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Scottish American Investment Co PLC
05 August 2025

RNS Announcement

The Scottish American Investment Company P.L.C. (SAINTS)

Legal Entity Identifier: 549300NF03XVC5IFB447

Regulated Information Classification: Interim Financial Report.

The following is the unaudited Interim Financial Report for the six months to 30 June 2025 which was approved by the Board on 4 August 2025.

Results for the six months to 30 June 2025

- SAINTS' assets have delivered a positive return over the first six months of 2025. SAINTS' net asset value total return (borrowings at fair value) was 1.1% over the first six months of 2025, whilst global equities* returned 1%† over the same period.
- SAINTS' share price return over the first six months was 3.6%, helped by a narrowing of the discount. Over the period, the Company bought back just over 3.4% of the shares in issue at the start of the year.
- The operational performance of SAINTS' holdings remains generally encouraging and this is feeding through to increased revenues. This reflects both continued dividend growth from the Company's equity investments, despite something of a headwind from a strengthening dollar, and increased revenues from the Company's infrastructure and property investments.
- The Company has declared a second interim dividend of 3.75p. Taken with the previously declared first interim dividend, this represents an increase of 5.4% on the first two interim dividends of 2024
- The Board and the Managers remain optimistic about SAINTS' long-term prospects for inflation beating income growth and attractive returns.
- As previously announced, the Board intends to recruit a new Director, with a view to that person becoming the chairperson of SAINTS at the conclusion of the AGM in April 2026. The recruitment process, assisted by an independent search firm, is nearing its conclusion, and Board expects to announce the appointment of a new Director and chairperson designate in the coming weeks.

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

† Source: LSEG/Baillie Gifford and relevant underlying service providers. See disclaimer at end of this announcement.

Interim Chairman's statement

SAINTS' objective is to deliver real dividend growth by increasing capital and growing income.

The Board remains committed to delivering a dividend which increases ahead of inflation over time, and which is supported by revenues and revenue growth. SAINTS' investments and its Investment Policy support this objective.

Performance

SAINTS' NAV return was positive over the period, and the net asset value total return (capital and income with borrowings at fair) was 1.1%. SAINTS' returns matched those from global equities (as measured by the total of return of the FTSE All-World Index in sterling terms) which returned 1% over the same period. Helped by a narrowing of the discount to NAV, SAINTS' share price return was 3.8% over the period.

The Managers' Review highlights that they have been able to take advantage of recent volatility to strengthen the portfolio. SAINTS itself has been less volatile than the market helped by both the dependable nature of its equity portfolio and the benefits of diversification.

Over the period, SAINTS' property investments returned 3.6%. The principal contributors to and detractors from performance and the changes to the equity, property and bond investments are explained in more detail in the Managers' Review.

Interim Dividends

Interim Dividend

In June, the Company paid a first interim dividend of 3.625p, and today we are announcing a second interim dividend of 3.75p per ordinary share. Taken together, these dividends are 5.4% higher than the equivalent dividends in 2024.

The Board expects SAINTS' dividends to grow ahead of inflation over the long term and remains confident that this year will mark the Company's 52nd consecutive year of dividend growth.

Borrowings

In recent years SAINTS' long-term borrowings have been refinanced and modestly increased at advantageous interest rates. The cost of these borrowings in just under 3% per annum.

The book value of the total borrowings is £94.7m which, at the period end, was equivalent to approximately 10.3% of shareholders' funds. The estimated market or fair value of the borrowings was £62.0m, a decrease from £62.1m at the end of 2024.

Share buybacks

Over the six-month period, the Company has bought back just over six million shares (representing just over 3.4% of the shares in issue at the start of the year) at a cost of some £30.9m. All buybacks have taken place at a significant discount to the Company's NAV, and so each buyback has increased the NAV per share of the Company.

The Board

As communicated in the Annual Report and at the last AGM, I have indicated that I do not intend to stand for re-election as a Director at the next AGM in 2026. A recruitment process is well underway, assisted by an independent search firm, and the Board expects to announce the appointment of a new director and chairperson designate in the coming weeks, with a view to that director becoming the chairperson of SAINTS at the conclusion of the AGM in April 2026.

Outlook

At the start of the year, I indicated that, after a period of very strong performance, the risks to equity markets were apparent. Six months on, after considerable volatility and troubling developments particularly in relation to trade and government indebtedness but further modest progress from markets, these risks remain. As we look ahead, we take considerable comfort from the nature of SAINTS' investments, their operational performance and from the overall pattern of performance demonstrated through the market's gyrations in recent months.

SAINTS has been working for individual investors for over 150 years. It is built to help shareholders' income keep pace with inflation, as well as providing capital growth. And it is built for resilience.

Lord Macpherson of Earl's Court
Chairman

4 August 2025

Interim management report

Introduction

The single most notable feature of the first half of 2025 for SAINTS has been the attractive investment opportunities created by a volatile stock market. Through the tail end of last year there had been precious few investments that looked compelling to your managers, as share prices reached new highs and markets reacted euphorically to Donald Trump's election victory. But since the calendar ticked over to January there has been a significant drawdown and rebound in stock markets, caused by investors worrying (on and off) about the tri-headed Cerberus of tariffs, budget deficits, and war in the Middle East. SAINTS is squarely focused on investing in resilient businesses with strong and steady growth prospects, so this whipsaw in share prices was not mirrored by the portfolio, which was notably less volatile. However the ups and downs of the stock market created good opportunities for us to make two new equity investments, and by doing so upgrade the portfolio's long-term prospects for capital and dividend growth. We also added selectively to existing holdings where drops in share prices had created unexpected opportunities.

Before examining these investments in more detail, our mid-year update will set the scene with some comments on the market backdrop. We will then report on performance during the period, before diving into the details of the new investments, and the sources of funds for them. Finally we will step back from the short-term and introduce a new way of illustrating SAINTS portfolio. It has been about a decade since we first introduced the "Portfolio Pyramid" as a way for shareholders to visualise the Company's entire equity portfolio. We're always looking to improve, and we believe we have found an even better way to illustrate the contents of the pyramid.

Market context

As perhaps should have been expected, the first half of the year was anything but quiet.

President Trump's return to office triggered a storm of executive orders and policy shifts. Markets are still trying to make sense of the upheaval, but one thing seems clear: the old world order is changing. The result has been a sharp uptick in uncertainty for businesses and investors alike.

In Europe, Germany's decision to suspend its long-standing "debt brake" marks a major turning point. A €1 trillion stimulus plan, half earmarked for infrastructure and half for defence, is a significant policy shift and could well pave the way for other countries to loosen the purse strings. Meanwhile, China has stayed cautious. It's offering some support to its private sector and tech firms but is holding back on major consumption stimulus-at least for now.

