

# Investor Information

## Marketing

SIT's marketing objectives are to promote awareness of The Scottish Investment Trust PLC and SIT Savings' products and to stimulate demand from private investors. Marketing activity comprises a mix of PR, an increasing internet presence, a comprehensive range of literature, direct mail, participation at AIC roadshows and product development. A priority is to offer low-cost, simple, transparent investment products with the flexibility and accessibility to fulfil investor requirements. SIT's global investment strategy allows access to long-term investment opportunities to benefit stockholders.

## How to Invest

You can buy SIT stock using the simple, low-cost investment products outlined below. SIT stock can also be bought directly on the stockmarket through a stockbroker or a bank, lawyer, accountant or other professional adviser.

**STOCKPLAN**, SIT's investment trust savings scheme, is one of the lowest charging available. Extremely flexible, it allows minimum regular investments from only £25 per month and/or lump sum investments from £250. There is no maximum investment limit and you can stop and start at any time.

**STOCKPLAN: A Flying Start** is SIT's Investing for Children plan. 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** is one of the most competitively priced stocks and shares ISAs on offer. There is no initial plan charge, other than stamp duty, nor are there closure or withdrawal charges. The annual management fee of 0.6% of the value of the investment is capped at £30 + VAT regardless of how much your ISA investment grows or how many years' ISA allowances you invest with SIT.

**The SIT PEP** also has one of the lowest charging structures around, with an annual fee of only £30 + VAT again regardless of the number of SIT PEPs held or the value of the investment.

### ISAs and PEPs

The maximum annual investment limit of a stocks and shares Mini ISA has been increased and it is now possible to invest up to £4,000 per tax year. The maximum annual investment in a Maxi ISA is £7,000 per tax year. The SIT ISA is a stocks and shares ISA and can be held as either a Mini or a Maxi ISA.

Investment in ISAs and PEPs continues to be free from any capital gains tax. Higher rate tax payers do not have to pay any additional tax on the dividend, nor does it need to be included in a tax return.

## Contract Notes

Investors in SIT's schemes who do not wish to receive contract notes for every transaction on their account should write to SIT's Scheme Administrator – Halifax Share Dealing. All investors will continue to receive six monthly statements on their accounts.

## Change of STOCKPLAN/STOCKPLAN: A Flying Start administrator

The transfer of the administration of the STOCKPLAN/STOCKPLAN: A Flying Start schemes to Halifax Share Dealing Limited (HSDL) took place on 2 June 2006.

We would like to thank all our STOCKPLAN scheme investors for their support and understanding during the transfer process.

We are pleased to be able to introduce significant additional facilities such as online access and telephone dealing to STOCKPLAN investors.

For any queries with regard to the transfer please contact HSDL on 0845 850 0181.

## SIT Schemes' Contact/Helpline Number

There is now one telephone number for the administration of all of the SIT schemes. This is the HSDL number which should be used for holders of our STOCKPLAN, STOCKPLAN: A Flying Start, ISA or PEP schemes for:

- account queries,
- requests for valuations,
- information about your scheme,
- giving change of address details,
- help with accessing STOCKPLAN, ISA and PEP information on line.

The number is: **0845 850 0181**.

## Dividends

The following dividends have been paid or proposed during 2006:

Dividends	Amount	XD date	Record date	Payment date
Final 2005	4.35p	4 January 2006	6 January 2006	10 February 2006
Interim 2006	4.15p	7 June 2006	9 June 2006	14 July 2006
Final and Special 2006 (proposed)	6.57p	3 January 2007	5 January 2007	9 February 2007

The SIT plans listed above provide automatic reinvestment of dividends. However, they also allow for dividends to be taken as income, if required. STOCKPLAN, ISA and PEP holders should contact SIT's Investor Relations team to request the relevant Income Distribution Request form if they would like to take dividends as income.

Conversely, stockholders whose names are on our stock register, where dividends are automatically paid as income, can have their dividends reinvested by joining our dividend reinvestment plan. Details are available from Computershare Investor Services, our Registrar, on 0870 703 0195 or from our website, [www.sit.co.uk](http://www.sit.co.uk).

