

INFORM

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The SIT SIPP

The SIT SIPP (Self Invested Personal Pension) is a flexible product which offers:

- an extensive investment choice including international equities
- real-time online dealing
- a competitive charging structure
- tax-efficiency

Investors can contribute to a SIT SIPP even if already an active member of an employer's pension scheme or contributing to other pension plans. A SIT SIPP can be also be set up for a child and/or a non-earning spouse or partner. For more information please visit our website

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AIC Category	Global Growth
Total assets	£684 million
Cum-Income NAV with borrowings at par	482.2p
Cum-Income NAV with borrowings at market value	466.4p
Ex-Income NAV with borrowings at par	477.2p
Ex-Income NAV with borrowings at market value	461.4p
Share price	419.0p
Discount/(Premium) to ex-income NAV	9.2%
Effective Equity Gearing	104%

As at 31 August 2010

NAV and Share Price Performance (Total return on £100)			
	1 year	5 years	10 years
Ex-Income NAV with borrowings at par	109	128	104
Share price	106	127	111

£100 invested with dividends reinvested, before expenses are deducted. As at 31 August 2010

Performance 31 October 2009 - 31 August 2010 (%)	
Ex-Income NAV with borrowings at market value	2.5
Ex-Income NAV with borrowings at par	3.9
Share price	2.2
FTSE All-World Index™	5.9
UK FTSE All-Share Index™	4.3

Comparative Performance on £1,000 invested			
	1 year	5 years	10 years
The Scottish Investment Trust PLC	£1,106	£1,250	£1,178
UK Savings £25,000+ Account ¹	£1,004	£1,103	£1,252
Retail Prices Index ²	£1,048	£1,163	£1,311

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.

As at 31 July 2010

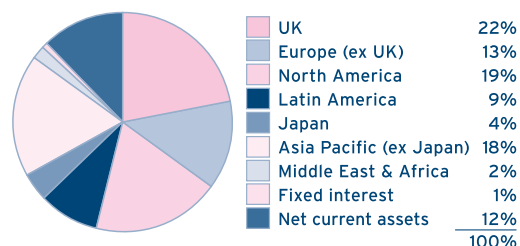
Top 10 Holdings

as % of total assets

1	Apple - US	3.1
2	Serco - UK	2.6
3	Li & Fung - Hong Kong	2.1
4	McDonald's - US	2.0
5	CIMB - Malaysia	1.8
6	BP - UK	1.7
7	Fresenius Medical Care - Germany	1.6
8	Aspen Pharmacare - South Africa	1.6
9	Tencent - Hong Kong	1.4
10	FMC Technologies - US	1.4

As at 31 August 2010

Geographical Distribution of Total Assets



As at 31 August 2010

Standardised Past Performance

Last price to last price net income reinvested % growth year to 31 August	2006	2007	2008	2009	2010
The Scottish Investment Trust	17.5	16.9	-2.3	-10.5	5.8

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 (1 percentage point). 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 July 2010

- Global stockmarkets were weak in May and June reflecting European credit worries and signs of renewed economic weakness in the US. The global FTSE All-World Index fell by 6.0% in local terms and by 7.8% in sterling.
- The regional markets comprising the global index all fell to varying degrees. The best performer, Latin America, fell by just 0.1% in local terms and the worst, Japan, fell by 14.2% in yen terms as the strength in the yen hit sentiment.
- By industry sector, all ten constituent industry sector groups fell over the quarter but with quite marked divergences. Generally, it was the more defensive sectors which performed best – Telecoms (-1.0%) and Utilities (-5.1%) – although Consumer Goods (-3.8%) also outperformed helped by strength in both tobacco and beverage stocks. Health Care did not prove to be a defensive area (-9.2%) while the main laggards were Technology (-10.5%) and Oil & Gas (-12.3%). The latter was held back by the sharp drop in the BP share price following the fatal explosion and subsequent oil leak in the Gulf of Mexico.
- While equities were weak, bonds and soft commodities rallied sharply. Government bond yields fell over the quarter as bond markets reacted to signs of slowing growth. The decline in yields was most marked in the US where 10 year yields fell to just 2.9%. Agricultural commodities were extremely strong with the wheat price up by 43%, sugar by 20% and coffee by 26%. Gold was almost unchanged while oil fell 10.4% to \$77.3 (Brent).
- In the UK, the general election result culminated in the formation of a Conservative / Liberal Democrat coalition which immediately forged plans to improve the UK budget deficit position. These were well received in currency markets and sent the pound higher. Q1 GDP was higher than expected at 1.1% (Q/Q) and, despite inflation remaining well above target levels, the base interest rate was held at 0.5%. The new Office for Budget Responsibility lowered its UK growth forecast to 1.2% for 2010.
- In the Euro-zone, investor attention was primarily focused on the bank stress tests announced and austerity measures planned by governments. The IMF boosted an assistance package for the most stretched Euro-zone countries. Despite Euro-zone unemployment edging over 10%, Germany's economy showed signs of a strong recovery aided by a weak euro. Spain's banking system remained under pressure.
- US economic data and leading indicators continued to deteriorate with particular weakness seen in housing data following the expiry of housing-related tax credits. Q2 GDP of 2.4% (Q/Q annualised) was subsequently lowered to 1.6%. Q2 corporate results were generally well ahead of expectations although company forward-looking guidance on profit trends was relatively weak. Canada continued to post stronger growth (Q1 GDP +6.1%) and raised interest rates, as did Brazil.
- Key events in Japan included the resignation of another prime minister and a 9% strengthening in the trade-weighted yen exchange rate. Elsewhere in the Pacific region, China's economic growth rate slipped back to 10.3% in Q2. With strong growth recorded across Asia, interest rates were increased in India, South Korea, Malaysia and Taiwan. A spate of worker suicides and employee unrest at a number of foreign company plants in China culminated in some extremely large wage increases. The Chinese central bank also announced a change to its exchange rate policy signalling a move to allow more flexibility in the exchange rate.

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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
- Share Exchange
- 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 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. SIT has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns and, should stockmarkets fall, such borrowings would magnify losses on these investments. The Trust 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.

SIT Savings Ltd, a wholly owned subsidiary of The Scottish Investment Trust PLC, is the plan manager of STOCKPLAN, STOCKPLAN: A Flying Start and The SIT ISA and is authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

This document is for information only and does not constitute investment advice.

 **The Scottish
Investment Trust PLC**