From mid-February to early April, U.S. equities dropped around 19% as investors took profits on previously high-flying tech stocks. European and Chinese equities, by contrast, rallied, buoyed by improving growth prospects and more attractive valuations.

During the second quarter, things reversed. After a rocky start in April, global equity markets staged a sharp rebound-once again led by U.S. tech giants. Investors seemed largely unfazed by the continued wave of executive orders. The market appeared to be saying: policy chaos is just noise, and the economy will carry on regardless.

Underneath the optimism, there are cracks. The U.S. has now imposed average tariffs at their highest level since 1937; a massive new fiscal bill will add over 3 trillion to U.S. debt over the next decade; and the dollar has weakened by approximately 10% despite rising bond yields-an odd and possibly troubling combination.

Add it all up, and the picture is a strange one. Investors seem to be holding two conflicting ideas: that corporate earnings will keep rising, but that growing deficits and protectionism may cause problems in the long term. Currently, optimism is still priced in, even as unease quietly builds.

For investors, this can be troubling. Faced with uncertainty and volatility, the temptation is to withdraw from the equity market and park money in cash. But experienced investors know this is a high risk strategy: often the market rebounds before the investor feels comfortable returning, with hindsight it becomes apparent that the right strategy for the long-term was to remain invested in the market. SAINTS offers a middle ground: an island of sanity in the eye of the storm. By focusing on high-quality, resilient businesses - names which are willing and able to pay consistent dividends even at the trough of the market - shareholders can remain invested in equities and sleep well at night, without having to fear the loss of their savings.

The year so far has not been short on noise. But our strategy remains the same: prudent diversification, focus on long-term fundamentals, and invest in companies that can weather any storm.

Performance

Global equity markets finished the first half of the year slightly up in sterling terms, and SAINTS' NAV produced a similar return. A lower discount to NAV means the share price return was +3.7%, ahead of the index return of +1%.

Equity portfolio performance

As outlined above, the first half of 2025 was, in fact, a game of two halves: in the first quarter, the portfolio's resilience shone in declining markets and relative returns were strong. The second quarter saw a reversal as technology and cyclical stocks were back in vogue, leading to positive returns for the equity portfolio but which lagged the broader market.

At mid-year, both the portfolio and global equity markets have delivered a small positive return. However, as has often been the case in the past, the portfolio's emphasis on long-term compounding and dividend dependability resulted in a smoother return journey - i.e. lower volatility compared to the rather turbulent path taken by global indices.

SAINTS' holdings in derivative exchanges (**Deutsche Boerse, B3, Hong Kong Exchanges and CME**) significantly boosted performance over the past six months. High volatility in financial markets is actually a boon for these companies, which thrive in such environments. For example, Deutsche Boerse owns Eurex, one of Europe's largest derivative trading platforms. In addition, the announcement of Germany's debt brake suspension, and the associated large move in the German bond yield, led to significant trading on the platform, meaning profits were rising as investors were frantically adjusting their hedging. All of SAINTS' exchange investments delivered strong operational results as their clients traded more heavily than usual as market volatility spiked.

These financial infrastructure assets have all the attractive characteristics of long-term compounders: they operate in a structurally growing industry, have formidable barriers to competition, and generate large amount of surplus cash because they do not need much capital investment to grow.

Admiral Group, the UK-based insurer, also featured among the top contributors since the start of the year. The company's share price rose as profitability improved markedly, with the added bonus of some regulatory clarity in the UK insurance sector. With a proven underwriting record, conservative reserving, and good opportunities for continued growth in the UK and European insurance markets, Admiral continues to be a valuable holding within SAINTS' financials exposure. It is pleasing that since our decision to add to the holding two years ago, following a sharp fall in the share price as the insurance cycle temporarily swung downwards, has since been rewarded by a more than 50% increase in the shares and, in the latest period temporarily swung downwards, has since been rewarded by a more than 50% increase in the shares and, in the latest period, the announcement of a more than 60% increase in the ordinary dividend (with a special dividend to boot).

On the other side of the ledger, several otherwise dependable names were a modest drag on returns, including **Novo Nordisk, Procter & Gamble, PepsiCo,** and **Watsco**.

Novo Nordisk had a difficult first half of the year. After a remarkable run-where it became the most valuable company in Europe-its share price pulled back sharply. The drop was triggered by concern about market share loss to its major competitor, Eli Lilly, and so-called 'compounders': companies that are selling diluted versions of the drug at a lower price, despite health regulators warning these products are unsafe and that sales should stop immediately. These issues have proved sufficiently challenging that Novo Nordisk's board decided to ask the CEO to step down. The company has sharply reduced its financial guidance for 2025, with growth for the full year now expected to be in the range of 8-14% (a slowdown from prior expectations of 13 to 21%). Of course, most companies would love to grow their profits in the range of 8-14%, but the slowdown has caught everybody by surprise, hence the tumbling share price.

Our base case is that in the years ahead, Novo Nordisk and Eli Lilly will trade positions as both continue to improve their obesity drugs: sometimes Eli Lilly will be in the ascendant (as now) and other times it will be Novo Nordisk (as was the case a couple of years ago). So as the market for these drugs grows significantly in the years to come, we still expect Novo Nordisk to deliver strong growth in earnings and dividends. However, given that the company's recent issues have been serious enough for the board to replace the CEO, something which has happened only a handful of times in the company's multi-decade history, we are returning to our investment case and re-testing our core assumptions, to make sure of our convictions. We originally invested in the company in 2016, at a time when the share price had fallen sharply due to market share losses in the company's other major business, insulin. That opportunity proved to be a great investment over the next several years, and we took significant gains on the holding through 2023. The more recent fall in the share price may yet prove to be another great investment opportunity. But we will go back and re-test our base case assumptions before coming to any conclusion.

Both **Procter & Gamble** ("P&G") and **PepsiCo** saw their share prices decline in the first half of the year after reporting earnings growth below market expectations. P&G was affected by inventory destocking, and perhaps a bit of down-trading from consumers tightening their belts, leading management to reduce their guidance for the year. Meanwhile PepsiCo reported a slowdown in its snacks business. After growing earnings by around 10% a year during the period 2021-23, PepsiCo reported underlying EPS growth of just 2% in 2024.