## How Can I Monitor My Investment?

SIT's stock price, together with performance information and product details, can be found on SIT's website: [www.sit.co.uk](http://www.sit.co.uk)

The price of ordinary stock units is published daily in most quality newspapers and is also available on Ceefax and Teletext, listed as Scot.IT. In addition, a number of

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financial websites, such as the FT website, [www.ft.com](http://www.ft.com) and Trustnet, (Financial Express) [www.trustnet.com](http://www.trustnet.com) carry stock price information.

SIT publishes a weekly NAV and a monthly statement on its website. An interim report is issued in June of each year, with the annual report being distributed to all investors in late December.

STOCKPLAN, STOCKPLAN: A Flying Start, ISA and PEP investors receive twice yearly statements of their holdings and SIT's investor newsletter is issued twice yearly.

## Accessing Your Account Online

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

The above scheme investors may view their accounts online by registering with Halifax-online. This can be accessed through the links on our website [www.sit.co.uk](http://www.sit.co.uk) or by visiting [www.halifax.co.uk/online](http://www.halifax.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, Halifax Share Dealing, on 0845 850 0181.

### Name on register stockholders

Investors who hold ordinary stock in their own name on SIT's stock register can check their holdings on our Registrar's website [www.computershare.com](http://www.computershare.com) or through the link on our website. Please note that to access this facility investors will need to quote the reference number shown on their stock certificate.

Alternatively, by registering for the Investors' Centre facility on Computershare's website, investors can view details of all their holdings for which Computershare is Registrar, as well as access additional facilities and documentation. Please see [www.computershare.com/investor](http://www.computershare.com/investor) for further information.

## Electronic Communications

If you are a name on register stockholder (i.e. not in the STOCKPLAN, ISA or PEP schemes) you may choose to receive our interim and annual reports and other stockholder communications electronically instead of in paper form. All you need to do to register is to visit the link in the stockholder information section on our website at [www.sit.co.uk](http://www.sit.co.uk) and provide your email details. You will then be advised by email when an electronic communication is available to be accessed.

## Stockholders' Meetings

Investors whose names appear on the main stock register (i.e. not in the STOCKPLAN, ISA or PEP schemes) are entitled to attend and vote at the AGM and other general meetings. Notices of meetings and proxy cards are sent to their registered addresses.

STOCKPLAN, STOCKPLAN: A Flying Start, ISA and PEP investors are entitled to attend the AGM and other general meetings and vote on a poll by completing and returning the form of direction enclosed with this report.

The AGM will be held at the Roxburghe Hotel, Charlotte Square, Edinburgh on 26 January 2007 at 10.00 am.

## Electronic Voting

Name on register stockholders in their own right (ie not in one of our schemes nor in a broker's nominee) are able

to submit proxy votes electronically for our AGM. Please follow the instructions on your proxy card.

## Personal Taxation

### Income Tax

Currently, all UK dividends are paid to stockholders net of a tax credit of 10%. Changes to the tax regime mean that from April 1999 non tax payers are no longer able to reclaim the tax credit.

Non-ISA and PEP stockholders liable to higher rates of tax will be assessed for any additional tax through their annual tax return.

### Capital Gains Tax (CGT)

Investment trusts currently pay no CGT on gains made within the portfolio. When investors sell all or part of their holdings, they may be liable to CGT. Currently, the first £8,800 pa of such gains from all sources is exempt.

Up to 5 April 1998 the cost of investments for CGT purposes was adjusted to allow for inflation. However from 6 April 1998 this indexation was replaced by a taper relief and from this date chargeable gains will be reduced in line with the length of time the investment has been held.

For investors who purchased stock prior to 31 March 1982 the cost for CGT purposes may be based on the price on that date of 41.472p.

Investors who are in any doubt as to their liability for CGT should seek professional advice.

ISA and PEP investments will continue to remain exempt from CGT.

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 Services Authority (FSA).

## Risk Warning

Past performance is no guarantee of future returns and the capital value of stock units and the income from them can go down as well as up as a result of market and currency fluctuations and cannot be guaranteed. An investor may not get back the amount originally invested. 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 for stockholders. However, if markets fall, these borrowings will magnify any losses. Investment in SIT is intended as a long-term investment. Taxation levels, bases and reliefs are subject to change and may depend on individual circumstances.

## Further Details

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  
Telephone: 0800 42 44 22  
Fax: 0131 226 3663  
Email: [heather@sit.co.uk](mailto:heather@sit.co.uk)