc Series D Pref. [Ⓞ] | Analyses plant microbiomes to increase crop yields | 26,087 | 0.4 | – | New purchase | – |
| Lyft Inc Series G Pref. [Ⓞ] | Ride sharing services | 25,059 | 0.4 | – | New purchase | – |
| Dropbox Inc Series B Common [Ⓞ] | Online storage | 24,317 | 0.4 | – | Increase in fair valuation | 23,731 |
| Funding Circle Ltd Series E Pref. [Ⓞ] | Facilitates loans to small and medium enterprises | 15,790 | 0.3 | – | | 15,790 |
| Funding Circle Ltd Series F Pref. [Ⓞ] | Facilitates loans to small and medium enterprises | 8,219 | 0.1 | – | | 8,219 |
| | | 24,009 | 0.4 | – | | 24,009 |
| Prudential | International insurance | 22,556 | 0.4 | 0.1 | Significant reduction | 51,845 |
| Internet Plus Holdings Ltd Series B Pref. [Ⓞ] | Local services aggregator | 22,347 | 0.4 | – | Increase in fair valuation | 19,993 |
| AUTO1 Group GmbH Series E Pref. [Ⓞ] | Online retailer of used cars | 22,028 | 0.3 | – | | 21,384 |
| Curevac AG Series B [Ⓞ] | Biotechnology | 22,028 | 0.3 | – | | 21,383 |
| Denali Therapeutics Inc Series B-1 Pref. [Ⓞ] | Biotechnology | 19,239 | 0.3 | – | Increase in fair valuation | 20,093 |
| Innovation Works Development Fund [Ⓞ] | Venture capital | 19,148 | 0.3 | – | Cash distribution received | 24,292 |
| Intarcia Therapeutics Inc Series EE Pref. [Ⓞ] | Biotechnology | 18,634 | 0.3 | – | | 19,993 |

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2017 to 30 September 2017.

† Significant additions and reductions to investments have been noted where the transaction value represents at least a 20% movement from the value of the holding at 31 March 2017.

The change in value over the period also reflects the share price performance and the movement in exchange rates.

[Ⓞ]Denotes unlisted security.

Past performance is not a guide to future performance.

| Name | Business | Fair value 30 September 2017 £'000 | % of total assets | Contribution to absolute performance* % | Notes † | Fair value 31 March 2017 £'000 |
|--|--|---|-------------------------|--|----------------------------|---|
| Unity Biotechnology Inc Series B Pref.® | Clinical stage biotechnology company | 18,634 | 0.3 | – | | 19,993 |
| Eventbrite Inc Series G Pref.® | Online ticketing service | 18,634 | 0.3 | – | New purchase | – |
| Clover Health Investments Corp Series D Pref.® | Healthcare insurance provider | 18,634 | 0.3 | – | New purchase | – |
| Under Armour | Develops, markets and distributes branded performance products | 18,591 | 0.3 | (0.1) | Significant addition | 7,378 |
| Zocdoc Inc Series D-2 Pref.® | Online platform for searching for doctors and booking appointments | 17,721 | 0.3 | – | Increase in fair valuation | 18,752 |
| JAND Inc (Warby Parker) Series D Pref.® | Online and physical glasses retailer | 12,282 | 0.2 | – | | 12,780 |
| JAND Inc (Warby Parker) Series A Common® | Online and physical glasses retailer | 5,410 | 0.1 | – | | 5,686 |
| | | 17,692 | 0.3 | – | Increase in fair valuation | 18,466 |
| Orchard Therapeutics® | Gene therapy for rare diseases | 16,076 | 0.3 | – | | 16,076 |
| Novozymes | Enzyme manufacturer | 15,298 | 0.2 | 0.2 | Significant reduction | 47,104 |
| Rubius Therapeutics Inc Series B Pref.® | Biotechnology | 14,907 | 0.2 | – | New purchase | – |
| Marketaxess Holdings | Electronic bond trading platform | 14,438 | 0.2 | – | New purchase | – |
| Anaplan Inc® | Enterprise planning software | 12,654 | 0.2 | – | Increase in fair valuation | 11,996 |
| Gingko Bioworks® | Bio-engineering company | 12,396 | 0.2 | – | Increase in fair valuation | 10,191 |
| Udacity® | Online education | 11,180 | 0.2 | – | | 11,996 |
| SurveyMonkey® | Online surveys | 10,036 | 0.2 | – | Increase in fair valuation | 9,723 |
| WI Harper Fund VII® | Venture capital | 8,501 | 0.1 | – | | 9,067 |
| Vir Biotechnology Inc® | Biotechnology company developing anti-infective therapies | 7,454 | 0.1 | – | New purchase | – |
| Flatiron Health® | Software and data aggregation for oncology | 7,398 | 0.1 | – | Decrease in fair valuation | 9,359 |
| Level E Maya Fund | Artificial intelligence based algorithmic trading | 5,439 | 0.1 | – | | 5,463 |
| Sinovation Fund III® | Venture capital | 5,292 | 0.1 | – | Additional investment | 1,949 |
| WI Harper Fund VIII® | Venture capital | 3,982 | 0.1 | – | Additional investment | 3,737 |
| ARCH Ventures Fund IX LP® | Venture capital fund to invest in biotech start-ups | 1,750 | <0.1 | – | Additional investment | 705 |
| Total Investments | | 6,303,810 | 99.0 | | | |
| Net liquid assets | | 65,063 | 1.0 | | | |
| Total Assets | | 6,368,873 | 100.0 | | | |