It has been a difficult year for Consumer Staples companies, not just P&G and Pepsi but also many other names in the sector. Not long ago many of these companies were raising their prices substantially to offset cost inflation, and they were widely praised by investors for their ability to preserve margins. Many of them were also enjoying the benefits of volumes surging and customers up-trading to premium products, as people everywhere celebrated the end of lockdowns and went back out to drink in bars, eat in restaurants, and splurge on holidays. It is the view of your managers that what we have witnessed in the past 12 months, with sluggish results reported by many of these companies, is largely the short-term unwinding of this mini-boom. We expect growth to re-accelerate in the next few years, and valuations to be re-assessed upwards. As with all SAINTS holdings which encounter struggles, we go back and test our core assumptions to make sure we're not deluding ourselves. But our general feeling is that nothing is fundamentally broken in these companies. And they will continue to be resilient compounders.

These are companies with well-invested brands, fortress balance sheet, and long experience of operating through the ups and downs of economic cycles. All of them have continued to increase dividends, which is an important signal.

Other asset classes

A compelling advantage of the closed-end investment trust structure is the ability to borrow at attractive rates and long maturities and invest for higher returns than the cost of borrowing. SAINTS has modest debt of £95m, implying gearing of less than 10%, with a blended fixed interest rate just below 3%. Your managers invest this in a mix of properties, bonds and infrastructure names. All three asset classes delivered positive returns over the period.

The property portfolio returned 3.6% in the first half of the year, mostly from rental income as the value of properties rose marginally compared to the end of 2024. After a period of sharp rises in interest rates, the last six months have been more positive for the sector, as a deceleration in inflation has allowed the Bank of England to lower interest rates. The vast majority of the property portfolio generates income which is inflation-protected, either through indexation or fixed increases, and rent reviews in the last six months have increased the contracted rent income by about 7%.

The fixed income portfolio contributed positively as prices rose for our government bond holdings, with a weaker US dollar generally supportive of these assets. Together with the income contribution from our Nestle and Tesco bonds, the return from the fixed income portion of the assets was +2.3% in the first half.

Our infrastructure holdings delivered very strong returns over the first half of 2025, up by 15%. These were supported by a modest decline in bond yields, strong operational performance, a catch-up from previously depressed valuations and corporate activity. At the start of the year, the asset class was priced for disappointment. UK renewable investment trusts, for example, were trading at discounts of over 30% to NAV. As the year progressed, reassuring results and stabilisation in bond yields - to which these companies are sensitive - helped lift valuations. Our European grid holding, Terna, performed particularly well, supported by expansion plans, and rising demand for defensive assets in an environment of growing geopolitical and policy uncertainty.

In that infrastructure space, we stood up for shareholders in June, and prevailed. Assura, a specialist in GP surgeries across the UK and Ireland was subject to a bid approach from a KKR-led private equity consortium that we felt undervalued the long-term prospects of the business. When a second bidder - UK-listed Primary Health Properties - entered the fray, we judged their proposal to combine the two businesses as offering a significantly better outcome for shareholders. Not only would this create a larger, more cost-efficient business better able to support the NHS in its transformation and modernisation, but it would allow shareholders to retain exposure to an attractive and growing earnings stream.

Although Assura's board initially recommended KKR's offer, we made our opposition clear-both directly to the company and publicly through the press-arguing that the KKR bid was opportunistic and not in shareholders' best interests. Ultimately, the board reversed its position and backed the PHP offer, which is expected to complete in mid-August. This kind of shareholder advocacy is a vital role of active asset managers-one that passive investors are rarely able to fulfil.

Revenue progression

The operational performance of SAINTS' holdings remains generally encouraging and this is feeding through to increased revenues. This reflects both continued dividend growth from the Company's equity investments, despite something of a headwind from a strengthening dollar, and increased revenues from the Company's infrastructure and property investments. Assuming no further headwind from exchange rates we currently expect the Company's earnings per share growth over the year to support another year of dividend growth ahead of inflation, subject to the Board's judgement and discretion.

Transactions

As mentioned at the outset of this update, volatility in the stock market created a number of good investment opportunities for SAINTS equity portfolio. As managers we keep a Focus List of companies always ready-to-go, names where we have conducted deep research and see a great fit for SAINTS in terms of long-term growth and resilience, but where the current share price does not look attractive relative to names already in the portfolio. When markets thrash about, babies often get thrown out with the bathwater. We use this as an opportunity to upgrade, typically by taking the least deserving children out of the portfolio and using these as sources of funds to invest in more promising ones. (We have not yet mentioned this analogy to our own children).

One of the new investments is Accenture, the global consulting and technology services firm. This is a company with a terrific track record of growth in its earnings and dividends over a long period of time, and we believe the sources of its past success are likely to remain sources of future success. It begins with the ever-onwards march of technology. As software and hardware relentlessly improve, organisations are forever looking for advice and assistance in implementing change to make use of that technology. This is complex, and the clear leader in this sphere is Accenture. When companies need advice on how to move to the Cloud or clean up their data to use AI, they pick up the phone to Accenture. The company is an expert in developing 'playbooks' for different industries, so it can advise what works best for a food factory, which is not the same as what works best for a building society. Using these playbooks, it can also offer outsourced services where the client hands over the work to Accenture, such as application development. We expect technology to continue evolving, revenue to continue growing, and with careful cost control to see continued profit and dividend growth. The company has compounded earnings per share at approximately 12% per annum over the past decade and has consistently grown its dividend.

That's why it was on our Focus List. But the share price wasn't quite attractive enough to displace anything in the portfolio. Then came Mr Trump and Mr Musk. As the latter got to work with his "Department of Government Efficiency" initiative, he threatened to terminate multiple contracts for companies like Accenture. The share price of Accenture tumbled. We saw this as an over reaction (government contracts are only a small part of Accenture's revenue) and we did not view Mr Musk's efforts as likely to endure. This gave us an opportunity to make a long-term investment for SAINTS at an attractive valuation.

Our second new purchase was Jack Henry, a provider of banking software in the US. It supplies core platforms to small and mid-sized financial institutions, and has built its business around long-term, subscription-based revenues. The company came to our attention many years ago when speaking to one of its competitors. "Of course, we all know the company in our industry with the best reputation is Jack Henry". Further investigation revealed this reputation was well-earned: the company has been carefully managed with a singular focus for many years, trying to deliver the best software with the best service. Over the past 15 years this has allowed the company to compound its earnings at around 10% per annum and raise its dividend every year for more than two decades. We see many years of growth to come, as the company sells ever more functionality to its customers and continues to gain share from its competitors.

The valuation of the shares has always looked a bit rich to us, and it has sat on our Focus List for a long time. But the most recent quarterly results showed a slowdown in growth, which prompted a relative de-rating of the share price. We know from observing the company over the years that this is likely to prove temporary: it tends to come and go with animal spirits in the US banking sector. We took this as an opportunity to invest for SAINTS.

