

THE IMPORTANCE OF BEING DIFFERENT

SCOTTISH MORTGAGE INVESTMENT TRUST PLC

May 2018

BAILLIE GIFFORD

Important Information and Risk Factors

The investment trusts managed by Baillie Gifford & Co Limited are listed UK companies and are not authorised or regulated by the Financial Conduct Authority. The value of their shares, and any income from them, can fall as well as rise and investors may not get back the amount invested.

The Trust 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.

The Trust invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.

The Trust can borrow money to make further investments (sometimes known as “gearing” or “leverage”). The risk is that when this money is repaid by the Trust, the value of the investments may not be enough to cover the borrowing and interest costs, and the Trust will make a loss. If the Trust's investments fall in value, any invested borrowings will increase the amount of this loss.

The Trust can buy back its own shares. The risks from borrowing, referred to above, are increased when a trust buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Trust might receive upon their sale.

The Trust can make use of derivatives which may impact on its performance.

The Trust's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater.

The Trust is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

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This is a marketing communication and should not be considered as advice or a recommendation to buy, sell or hold a particular investment.

Past performance is not a guide to future returns.

Further details of the risks associated with investing in the Trust, including a Key Investor Information Document and how charges are applied, can be found in the Trust specific pages at www.bailliegifford.com, or by calling Baillie Gifford on 0800 917 2112.

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We Believe in the Long Term

We endeavour to support great transformative companies from youth until maturity

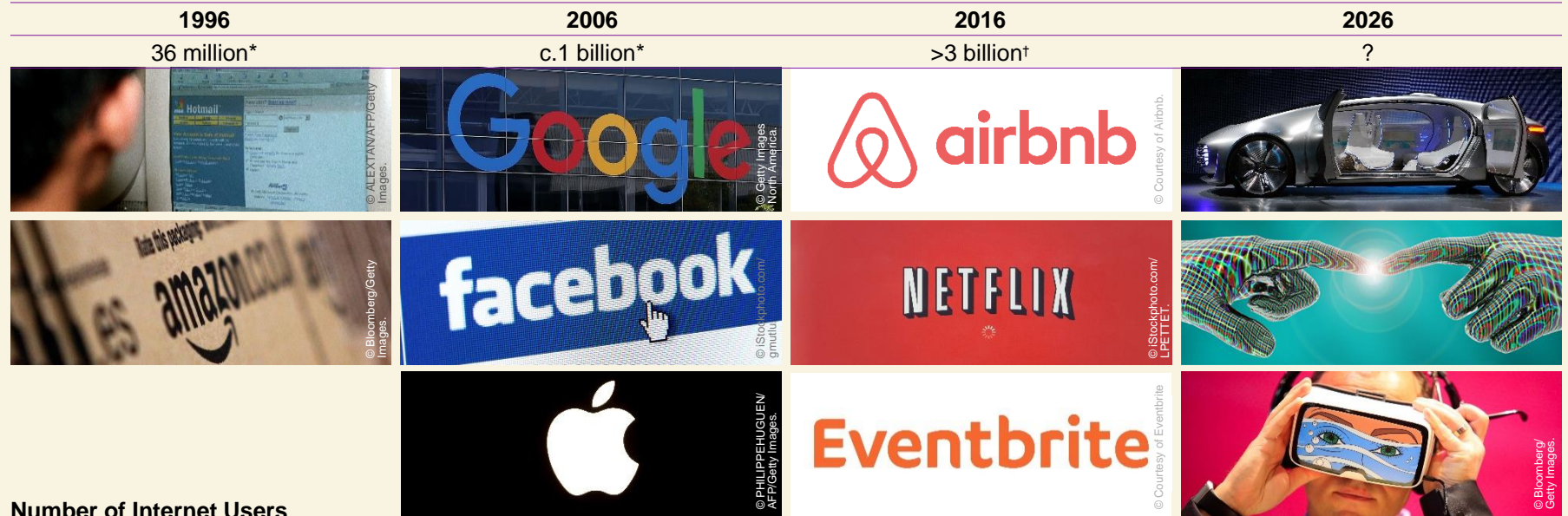
We think the world is changing quickly and dramatically

There are a few truly great companies in the world driving this

This is why we are persistently optimistic

20 Years of the Internet

Accelerating pace of change and broadening scope: where next?



Number of Internet Users

*Source: Internet World Stats, www.internetworldstats.com.