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2017 to 30 September 2017.

† Significant additions and reductions to investments have been noted where the transaction value represents at least a 20% movement from the value of the holding at 31 March 2017.

The change in value over the period also reflects the share price performance and the movement in exchange rates.

® Denotes unlisted security.

Source: Baillie Gifford/StatPro.

Complete sales during the period: Astra International, Brazil CPI Linked 2045, Castlight Health Inc, Jeronimo Martins, Magnit OJSC and Souq Group Ltd.

Past performance is not a guide to future performance.

Income Statement (unaudited)

For the six months ended 30 September

| | Notes | 2017 Revenue £'000 | 2017 Capital £'000 | 2017 Total £'000 | 2016 Revenue £'000 | 2016 Capital £'000 | 2016 Total £'000 |
|--|-------|--------------------------|--------------------------|------------------------|--------------------------|--------------------------|------------------------|
| Gains on sales of investments | | – | 130,477 | 130,477 | – | 110,182 | 110,182 |
| Changes in investment holding gains and losses | | – | 729,073 | 729,073 | – | 770,789 | 770,789 |
| Currency gains/(losses) | | – | 11,714 | 11,714 | – | (34,271) | (34,271) |
| Income from investments and interest receivable | | 19,199 | – | 19,199 | 17,577 | – | 17,577 |
| Investment management fee | 3 | (2,172) | (6,516) | (8,688) | (1,674) | (5,021) | (6,695) |
| Other administrative expenses | | (1,583) | – | (1,583) | (1,724) | – | (1,724) |
| Net return before finance costs and taxation | | 15,444 | 864,748 | 880,192 | 14,179 | 841,679 | 855,858 |
| Finance costs of borrowings | | (2,714) | (8,141) | (10,855) | (2,380) | (7,140) | (9,520) |
| Net return on ordinary activities before taxation | | 12,730 | 856,607 | 869,337 | 11,799 | 834,539 | 846,338 |
| Tax on ordinary activities | | (1,356) | – | (1,356) | (1,239) | – | (1,239) |
| Net return on ordinary activities after taxation | | 11,374 | 856,607 | 867,981 | 10,560 | 834,539 | 845,099 |
| Net return per ordinary share | 4 | 0.82p | 61.84p | 62.66p | 0.80p | 63.55p | 64.35p |
| Dividends proposed per ordinary share | 5 | 1.39p | | | 1.39p | | |

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this statement derive from continuing operations.