Both Accenture and Jack Henry are companies we have researched and admired for a long time, but whose rich valuations were a hurdle. Finally, we have been given an opportunity to buy into what we believe are two strong, durable compounders, at an attractive valuation.

Alongside new purchases, we have added selectively to several existing holdings over the past six months where volatility has made the relative valuation more attractive. Most notably we have added to Amadeus, the airline IT firm, where we foresee many years of growth but there are short-term concerns in the stock market about consumer spending on travel. And Edenred, the vouchers business, which has sold off quite sharply on concerns about regulatory changes in France and Brazil at a time of widening government deficits (Edenred's meal vouchers are particularly attractive when the government offers a tax break). Our analysis suggests the risk here is quite low, and the most likely outcome is that Edenred will continue to deliver profit and dividend growth for years to come. We added to the holding.

Now to the sources of funds. We divested from our long-standing holding in United Parcel Service (UPS). For many years UPS has enjoyed the benefits of a well-invested and highly-evolved package delivery network, built over more than 100 years, which have allowed it to offer lower rates and better on-time delivery performance to shippers. It has always been a cyclical business, but the rise of e-commerce in the past 20 years has been a fantastic source of volume growth across cycles. In the past few years, the earnings have have fallen, and to begin with we viewed this as just another cyclical downturn, following the COVID boom in online shopping around 2020-21. But our ongoing research revealed something more sinister: rising volumes have attracted more competition. Firms like Amazon have built their own delivery network, regional and local delivery companies have become stronger, and incumbent mail systems like the US Postal Service have become more competitive. Eventually UPS was forced to walk away from a sizeable portion of business delivering packages for Amazon-despite prior management assurances that this relationship would remain stable. This was the second notable strategic reversal within a year, raising broader questions around intensifying competition and management's strategic direction. Our confidence in the long-term growth case was materially reduced. We reduced the position size last year, and when better opportunities came along it was time to upgrade the remainder of the holding.

Later in the half, we also divested from TCI, a Taiwanese "nutraceutical" manufacturer. TCI had grown rapidly selling health-related products like protein and collagen drinks, with China its biggest market. But a Chinese government crackdown on online marketing in 2022 severely impacted the business, and although TCI found some success expanding in Europe and the U.S., this was insufficient to offset the persistent headwinds in its core Chinese market. The dividend was cut, and with our growth expectations reduced it was a clear candidate to reallocate capital elsewhere.

We also made some small changes in the infrastructure and fixed income portfolios.

Within the infrastructure portfolio, we divested SAINTS holding in BBGI, the UK-listed infrastructure trust, after it received a takeover bid. We reinvested the proceeds into Transurban, the world's largest listed toll-road operator. Transurban manages key urban motorway networks across Australia and North America, with inflation-linked tolling built into its long-dated concession agreements. It offers dependable income, pricing power, and attractive long-term growth potential as urban populations and congestion continue to rise.

The bond portfolio also saw modest changes. In response to rising yields in the UK and an improving opportunity in Sterling-denominated credit, we sold out of two long-duration, USD denominated sovereign bonds in emerging markets, and reinvested the proceeds into Sterling corporate bonds issued by Nestlé and Tesco. These new holdings offer yields close to 6%, low default risk, and the added advantage of aligning more closely with the currency in which SAINTS pays its dividend. This not only improves income resilience but also reduces currency-related volatility in SAINTS' earnings base.

From type of growth to type of compounding

At this year's AGM meeting (which for the first time was streamed online and is available for re-play at www.saints-it.com) we introduced a new way of categorizing the companies in our portfolio: transitioning from "types of growth" to "types of compounding."

We introduced the "Portfolio Pyramid" chart about a decade ago. The rationale was to give shareholders a clear way of seeing the entire equity portfolio in one place and present it in a clearer and more informative way than a simple list of names on a page. We split the companies into four different "types of growth". Of those, the "Compounding Machines" have consistently represented the bulk of the portfolio: companies with strong and enduring competitive positions within markets that have solid long-term growth prospects. The other categories were "Exceptional Revenue Opportunities": companies which we expect to deliver rapid compound growth in earnings and dividends for a few years, before eventually becoming "compounding machines". The third and fourth categories have been a smaller part of the portfolio. "Management Acceleration" (companies with potential to get better) and "Long-Cycle" companies (cyclical but uncorrelated with the traditional economic cycle.)

What we have found over the years is that we have had much more success investing in the two largest categories, the steady and rapid compounders. The share of the portfolio invested in these categories has naturally increased to over 90%. We have had limited success in the other categories, to the point that we have either divested or, in a few cases, they have transformed into ongoing compounders.

With these compounders now approaching 100% of the portfolio, the old classification is no longer helpful. This prompted a simple question: as shareholders in SAINTS ourselves, what would we find useful to know about the portfolio about the different companies within it?

With hindsight the answer seems obvious. All of the companies in the portfolio represent some type of resilient long-term compounding. But compound growth in earnings and dividends can happen in a few different ways. In fact, broadly speaking, four different ways. The new classification divides the portfolio into these four categories, each representing a different type of long-term compounding: **Everyday Royalties**, **Share Gainers**, **Market Expanders**, and **Adjacency Builders**. Here is a brief description of each:

- "**Everyday royalties**": These are companies with well-established positions in markets growing at GDP rates. The products and services they sell are everyday items at very low risk of disruption: think coffee and lipstick. This gives them the opportunity to deliver streams of earnings and dividends of unusually long duration. Their ability to deliver steady volume growth is complemented by pricing power driven by innovation. Procter & Gamble exemplifies this category, with its diversified portfolio of 65 brands reaching five billion consumers, selling daily-use items like Oral-B toothpaste and Fairy washing detergent. P&G's innovation allows it to maintain leadership in categories like fabric care (Fairy), baby care (Pampers), and grooming (Gillette) while raising prices for products perceived as superior. Typically, we expect revenues of these companies to grow their revenues by mid-single digits, and earnings per share to compound at a rate of 5-10% for a very long period of time.
- "**Share gainers**": These are companies which compound earnings and dividends by capturing market share through superior products or services. Fastenal, the US distributor of industrial parts, is a prime example. It started out selling bolts and other fasteners to manufacturing companies in the US in 1967, and with its excellent customer service and competitive prices it has been steadily adding products and gaining market share ever since. It installed vending machines at its clients' premises in 2008: bolts, washers and gloves as easy to retrieve as cans of Coca Cola, allowing employees quick access to parts and enabling companies to stay on top of their inventory. In a highly fragmented market, we expect years of continued to compound growth, with earnings and dividends per share in this category compounding at around 10% annually.
- "**Market Expanders**": These businesses benefit from more rapid rates of compounding in their end-markets, typically well above GDP. Novo Nordisk illustrates this category perfectly. We expect its insulin business will continue to compound at solid rates for many years to come, driven by rising numbers of diabetics, rising diagnoses of diabetics, and continued innovation in the insulin space permitting price increases. Alongside this, we see rapid growth in the market for its obesity treatments, where prescription rates remain very low and the benefits of Novo's medicines are enormous. Often your holdings are at the forefront of driving the innovation that is expanding the market, and such is the case with Novo Nordisk. We expect long-duration compounding at rates of 10% or even higher.
- "**Adjacency Builders**": These companies leverage their competitive advantages in core markets to expand into adjacent industries. Atlas Copco is a standout example. Starting as a leader in air compressors, Atlas Copco pioneered oil-free technology to enter sensitive markets like food production and pharmaceuticals. Later, it expanded into vacuum technology through acquisitions, establishing itself as a leader in this rapidly growing field. As these companies build positions in markets adjacent to their core competency, we expect earnings and dividends to compound at attractive rates averaging 10%.

