

# INFORM

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## 2009 Final dividend

The Scottish Investment Trust PLC 2009 final dividend of 5.15p was paid on 11 February 2010, bringing the total dividend for the year to 9.60p per share. This was an increase of 1.1% year-on-year (2008: 9.50p) which compares with the October UK Retail Prices Index annual inflation rate of minus 0.8%.

SIT has increased its dividend in each of the last 26 years and it is a stated objective of the company to increase the dividend by more than the UK rate of inflation over the longer term.

AIC Category	Global Growth
Total assets	£695 million
Cum-Income NAV with borrowings at par	472.9p
Cum-Income NAV with borrowings at market value	466.7p
Ex-Income NAV with borrowings at par	471.8p
Ex-Income NAV with borrowings at market value	465.6p
Share price	423.0p
Discount to ex-income NAV	9.1%
Effective Equity Gearing	101%

NAV and Share Price Performance (Total return on £100)			
	1 year	5 years	10 years
Ex-Income NAV with borrowings at par	123	141	116
Share price	117	146	130

£100 invested with dividends reinvested, before expenses are deducted.

Performance 31 October 2009 - 31 January 2010 (%)	
Ex-Income NAV with borrowings at market value	3.5
Ex-Income NAV with borrowings at par	2.7
Share price	3.2
FTSE All-World Index™	4.2
UK FTSE All-Share Index™	2.9

Comparative Performance on £1,000 invested			
	1 year	5 years	10 years
The Scottish Investment Trust PLC	£1,145	£1,425	£1,264
UK Savings £25,000+ Account <sup>1</sup>	£1,005	£1,115	£1,274
Retail Prices Index <sup>2</sup>	£1,037	£1,154	£1,308

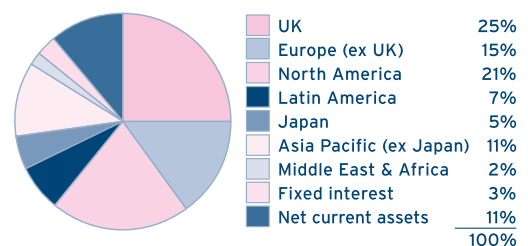
Figures are calculated with net income reinvested, where applicable. The SIT figures are adjusted to allow for all expenses of investing through SIT's STOCKPLAN Investment Trust Savings Scheme. UK Savings £25,000+ with interest reinvested net of basic rate tax. Please note that with a UK savings deposit account your capital is secure. Sources: 1 Source and copyright © Standard & Poor's. All rights therein are reserved 2 National Statistics

## Top 10 Holdings

as % of total assets

1	Serco - UK	2.1
2	Roche - Switzerland	1.8
3	Li & Fung - Hong Kong	1.7
4	Apple - US	1.7
5	Gilead Sciences - US	1.5
6	McDonald's - US	1.5
7	BHP Billiton - UK	1.5
8	HSBC - UK	1.4
9	BP - UK	1.4
10	Fresenius Medical Care - Germany	1.4

## Geographical Distribution of Total Assets



## Standardised Past Performance

Last price to last price net income reinvested % growth year to 31 January	2006	2007	2008	2009	2010
The Scottish Investment Trust	36.4	9.9	2.2	-18.9	17.5

NAV is net asset value per share. In line with our reporting policy, the NAVs are calculated taking the valuation of investments at closing bid or last price, as the case may be. The latest NAVs are unaudited. Borrowings at par is the nominal value of the 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 secured bonds is based on the

redemption yield of the reference gilt plus a margin of 100 basis points. The reference gilt is the 6% Treasury Stock 2028. Total assets means total assets (cum-income) less current liabilities. Gearing is based on ex-income figures with borrowings at par. All sources SIT unless otherwise stated. Industry Classification Benchmark (ICB): Source and copyright © FTSE International Limited and Dow Jones & Company, Inc. All rights therein reserved.

Past performance 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.