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

Balance Sheet (unaudited)

| | Notes | At 30 September 2017 £'000 | At 31 March 2017 (audited) £'000 |
|---|-------|----------------------------------|---|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 6 | 6,303,810 | 5,298,338 |
| Current assets | | | |
| Debtors | | 17,323 | 16,293 |
| Cash and cash equivalents | | 68,461 | 76,643 |
| | | 85,784 | 92,936 |
| Creditors | | | |
| Amounts falling due within one year: | | | |
| Bank loans | 7 | (242,230) | (359,856) |
| Other creditors | | (20,721) | (8,117) |
| | | (262,951) | (367,973) |
| Net current liabilities | | | |
| | | (177,167) | (275,037) |
| Total assets less current liabilities | | | |
| | | 6,126,643 | 5,023,301 |
| Creditors | | | |
| Amounts falling due after more than one year: | | | |
| Loan notes | 7 | (104,738) | – |
| Debenture stocks | | (149,501) | (149,710) |
| | | (254,239) | (149,710) |
| | | 5,872,404 | 4,873,591 |
| Capital and reserves | | | |
| Share capital | | 71,086 | 71,086 |
| Share premium account† | | 315,295 | 216,808 |
| Capital redemption reserve | | 19,094 | 19,094 |
| Capital reserve† | | 5,449,005 | 4,537,789 |
| Revenue reserve | | 17,924 | 28,814 |
| Shareholders' funds | | | |
| | | 5,872,404 | 4,873,591 |
| Net asset value per ordinary share | | | |
| (after deducting borrowings at book)* | | 420.2p | 358.7p |
| Net asset value per ordinary share | | | |
| (after deducting borrowings at fair value)* | 8 | 416.7p | 354.6p |
| Net asset value per ordinary share | | | |
| (after deducting borrowings at par)* | | 420.5p | 359.0p |
| Ordinary shares in issue | | | |
| | 9 | 1,397,519,485 | 1,358,569,485 |

* See Glossary of Terms on page 18.

† The Capital Reserve and Share Premium Account as at 31 March 2017 have been restated – see note 9 on page 15.

Statement of Changes in Equity (unaudited)

For the six months ended 30 September 2017

| | Notes | Share capital £'000 | Share premium account † £'000 | Capital redemption reserve £'000 | Capital reserve *† £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|--|-------|------------------------|----------------------------------|-------------------------------------|-----------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 April 2017 | | 71,086 | 216,808 | 19,094 | 4,537,789 | 28,814 | 4,873,591 |
| Net return on ordinary activities after taxation | | – | – | – | 856,607 | 11,374 | 867,981 |
| Shares sold from treasury | 9 | – | 98,487 | – | 54,609 | – | 153,096 |
| Dividends paid during the period | 5 | – | – | – | – | (22,264) | (22,264) |
| Shareholders' funds at 30 September 2017 | | 71,086 | 315,295 | 19,094 | 5,449,005 | 17,924 | 5,872,404 |

For the six months ended 30 September 2016

| | Notes | Share capital £'000 | Share premium account † £'000 | Capital redemption reserve £'000 | Capital reserve *† £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|--|-------|------------------------|----------------------------------|-------------------------------------|-----------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 April 2016 | | 71,086 | 116,410 | 19,094 | 3,197,092 | 53,762 | 3,457,444 |
| Net return on ordinary activities after taxation | | – | – | – | 834,539 | 10,560 | 845,099 |
| Shares bought back into treasury | | – | – | – | (19,558) | – | (19,558) |
| Shares sold from treasury | | – | 8,245 | – | 8,468 | – | 16,713 |
| Dividends paid during the period | 5 | – | – | – | – | (20,795) | (20,795) |
| Shareholders' funds at 30 September 2016 | | 71,086 | 124,655 | 19,094 | 4,020,541 | 43,527 | 4,278,903 |

* The Capital Reserve balance at 30 September 2017 includes investment holding gains on fixed asset investments of £3,376,894,000 (30 September 2016 – gains of £2,304,626,000).

† The Capital Reserve and Share Premium Account as at 31 March 2016, 30 September 2016 and 31 March 2017 have been restated – see note 9 on page 15.