It is worth noting that many companies can be described as spanning multiple categories; Atlas Copco, for instance, is still gaining market share through innovation in its traditional compressor business, alongside its efforts to build businesses in adjacent markets. So, it could be described as both a Market Share compounder and an Adjacency compounder. In these instances, our classification tries to reflect the aspect of compounding which is at the heart of our investment case. In the Atlas Copco example, it is the ability to build adjacent businesses over the long-term which really excites us and cuts to the heart of our belief in its ability to compound earnings and dividends at attractive rates.

This new classification remains an internal framework designed to help visualise SAINTS' portfolio. We do not set targets for portfolio weights based on these classifications; instead, they serve as an illustration that helps shareholders to understand how the Company's holdings contribute to long-term growth in portfolio earnings and dividends, and ultimately growth in SAINTS NAV and share price.

http://www.rns-pdf.londonstockexchange.com/rns/9112T_1-2025-8-4.pdf

Conclusion

It has been a busy six months. Markets have been volatile, creating opportunities for new investments and additions to existing holdings, while exiting names where the long-term prospects were weaker. Global equity markets finished the first half of the year slightly up in sterling terms, and SAINTS' NAV produced a similar return. A lower discount to NAV means the share price return was +3.7%, ahead of the index return of +1%.

While the early April storm in financial markets may have passed, volatile headlines and executive orders have stirred an undercurrent of uncertainty. In this kind of environment, resilience matters.

SAINTS' portfolio remains anchored in high-quality businesses with solid foundations, strong leadership, and the ability to weather cycles. As the landscape evolves, we believe this approach offers both reassurance and enduring value.

Baillie Gifford & Co

4 August 2025

See the disclaimer at the end of this announcement.

Past performance is not a guide to future performance.

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 Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the Financial Statements and a description of 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 Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Lord Macpherson of Earl's Court

Chairman

4 August 2025

Performance attribution for the six months to 30 June 2025

For the six months to 30 June 2025

Portfolio breakdown	Average allocation SAINTS %	Average allocation benchmark * %	Total return † SAINTS %	Total return *† benchmark %
Global equities	95.7	99.9	0.4	
Infrastructure equities ‡	3.0	0.1	14.9	
Bonds	1.1		2.3	
Direct property	9.8		3.6	
Deposits	0.4		-	
Borrowings at book value	(10.1)		1.5	
Portfolio total return (borrowings at book value)			**1.1**	
Other items #			(0.1)	
Fund total return (borrowings at book value)			**1.0**	
Adjustment for change in fair value of borrowings			0.1	
Fund total return (borrowings at fair value)			**1.1**	1.0

* The Company's benchmark is the FTSE All-World Index (in sterling terms).

† Alternative performance measure - see glossary of terms and Alternative Performance Measures at the end of this announcement.

Includes Baillie Gifford and OLIM Property Limited management fees.

‡ The allocation reflects the six infrastructure equity holdings set out in the list of investments below.

Source: Baillie Gifford / LSEG and relevant underlying index providers. See disclaimer at the end of this announcement.

Past performance is not a guide to future performance.

List of investments

as at 30 June 2025 (unaudited)

Name	Business	30 June 2025 Value £'000	30 June 2025 % of total assets
Global equities			
Microsoft	Computer software	37,201	3.7
Deutsche Boerse	Securities exchange owner/operator	33,472	3.3
Procter & Gamble	Household product manufacturer	28,678	2.8
Taiwan Semiconductor Manufacturing	Semiconductor manufacturer	27,777	2.7
Partners Group	Asset management	25,895	2.6
Apple	Consumer technology	25,575	2.5
CME	Derivatives exchange operator	24,844	2.5
Admiral	Car insurance	23,145	2.3
Coca Cola	Beverage company	22,537	2.2
Atlas Copco	Engineering	22,524	2.2
Anta Sports	Sportswear manufacturer and retailer	22,407	2.2

Name	Business	30 June 2025 Value £'000	30 June 2025 % of total assets
Schneider Electric	Electrical power products	21,089	2.1
Fastenal	Distribution and sales of industrial supplies	20,543	2.0
Amadeus IT Group	Technology provider for the travel industry	20,003	2.0
Novo Nordisk	Pharmaceutical company	19,722	2.0
Watsco	Distributes air conditioning, heating and refrigeration equipment	19,410	1.9
Analog Devices	Integrated circuits	19,113	1.9
B3 S.A.	Securities exchange owner/operator	18,623	1.8
Roche	Pharmaceuticals and diagnostics	18,196	1.8
Wolters Kluwer	Information services and solutions provider	17,800	1.8
Experian	Credit scoring and marketing services	17,606	1.7
L'Oréal	Cosmetics	17,221	1.7
Epiroc	Mining and infrastructure equipment provider	16,756	1.7
Midea Group	Appliance manufacturer	16,742	1.7
Pepsico	Snack and beverage company	16,593	1.6
McDonald's	Fast food restaurants	16,275	1.6
Carsales.com	Online marketplace for classified car advertisements	15,501	1.5
USS	Secondhand car auctioneer	15,030	1.5
United Overseas Bank	Commercial banking	14,539	1.4
Nestlé	Food producer	14,511	1.4
Cisco Systems	Data networking equipment	14,224	1.4
Edenred	Voucher programme outsourcer	14,164	1.4
NetEase	Online gaming company	14,129	1.4
Accenture	Global professional services	13,729	1.4
Hong Kong Exchanges and Clearing	Securities exchange owner/operator	12,762	1.3
Intuit	Software	11,751	1.2
Jack Henry & Associates	Provider of software and IT services for banks	11,691	1.2
Texas Instruments	Semiconductor supplier	10,931	1.1
Home Depot	Home improvement retailer	10,880	1.1
Valmet	Manufacturer of pulp and paper machinery	10,741	1.1
Starbucks	Coffee retailer	10,300	1.0
T. Rowe Price	Fund manager	10,264	1.0
AVI	Staple foods manufacturer	8,914	0.9
Paychex	HR, payroll and benefits outsourcer	8,898	0.9
Coloplast	Manufacturer of medical products	8,367	0.8
Arthur J Gallagher	Insurance broker	8,277	0.8
Diageo	International drinks company	8,079	0.8
SAP	Business software developer	7,421	0.7
Kuehne + Nagel	Worldwide freight forwarder	7,264	0.7
Albemarle	Producer of speciality and fine chemicals	6,594	0.7
Eurofins	Laboratory testing provider	6,255	0.6
Man Wah	Sofa designer and manufacturer	5,759	0.6
Fevertree Drinks	Producer of premium mixer drinks	5,045	0.5
Cognex	Industrial automation	4,709	0.5
Pernod Ricard	Global spirits manufacturer	4,560	0.5
Medtronic	Medical devices company	4,401	0.4
Total global equities		**870,127**	**86.1**
Infrastructure equities			
Greencoat UK Wind	UK wind farms	10,187	1.0
Terna	Electricity grid operator	7,334	0.7
Transurban Group	Tollroad operator	6,265	0.6
Jiangsu Expressway	Tollroad operator	4,559	0.5
Assura	Primary healthcare property group	3,959	0.4
Exelon	Grid and utility operator	879	0.1
Total Infrastructure equities		**33,183**	**3.3**
Direct Property	See table below	**92,250**	**9.1**