# Review of World Equity Markets - 3 months to 31 January 2010

- The quarter to end January 2010 was marked by a clear change in sentiment mid-way through the period as stockmarket strength gave way to weakness. The factors which caused this change of mood included signs of monetary policy tightening by the Chinese authorities, a downgrading of Greek sovereign debt by a ratings agency and anticipation of bank regulation in the US.
- Over the quarter, the FTSE All-World Index™ rose by 2.6% in local terms. However, returns for the sterling-based investor were boosted to 4.2% by sterling weakness against several currencies, most significantly against the US dollar and Japanese yen.
- Analysing the spread of stockmarket returns by region highlights the pivotal role of currency in the quarter. Strongest sterling returns came from Middle East & Africa (+8.6%) with sterling weakness transforming the 2.8% local return, North America (+6.7%) and Japan (+4.2%) with currency moves playing a major part in achieving the sterling return in each case. By contrast, euro weakness against sterling as EU budget worries took hold pegged back returns from European equities from 2.4% in local terms to 0.2% in sterling, the poorest regional return.
- In industry sector terms, the distribution of returns was mixed with leadership from both defensive and cyclical areas. The two main laggards were Financials (-0.7%), on regulatory fears, and Oil & Gas (-0.2%), reflecting concerns over the growth outlook. All other industry sectors rose in sterling terms with the traditionally defensive Health Care (+11.1%) leading the way as investors fretted about growth following the Chinese policy action in January to curb credit growth. However, other cyclical areas provided competitive returns over the quarter with Basic Materials (+6.7%), Industrials (+7.5%), Consumer Services (+7.2%), Consumer Goods (+6.0%) and Technology (+5.9%) all outperforming. Telecommunications continued its recent weak performance, rising just 1.1%.
- Commodity prices echoed the sell-off in shares in January. Oil fell 4.7% over the quarter to \$71.8 per barrel (Brent) and gold rose by just 3.0% to \$1,077.9 per oz, held back in part by renewed confidence in the US dollar.
- Over the quarter, economic data from around the globe tended to confirm recent trends indicating that the world economy is responding to the massive stimuli injected by authorities from US to China. US Q4 GDP beat expectations rising 5.7% albeit driven by a slowdown in inventory liquidations. The UK exited its longest recession on record by registering 0.1% growth in the fourth quarter of 2009. Interest rate policy remained on hold in most areas although Australia and Norway raised domestic interest rates. In the UK, the Bank of England extended its quantitative easing programme of support for the economy by £25bn to £200bn. China reported a return to rapid growth (Q4 2009 +10.7%), again in response to massive domestic economic stimulus.
- Global corporate profits forecasts continued to recover and US company results were generally well received. As corporate balance sheets improved, merger activity increased. In autos, Volvo Cars was sold by Ford to Geely of China while Volkswagen took a near 20% stake in Suzuki. Warren Buffet's Berkshire Hathaway conglomerate bid for US rail group Burlington Northern Santa Fe. Activity in Financials was focused on capital re-building with large rights issues from a number of groups including Lloyds Banking, AXA and Mitsubishi UFJ Financial (Japan). US banks Wells Fargo and Citigroup repaid a combined \$45bn of funds loaned by the US authorities under the TARP (Troubled Asset Relief Programme) scheme. US food group Kraft completed its acquisition of Cadbury.

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Please contact us for information on the following:

- The SIT SIPP
- STOCKPLAN Investment Trust Savings Scheme
- The SIT ISA
- ISA Transfer
- Investing for Children - STOCKPLAN: A Flying Start
- Annual and Interim Reports

**SIT FactFile** Established - 1887 • Year end - 31 October • Accounts published: Annual - December, Interim - June  
Annual General Meeting - January • Manager - John Kennedy

Past performance may not be repeated and is no indicator of 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 and investors may not get back the amount they originally invested. SIT has a long term policy of borrowing money to invest in equities in the expectation that this will improve returns for stockholders. However, if markets fall, these borrowings will magnify any losses. 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. All sources SIT unless otherwise stated.. Industry Classification Benchmark (ICB): Source and copyright© FTSE International Limited and Dow Jones & Company, Inc. All rights therein reserved. NAV is net asset value per ordinary stock unit. In line with our reporting policy, the NAVs are calculated taking the valuation of investments at closing bid or last price, as the case may be. The latest NAVs are unaudited. Borrowings at par is the nominal value of the borrowings less any unamortized expenses. Borrowings at market value is the company's estimate of the fair value of its borrowings. Total assets means total assets (cum-income) less current liabilities. Gearing is based on ex-income figures with borrowings at par.

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 **The Scottish  
Investment Trust PLC**