Cash Flow Statement (unaudited)

For the six months ended 30 September

| | Notes | 2017 £'000 | 2016 £'000 |
|--|-------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net return on ordinary activities before taxation | | 869,337 | 846,338 |
| Net gains on investments | | (859,550) | (880,971) |
| Currency (gains)/losses | | (11,714) | 34,271 |
| Finance costs of borrowings | | 10,855 | 9,520 |
| Overseas withholding tax | | (1,454) | (1,214) |
| Changes in debtors and creditors | | 3,443 | 2,127 |
| Cash from operations | | 10,917 | 10,071 |
| Interest paid | | (9,732) | (9,636) |
| Net cash inflow from operating activities | | 1,185 | 435 |
| Net cash (outflow)/inflow from investing activities | | (149,474) | 106,239 |
| Equity dividends paid | 5 | (22,264) | (20,795) |
| Shares bought back | | – | (19,574) |
| Shares sold from treasury | | 158,225 | 16,713 |
| Net cash inflow/(outflow) from bank loans and issuance of loan notes | 7 | 4,146 | (37,903) |
| Net cash inflow/(outflow) from financing activities | | 140,107 | (61,559) |
| (Decrease)/increase in cash and cash equivalents | | (8,182) | 45,115 |
| Cash and cash equivalents at start of period | | 76,643 | 43,973 |
| Cash and cash equivalents at end of period* | | 68,461 | 89,088 |

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

Notes to the Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 30 September 2017 comprise the statements set out on pages 9 to 12 together with the related notes on pages 13 to 15. 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 on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 September 2017 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 March 2017.

Going Concern

The Directors have considered the nature of the Company's assets, its liabilities, projected income and expenditure together with its investment objective and policy, dividend policy and principal risks and uncertainties, as set out on the inside front cover. The Company's assets, the majority of which are 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. Accordingly, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

- 2 The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 March 2017 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 management fee is 0.30% on the first £4 billion of total assets less current liabilities (excluding short term borrowings for investment purposes) and 0.25% thereafter, calculated and payable quarterly. Prior to 1 April 2017, the management fee was 0.30% of total assets less current liabilities (excluding short term borrowings for investment purposes).

4 Net return per ordinary share

| | Six months to 30 September 2017 £'000 | Six months to 30 September 2016 £'000 |
|--|--|--|
| Revenue return on ordinary activities after taxation | 11,374 | 10,560 |
| Capital return on ordinary activities after taxation | 856,607 | 834,539 |
| Total net return | 867,981 | 845,099 |
| Weighted average number of ordinary shares in issue | 1,385,138,611 | 1,313,269,731 |

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.

5 Dividends

| | Six months to 30 September 2017 £'000 | Six months to 30 September 2016 £'000 |
|--|--|--|
| Amounts recognised as distributions in the period: | | |
| Previous year's final dividend of 1.61p (2016 – 1.58p), paid 3 July 2017 | 22,264 | 20,795 |
| | 22,264 | 20,795 |
| Dividends proposed in the period: | | |
| Interim dividend for the year ending 31 March 2018 of 1.39p (2017 – 1.39p) | 19,426 | 18,289 |
| | 19,426 | 18,289 |

The interim dividend was declared after the period end date and has therefore not been included as a liability in the Balance Sheet. It is payable on 1 December 2017 to shareholders on the register at the close of business on 17 November 2017. The ex-dividend date is 16 November 2017. The Company's Registrars offer a Dividend Reinvestment Plan and the final date for elections for this dividend is 20 November 2017.

6 Fair Value

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

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

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

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

The Company's investments are financial assets designated at fair value through profit or loss. An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

Investments held at fair value through profit or loss

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|------------------|
| As at 30 September 2017 | | | | |
| Listed equities/funds | 5,475,394 | 5,439 | – | 5,480,833 |
| Unlisted equities | – | – | 822,977 | 822,977 |
| Total financial asset investments | 5,475,394 | 5,439 | 822,977 | 6,303,810 |
| | | | | |
| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
| As at 31 March 2017 (audited) | | | | |
| Listed equities/funds | 4,565,355 | 5,463 | – | 4,570,818 |
| Listed debt securities | – | 27,277 | – | 27,277 |
| Unlisted equities | – | – | 700,243 | 700,243 |
| Total financial asset investments | 4,565,355 | 32,740 | 700,243 | 5,298,338 |

There have been no transfers between levels of the fair value hierarchy during the period. The fair value of listed investments is bid value or, in the case of holdings on certain recognised overseas exchanges, last traded price. Listed Investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data.