Issue	Currency	30 June 2025 Value £'000	30 June 2025 % of total assets
Bonds			
Brazil CPI Linked 15/05/2045	Brazilian real denominated	2,350	0.2
Nestlé Finance Intl 5.125% 2038	Sterling denominated	2,094	0.2
Tesco Corp Treasury Services 5.5% 2035	Sterling denominated	2,088	0.2
Indonesia 9% 15/03/2029	Indonesian rupiah denominated	1,837	0.2
Indonesia 7.375% 15/05/2048	Indonesian rupiah denominated	1,792	0.2
Ivory Coast 6.625% 2048	Euro denominated	1,408	0.1
Dominican Republic 9.75% 06/06/2026	US dollar denominated	670	0.1
Total Bonds		**12,239**	**1.2**
Total Investments		**1,007,799**	**99.7**
Net Liquid assets		2,849	0.3
Total Assets (before deduction of borrowings)		**1,010,648**	**100.0**

Property portfolio

Location	Type	Tenant	2025 EPC # Rating	2025 Value £'000	2025 % of total assets	2024 Value £'000
Crawley†	Motorway Services RPIlinked annual increase (uncapped till May 2025, then collar 2% cap 4%)	Moto Hospitality Limited	B	20,000	2.0	19,700
Denbigh	Supermarket Fixedincreases 5yearly (2.5% compounded)	Aldi Stores Limited	B	4,800	0.5	4,800
Earley	Public House 5yearly open market review	Spirit Pub Company (Managed) Limited (Greene King plc)	C	2,500	0.2	2,500
Gosport	Supermarket RPIlinked collar 1% cap 2.75%	Aldi Stores Limited	A	5,550	0.5	5,550
Holyhead	Hotel CPIlinked with 4% cap	Premier Inn Hotels Limited	A	6,500	0.6	6,500
New Romney	Holiday Village RPIlinked collar 3% cap 7% p.a. + turnoverrelated top up 5yearly	Park Resorts Limited	C	19,250	1.9	19,250
Otford	Public House 5yearly open market review	Spirit Pub Company (Managed) Limited (Greene King plc)	C	1,700	0.2	1,700
Ringwood	Hotel CPIlinked with 4% cap	Premier Inn Hotels Limited	B	8,350	0.8	8,350
Southend-on-Sea	Warehouse Fixed increases 5yearly (2.5% compounded)	Booker Limited	C	8,900	0.9	8,500
Taunton*	Bowling Alley RPIlinked until 2024, then 5yearly open market	Mitchells & Butlers Retail (No.2) Limited (sublet to Hollywood Bowl Group plc)	A	-	-	3,900
Witney	Industrial RPIlinked collar 2% cap 4%	James Donaldson Group Limited	A	14,700	1.5	14,700
				92,250	**9.1**	**95,450**

* Sold during the year.

\# See glossary of terms and alternative performance measures on at the end of this announcement.

Income statement (unaudited)

	Notes	For the six months ended 30 june 2025 Revenue £'000	Capital £'000	Total £'000	For the six months ended 30 June 2024 Revenue £'000	Capital £'000	Total £'000	For the year ended 31 December 2024 (audited) Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments - securities		-	(6,084)	(6,084)	-	37,823	37,823	-	28,654	28,654
Gains/(losses) on investments - property		-	638	638	-	(11)	(11)	-	1,887	1,887
Currency gains/(losses)		-	151	151	-	81	81	-	(26)	(26)
Income		18,571	-	18,571	17,404	-	17,404	32,387	-	32,387
Management fees	3	(523)	(1,568)	(2,091)	(547)	(1,640)	(2,187)	(1,091)	(3,271)	(4,362)
Other administrative expenses		(737)	-	(737)	(685)	-	(685)	(1,349)	-	(1,349)
Net return before finance costs and taxation		**17,311**	**(6,863)**	**10,448**	**16,172**	**36,253**	**52,425**	**29,947**	**27,244**	**57,191**
Finance costs of borrowings		(354)	(1,061)	(1,415)	(354)	(1,061)	(1,415)	(711)	(2,134)	(2,845)
Net return on ordinary activites before taxation		**16,957**	**(7,924)**	**9,033**	**15,818**	**35,192**	**51,010**	**29,236**	**25,110**	**54,346**
Tax on ordinary										

Tax on ordinary activities		(1,814)	363	(1,451)	(1,861)	468	(1,393)	(3,414)	940	(2,474)
Net return on ordinary activites after taxation		15,143	(7,561)	7,582	13,957	35,660	49,617	25,822	26,050	51,872
Net return per ordinary share	**4**	**8.79p**	**(4.39p)**	**4.40p**	**7.83p**	**20.00p**	**27.83p**	**14.50p**	**14.62p**	**29.12p**
Note: **Dividends paid and payable per share**	**5**	**7.375p**			**7.00p**			**14.875p**		

The accompanying notes below are an integral part of the Financial Statements.