†Source: Statista, www.statista.com/statistics/273018/number-of-internet-users-worldwide/

The Transformation of Media – Facebook

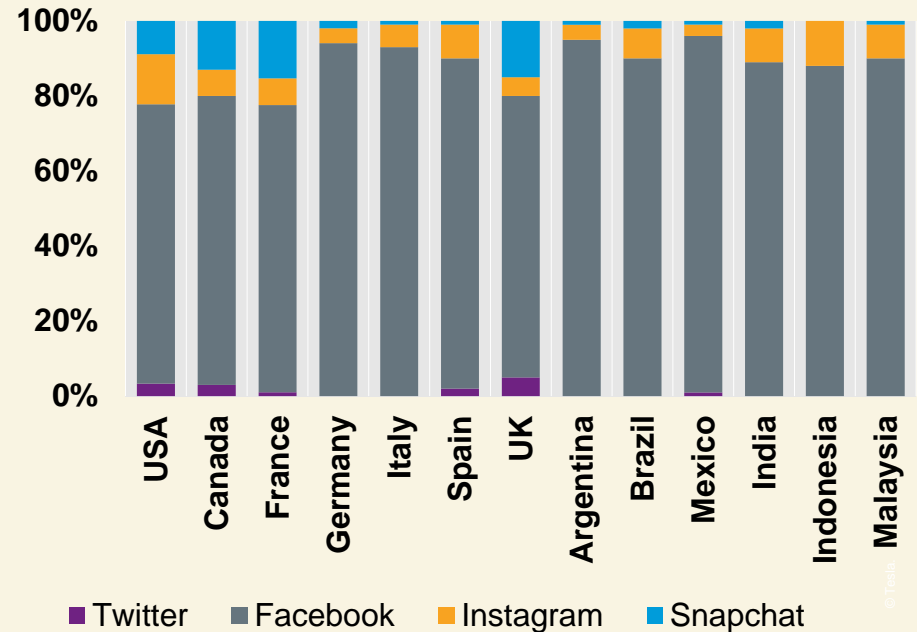
**Facebook facing product challenges
(but don't equate Facebook's
business and its product)**

**Regulation will increase and carry
additional costs**

**But few media companies could hire
10,000 people to moderate content**

**Reach and share of attention are
unmatched**

Social Networks' Share of Time



Source: comScore.

More Than a Mere Retailer – Alibaba

If you think the companies you are familiar with look powerful then what about Alibaba?



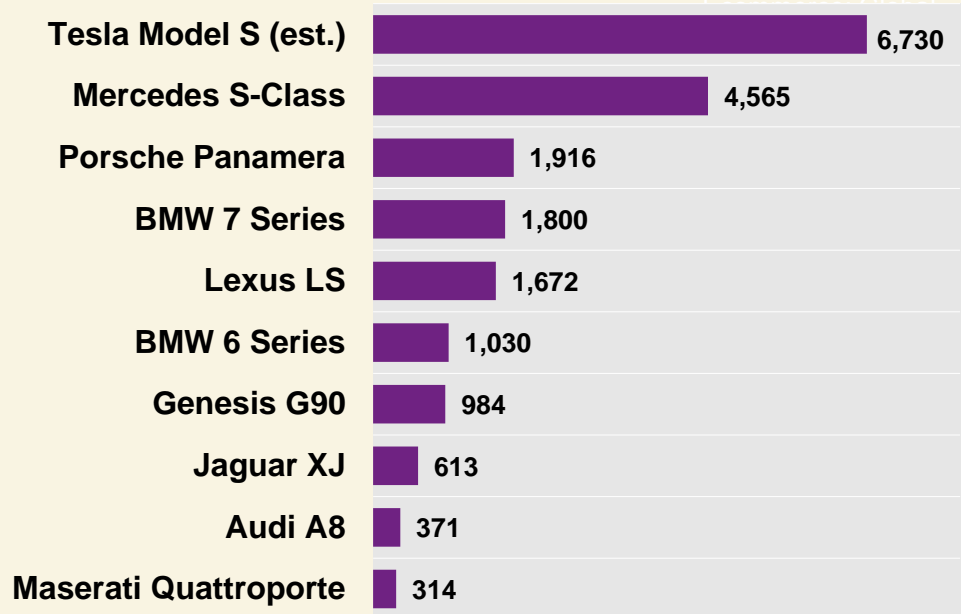
Transport Revolution – Tesla

Model 3 production ramping sharply after difficult start

No lost time to competitor products

Order backlog remains enormous

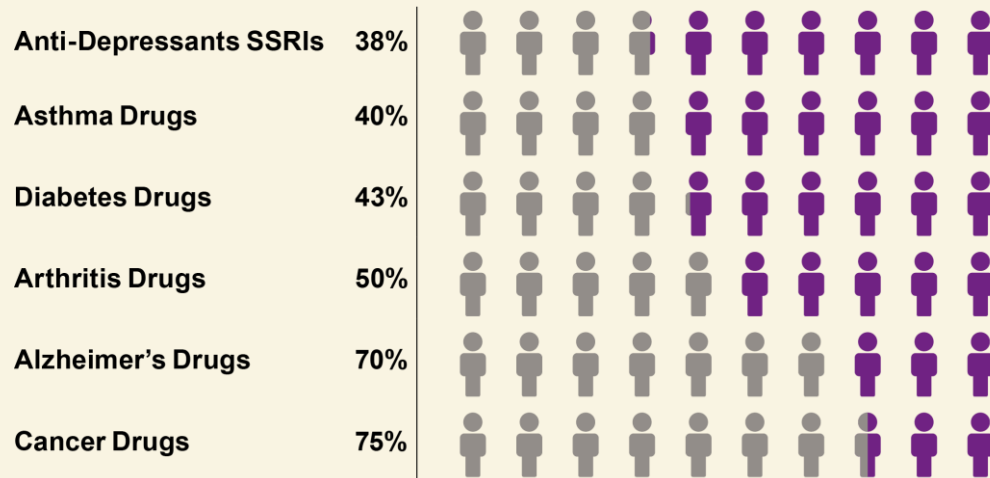
Large Luxury Car Sales (Q1 2018, USA)