Unlisted Investments

The Company's holdings in unlisted investments are categorised as Level 3. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). These methodologies can be categorised as follows:

- Market Approach (a. Price of Recent Investment; b. Multiples; c. Industry Valuation Benchmarks; and d. Available Market Prices);
- Income Approach (Discounted Cash Flows); and
- Replacement Cost Approach (Net Assets).

The nature of the unlisted portfolio currently will influence the valuation methodology applied. The price of a recent investment or available market prices for secondary transactions may be the most appropriate approach for investments in young, rapidly growing companies using technology to create new, or disrupt existing, business models. The policy, however, recognises that the robustness of a transaction based valuation will erode as the length of time from the relevant transaction increases. Additionally, the background to the transaction must be considered. In these cases, alternative techniques consistent with IPEV guidelines will be employed. Methodologies using multiples or discounted cash flows are utilised where appropriate, particularly in those companies with established earnings. An absence of relevant industry peers may preclude the application of the Industry Valuation Benchmarks method. The Replacement Cost Approach is likely to result in a misleadingly conservative valuation of the typical companies within the current unlisted portfolio, where financial net assets are less important than intangible technological assets.

The unlisted investments are valued according to a three monthly cycle of measurement dates. The fair value of the unlisted investments will be reviewed before the next scheduled three monthly measurement date on the following occasions:

- At the year end and half year end of Scottish Mortgage; and
- Where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

- 7 The bank loans falling due within one year are a US\$200 million revolving loan with National Australia Bank Limited ('NAB'), a US\$40 million revolving loan with The Royal Bank of Scotland plc ('RBS') and a US\$85 million revolving loan with RBS (31 March 2017 – US\$200 million revolving loan with NAB, a US\$165 million revolving loan with RBS and a US\$85 million fixed rate loan with RBS).

There are no bank loans falling due in more than one year (31 March 2017 – none).

During the period the Company issued the following private placement unsecured loan notes:

- £45 million at a coupon of 3.05% maturing on 7 April 2042
- £30 million at a coupon of 3.30% maturing on 6 April 2044
- £30 million at a coupon of 3.12% maturing on 6 April 2047

A further unsecured loan note was agreed for funding on 30 September 2020 to refinance the £20 million 8–14% stepped interest debenture stock maturing on 30 September 2020:

- £20 million at a coupon of 3.65% maturing on 6 April 2044

Additionally, the US\$165 million 1 year revolving loan with RBS was repaid and replaced with a US\$40 million 1 year revolving loan with RBS. The US\$85 million 3 year fixed rate loan with RBS was refinanced with a US\$85 million revolving loan with RBS.

- 8 The fair value of the borrowings at 30 September 2017 was £545,649,000 (31 March 2017 – £566,251,000).

9 Share capital: ordinary shares of 5p each

| | At 30 September 2017 | At 31 March 2017 (audited) |
|------------------------------------|-------------------------|----------------------------------|
| | No. of shares | No. of shares |
| Allotted, called up and fully paid | 1,397,519,485 | 1,358,569,485 |
| Treasury shares | 24,211,395 | 63,161,395 |
| | 1,421,730,880 | 1,421,730,880 |

In the six months to 30 September 2017, the Company sold 38,950,000 ordinary shares from treasury at a premium to net asset value raising net proceeds of £153,096,000 (year to 31 March 2017 – 53,050,000 shares sold from treasury raising net proceeds of £174,550,000). At 30 September 2017 the Company had authority to issue or sell from treasury a further 133,136,948 ordinary shares.

In the six months to 30 September 2017 no ordinary shares were bought back. In the year to 31 March 2017 a total of 7,005,000 ordinary shares were bought back into treasury at a total cost of £19,558,000. At 30 September 2017 the Company had authority remaining to buy back 205,718,185 ordinary shares.