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital 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)

As at 30 June 2025 (with comparatives as at 31 December 2024 audited)

	Notes	At 30 June 2025 £'000	At 31 December 2024 £'000
Non-current assets			
Investments - securities		915,545	948,345
Investments - property		92,250	95,450
		1,007,795	1,043,795
Current assets			
Debtors		3,873	4,474
Cash and cash equivalents		3,958	2,818
		7,831	7,292
Creditors			
Amounts falling due within one year:			
Other creditors and accruals		(4,982)	(3,652)
Net current assets		**2,849**	**3,640**
Total assets less current liabilities		**1,010,644**	**1,047,435**
Creditors			
Amounts falling due after more than one year:		(94,749)	(94,742)
Net assets		**915,895**	**952,693**
Capital and reserves			
Share capital		44,579	44,579
Share premium account		186,100	186,100
Capital redemption reserve		22,781	22,781
Capital reserve		643,952	681,413
Revenue reserve		18,483	16,820
Shareholders' funds		**915,895**	**952,693**
Net asset value per ordinary share*		**536.8p**	**539.3p**
Ordinary shares in issue	8	**170,614,545**	**176,650,758**

* See Glossary of terms and Alternative Performance Measures at the end of this announcement.

The accompanying notes below are an integral part of the Financial Statements.

Statement of changes in equity (unaudited)

For the six months ended 30 June 2025

	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 January 2025		44,579	186,100	22,781	682,413	16,820	952,693
Net return on ordinary activities after taxation		-	-	-	(30,904)		(30,904)
Net return on ordinary activities after taxation		-	-	-	(7,557)	15,143	7,586
Dividends paid	5	-	-	-	-	(13,480)	(13,480)
Shareholders' funds at 30 June 2025		**44,579**	**186,100**	**22,781**	**643,952**	**18,483**	**915,895**

For the six months ended 30 June 2024

	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 January 2024		44,579	186,100	22,781	664,892	16,832	935,184
Net return on ordinary							

activities after taxation		-	-	-	35,660	13,957	49,617
Dividends paid	5	-	-	-	-	(12,928)	(12,928)
Shareholders' funds at 30 June 2024		44,579	186,100	22,781	700,552	17,861	971,873

* The Capital Reserve balance at 30 June 2025 includes unrealised investment holding gains of £268,947,000 (30 June 2024 - gains of £351,681,000).

The accompanying notes below are an integral part of the Financial Statements.

Condensed cash flow statement (unaudited)

	Six months to 30 June 2025 £'000	Six months to 30 June 2024 £'000
Net return on ordinary activities before taxation	9,033	51,010
Adjustments to reconcile company profit before tax to net cash flow from operating activities		
Net losses/(gains) on investments - securities	6,084	(37,823)
Net (gains)/losses on investments - property	(638)	11
Currency (gains)	(151)	(81)
Finance costs of borrowings	1,415	1,415
Other capital movements		
Changes in debtors	659	(537)
Changes in creditors	(699)	(704)
Other non-cash changes	16	29
Taxation		
Overseas withholding tax	(1,511)	(1,383)
Cash from operations	**14,208**	**11,937**
Interest paid	(1,415)	(1,415)
Net cash inflow from operating activities	**12,793**	**10,522**
Cash flows from investing activities		
Acquisitions of investments - securities	(81,223)	(48,888)
Acquisitions of investments - property	(8)	(32,865)
Disposals of investments - securities	107,921	75,355
Disposals of investments - property	3,846	5,654
Net cash inflow/(outflow) from investing activities	**30,536**	**(744)**
Cash flows from financing activities		
Equity dividends	(13,480)	(12,928)
Shares issued	-	-
Shares bought back	(28,860)	-
Net cash outflow from financing activities	**(42,340)**	**(12,928)**
Increase/(decrease) in cash and cash equivalents	989	(3,150)
Exchange movements	151	81
Cash and cash equivalents at start of year	2,818	7,340
Cash and cash equivalents at end of period	**3,958**	**4,271**

* Cash and cash equivalents represent cash at bank.

The accompanying notes below are an integral part of the Financial Statements.

Notes to the condensed Financial Statements (unaudited)

01 Basis of Accounting

The condensed Financial Statements for the six months to 30 June 2025 comprise the statements set out above together with the related notes below. 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 updated in July 2022 with consequential amendments. They 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 June 2025 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 December 2024.

Going concern

The Directors have considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover, together with its current position. The Board has, in particular, considered heightened geopolitical tensions and conflicts and macroeconomic concerns, including the potential impact on the global economy of rising tariffs and barriers to trade, but does not believe the Company's going concern status is affected. In addition, the Company's investment objective and policy, its assets and liabilities and projected income and expenditure, together with the Company's dividend policy, have been taken into consideration and it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company's assets, the majority of which are investments 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. The Company has no short term borrowings. The redemption dates for the Company's loan notes are June 2036, April 2045 and April 2049. Accordingly, the Directors consider 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 to do so over a period of at least twelve months from the date of approval of these Financial Statements.

02 Financial Information

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 December 2024 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, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

03 Investment Manager

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, calculated quarterly, is 0.45% on the first £500m of total assets and 0.35% on the remaining total assets, where 'total assets' is defined as the total value of the assets held, excluding the value of the property portfolio, less all liabilities (other than any liability in the form of debt intended for investment purposes).

As AIFM, Baillie Gifford & Co Limited has delegated the management of the property portfolio to OLIM Property Limited. OLIM receives an annual fee from SAINTS of 0.5% of the value of the property portfolio, subject to a minimum quarterly fee of £6,250. The agreement can be terminated on three months' notice.

04 Net return per ordinary share

	Six months to 30 June 2025 £'000	Six months to 30 June 2024 £'000
Revenue return on ordinary activities after taxation	15,143	13,957
Capital return on ordinary activities after taxation	(7,561)	35,660
Total net return	**7,582**	**49,617**
Weighted average number of ordinary shares in issue	**172,301,322**	**178,315,943**

05 Dividends

	Six months to 30 June 2025 £'000	Six months to 30 June 2024 £'000
Amounts recognised as distributions in the period:		
Previous year's final of 4.175p (2024 - 3.80p), paid 11 April 2025	7,265	6,776
First interim of 3.625p (2024 - 3.45p), paid 19 June 2025	6,215	6,152
	13,480	12,928
Dividends paid and payable in respect of the year:		
First interim of 3.625p (2024 - 3.45p), paid 19 June 2025	6,215	6,152
Second interim of 3.75p (2024 - 3.55p)	6,398	6,330
	12,613	**12,482**

The second interim dividend was declared after the period end date and therefore has not been included as a liability in the Balance sheet. It is payable on 18 September 2025 to shareholders on the register at the close of business on 15 August 2025. The ex-dividend date is 14 August 2025. The Company's Registrar offers a Dividend Reinvestment Plan and the final date for elections for this dividend is 28 August 2025.