Source: CleanTechnica & Good Car Bad Car.

Healthcare – Paradigm Shift

Percentage of the patient population for which a particular drug in a class is ineffective, on average



Healthcare moves towards personalised medicine

— One size does not fit all

— Patients respond differently to the same medicine

Source: Brian B. Spear, Margo Heath-Chiozzi, Jeffrey Huff, 'Clinical Trends in Molecular Medicine', Volume 7, Issue 5, 1 May 2001, pages 201-204. Author: Personalized Medicine Coalition.

Industrialisation of Biology

Indigo



Ginkgo



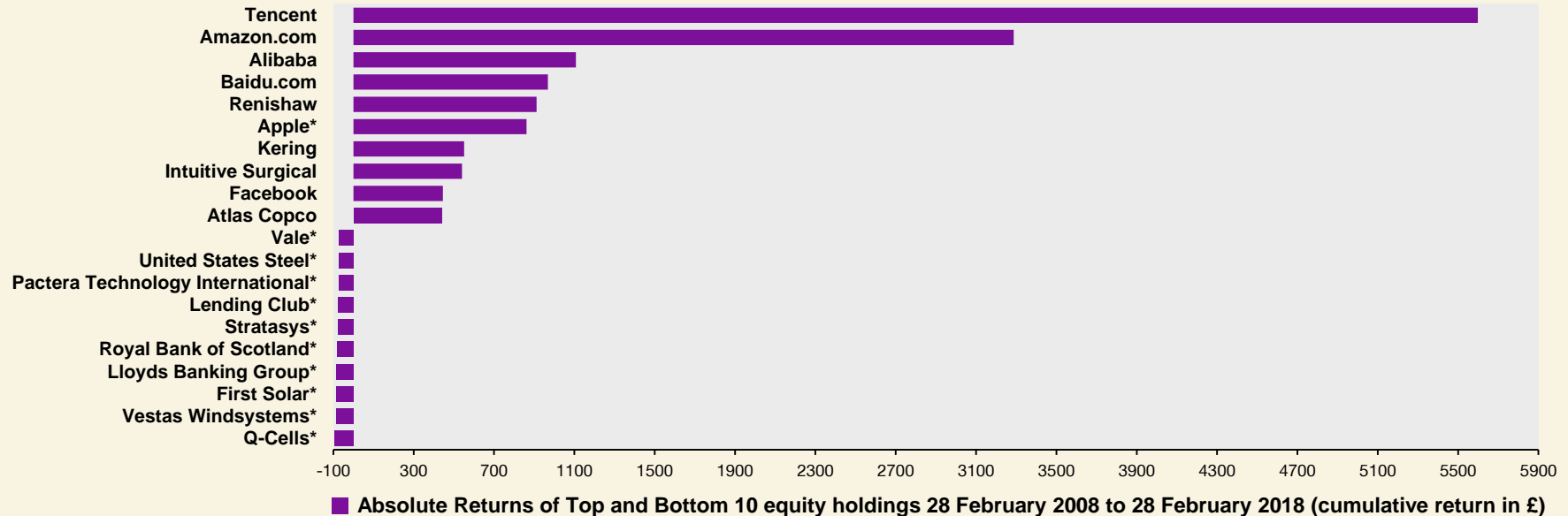
Bolt



Returns Come From the Few, Not the Many

Why?

Asymmetry in Equity Returns



Past performance is not a guide to future returns. Source: StatPro. *No longer held.

Where Will We Find Tomorrow's Winners?

The enabling technologies of this transformation are changing the financial structure of start-up companies

Public markets are less relevant

The investment trust structure confers great advantages if you are in a position to offer companies more than just capital



**THANK YOU
AND QUESTIONS**

Appendix

Annual Discrete Performance to 31 December

	2013 %	2014 %	2015 %	2016 %	2017 %
Share Price	39.8	21.4	13.3	16.5	41.1
Net Asset Value	32.4	16.3	14.8	15.3	40.6
FTSE All-World Index	21.0	11.3	4.0	29.6	13.8

Past performance is not a guide to future returns.
Performance source: Morningstar and FTSE, total return in sterling.
Performance periods are reported as NAV Cum Fair.

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