Share Premium Account

Where the sale of shares held in treasury results in proceeds in excess of the weighted average purchase price paid by the Company to repurchase the shares, the excess must be transferred to the Company's Share Premium Account. In prior years, when shares held in treasury were subsequently sold, the proceeds of the sale were reflected in full in the Capital Reserve. Consequently, an adjustment has been made between the Capital Reserve and the Share Premium Account in the current period and the prior year disclosures have been restated accordingly. There is no impact on total reserves in the current or prior periods arising from this restatement.

- 10 Transaction costs on acquisitions within the portfolio amounted to £250,000 (30 September 2016 – £156,000) and transaction costs on sales amounted to £189,000 (30 September 2016 – £221,000). These costs are included in the book cost of acquisitions and in the net proceeds of disposals.

11 Related Party Transactions

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

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

Further Shareholder Information

Scottish Mortgage's 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 a minimum of £250 or from £30 per month. The plan is designed to be a cost-effective way of saving on a lump sum or regular 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 also 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. 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 and the Manager of the Baillie Gifford Investment Trust 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 and both are based at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. 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 and follow the instructions or telephone 0870 707 1694.

Risk Warnings

- Past performance is not a guide to future performance.
- Scottish Mortgage 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.
- Scottish Mortgage's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.
- Scottish Mortgage 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.
- Scottish Mortgage invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Scottish Mortgage has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.
- Scottish Mortgage 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.
- Scottish Mortgage can make use of derivatives which may impact on its performance. Currently the Company does not make use of derivatives.
- Scottish Mortgage charges 75% of the investment management fee and 75% of borrowing costs to capital which reduces the capital value. Also, when income is low, the remaining expenses may be greater than the total income received, meaning 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 investment in the savings vehicles shown on this page are contained in the product brochures.

The staff of Baillie Gifford and the Directors of Scottish Mortgage may hold shares in Scottish Mortgage 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.scottishmortgageit.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. The information on this page has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Scottish Mortgage Investment Trust PLC is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Scottish Mortgage Investment Trust PLC will have to provide information annually to the local tax authority on the tax residencies of a number of

non-UK based certificated shareholders and corporate entities. Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

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

Third Party Data Provider Disclaimer

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No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions,

recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

FTSE Index Data

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Glossary of Terms

Active Share

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Discount/Premium

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Gearing

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same, but if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

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

Gearing represents borrowings at par less cash and cash equivalents (including any outstanding trade or foreign exchange settlements) expressed as a percentage of shareholders' funds.

Net Asset Value

Net Asset Value (NAV) is the value of all assets held less all liabilities (including liabilities in the form of borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue and is stated on a cum-income basis.

Net Asset Value (Borrowings at Fair Value)

Borrowings are valued at an estimate of their market worth.

Net Asset Value (Borrowings at Par)

Borrowings are valued at their nominal par value.

Net Asset Value (Borrowings at Book/Shareholders' Funds)

Borrowings are valued at adjusted net issue proceeds.

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings).

Ongoing Charges Ratio

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value).

Total Assets

The total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Total Return

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

Directors

Chairman:
FC McBain ACA

LJ Dowley FCA
Professor JA Kay CBE FBA FRSE
Professor PH Maxwell DPhil
FRCP FMedSci
Dr P Subacchi

Alternative Investment Fund Managers, Secretaries and Registered Office

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
www.bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 707 1300

Company Brokers

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Jefferies Hoare Govett
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

Independent Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Depository

BNY Mellon Trust & Depository
(UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Company Details

www.scottishmortgageit.com
E-mail:
scottishmortgage@bailliegifford.com
Company Registration
No. SC007058
ISIN GB00BLDYK618
Sedol BLDYK61
Ticker SMT

Legal Entity Identifier:
213800G37DCS3Q9IJM38

Further Information

Client Relations Team
Baillie Gifford Savings
Management Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Tel: 0800 917 2112
Your call may be recorded
E-mail:
trustenquiries@bailliegifford.com
Fax: 0131 275 3955