06 Fair value hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or 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).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

As at 30 June 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities*	903,305	-	-	903,305
Bonds	-	12,240	-	12,240
Property				
Freehold	-	-	92,250	92,250
Total financial asset investments	**903,305**	**12,240**	**92,250**	**1,007,795**

As at 31 December 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities*	937,287	-	-	937,287
Bonds	-	11,058	-	11,058
Property				
Freehold	-	-	95,450	95,450
Total financial asset investments	**937,287**	**11,058**	**95,450**	**1,043,795**

Total financial asset investments	**937,287**	**11,058**	**95,450**	**1,043,795**

* This includes £4,712,000 (2024 - £4,335,000) of Albemarle 7.25% 2027 preference shares.

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. They are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. The fair value of unlisted investments is determined using valuation techniques, determined by the Directors, based upon observable and/or non-observable data such as latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate. The Company's holdings in unlisted investments are categorised as Level 3 as the valuation techniques applied include the use of non-observable data.

07 Bank loans

At 30 June 2025, the book value of the borrowings was £94,749,000 (31 December 2024 - £94,742,000) and the fair value was £61,951,000 (31 December 2024 - £62,053,000). The debt comprises long-term private placement loan notes: £15 million with a coupon of 2.23% issued in 2021 which mature in 2036, £40 million with a coupon of 3.12% issued in 2022 which mature in 2045 and £40 million with a coupon of 3.12% issued in 2022 which mature in 2049.

08 Share capital

At 30 June 2025, the Company had the authority to buy back 24,679,565 ordinary shares and to issue 17,482,575 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in April 2025. During the six months to 30 June 2025, no ordinary shares were issued (year to 31 December 2024 - no ordinary shares were issued). During the six months to 30 June 2025, 6,036,213 ordinary shares were bought back into treasury at a cost of £30,904,000 (year to 31 December 2024 - 1,665,185 ordinary share were bought back into treasury at a cost of £8,529,000).

09 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.

10 The Interim Financial Report will be available on the SAINTS page of the Managers' website: **saints-it.com**‡ on or around 15 August 2025.

Principal risks and uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, discount risk, climate and governance risk, regulatory risk, custody and depositary risk, operational risk, leverage risk, political risk, cyber security risk and emerging risks. An explanation of these risks and how they are managed is set out on pages 45 to 49 of the Company's Annual Report and Financial Statements for the year to 31 December 2024 which is available on the Company's website: saints-it.com. The principal risks and uncertainties have not changed since the date of that report.

Glossary of terms and Alternative Performance Measures ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Total assets

This is the Company's definition of Adjusted Total Assets, being the total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Net Asset Value ('NAV')

Also described as shareholders' funds, net asset value is the value of total assets less liabilities (including borrowings). Net asset value can be calculated on the basis of borrowings stated at book value and fair value. An explanation of each basis is provided below. The net asset value per share is calculated by dividing this amount by the number of ordinary shares in issue excluding any shares held in treasury.

Net Asset Value (borrowings at book value)

Borrowings are valued at adjusted net issue proceeds. Book value approximates amortised cost.

Net Asset Value (borrowings at fair value) (APM)

Borrowings are valued at an estimate of their market worth. This indicates the cost to the Company of repaying its borrowings under current market conditions. It is a widely reported measure across the investment trust industry.

Net Asset Value

	30 June 2025	**31 December 2024**
Shareholders' funds (borrowings at book value)	915,895,000	952,693,000
Add: book value of borrowings	94,749,000	94,742,000

Add: book value of borrowings	94,745,000	94,742,000
Less: fair value of borrowings	(61,951,000)	(62,053,000)
Shareholders' funds (borrowings at fair value)	**948,693,000**	**985,382,000**
Shares in issue	170,614,545	176,650,758
Net Asset Value per ordinary share (borrowings at fair value)	**556.0p**	**557.8p**

Ongoing Charges (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with borrowings at fair value). The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

Performance Attribution (APM)

Analysis of how the Company achieved its performance relative to its benchmark.

Premium/(discount) (APM)

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.

	30 June 2025 NAV (book)	30 June 2025 NAV (fair)	31 December 2024 NAV (book)	31 December 2024 NAV (fair)
Closing NAV per share	536.8p	556.0p	539.3p	557.8p
Closing share price	509.0p	509.0p	498.5p	498.5p
Premium/(discount)	**(5.2%)**	**(8.5%)**	**(7.6%)**	**(10.6%)**

Total Return (APM)

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

		30 June 2025 NAV (book)	30 June 2025 NAV (fair)	30 June 2025 share price	31 December 2024 NAV (book)	31 December 2024 NAV (fair)	31 December 2024 share price
Opening NAV per share/share price	(a)	539.3p	557.8p	498.5p	524.5p	539.4p	535.0p
Closing NAV per share/share price	(b)	536.8p	556.0p	509.0p	539.3p	557.8p	498.5p
Dividend adjustment factor*	(c)	1.014952	1.014397	1.016109	1.026922	1.026106	1.028650
Adjusted closing NAV per share/share price	(d)=(b)x(c)	544.8p	564.1p	517.2p	553.8p	572.4p	512.8p
Total return	(d)÷(a) -1	**1.0%**	**1.1%**	**3.8%**	**5.6%**	**6.1%**	**(4.2%)**

* The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum income NAV/share price, as appropriate, at the ex-dividend date.

Gearing (APM)

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.

Equity gearing is the Company's borrowings adjusted for cash, bonds and property expressed as a percentage of shareholders' funds.

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (AIFM) Regulations, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the listed equity 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.

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

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

SAINTS' objective is to deliver real dividend growth by increasing capital and growing income. Its policy is to invest mainly in equity markets, but other investments may be held from time to time including bonds, property and other asset classes.

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, is appointed as investment managers and secretaries to SAINTS. Baillie Gifford & Co, the Edinburgh based fund management group has around £209 billion under management and advice as at 4 August 2025.

Past performance is not a guide to future performance. SAINTS is a listed UK company. As a result, the value of its shares and any income from those shares is not guaranteed and could go down as well as up. You may not get back the amount you invested. As SAINTS 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. You can find up to date performance information about SAINTS on the SAINTS page of the Managers' website saints-it.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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FTSE Index data

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Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As SAINTS is marketed in the EU by the AIFM, Baillie Gifford & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's ESG Principles and Guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture, and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within in its Investment Objective & Policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Investment Managers' approach to sustainability can be found in the ESG Principles and Guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com** and by scanning the QR code below.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities established under the EU Taxonomy Regulation.

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