SCOTTISH MORTGAGE INVESTMENT TRUST PLC

Your low cost choice
for global investment



Interim Financial Report
30 September 2021

BAILLIE GIFFORD



Scottish Mortgage Investment Trust PLC is a low cost investment trust that aims to maximise total return over the long term from a high conviction, actively managed portfolio. It invests globally, looking for strong businesses with above-average returns.

Benchmark

The portfolio benchmark against which performance is measured is the FTSE All-World Index (in sterling terms).

Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, private company investments risk, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, leverage risk and political risk. An explanation of these risks and how they are managed is set out on pages 9 and 10 of the Company's Annual Report and Financial Statements for the year to 31 March 2021 which is available on the Company's website: **scottishmortgageit.com**.

The principal risks and uncertainties have not changed since the date of that report with the exception of the ongoing situation regarding Covid-19.

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

By order of the Board
Fiona McBain
Chair
5 November 2021

Summary of Unaudited Results

	30 September 2021	31 March 2021 (audited)	% change
Total assets (before deduction of debentures, long and short term borrowings)*	£21,144.7m	£18,229.3m	
Shareholders' funds	£19,498.9m	£16,989.5m	
Net asset value per ordinary share (after deducting borrowings at fair value)†	1,378.8p	1,190.0p	15.9
Net asset value per ordinary share (after deducting borrowings at book)*	1,381.1p	1,195.1p	15.6
FTSE All-World Index (in sterling terms)			7.7
Share price	1,428.0p	1,137.0p	25.6
Premium/(discount) (after deducting borrowings at fair value)†	3.6%	(4.5%)	
Active share†	93%	93%	

	Six months to 30 Sept 2021	Six months to 30 Sept 2020	% change
Revenue earnings per share	0.62p	0.48p	29.2
Interim dividend per share#	1.52p	1.45p	4.8

	Six months to 30 Sept 2021	Six months to 30 Sept 2020
Total returns (%)†		
Net asset value per ordinary share (after deducting borrowings at fair value)†	16.0	75.8
Net asset value per ordinary share (after deducting borrowings at book)*	15.8	76.7
Share price	25.8	73.2
FTSE All-World Index (in sterling terms)	8.8	23.8

	Six months to 30 Sept 2021		Year to 31 March 2021	
Periods high and low	**High**	**Low**	**High**	**Low**
Share price	1,451.0p	1,077.5p	1,415.0p	538.5p
Net asset value per ordinary share (after deducting borrowings at fair value)†	1,447.6p	1,133.0p	1,374.8p	543.0p
Premium/(discount) (after deducting borrowings at fair value)†	4.1%	(6.5%)	8.4%	(11.9%)
Average sector premium/(discount) (AIC Global Sector)	(0.6%)	(4.1%)	2.0%	(5.6%)

* See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.
† Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.
# See note 5, page 18.
Source: AIC/Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 22.

Past performance is not a guide to future performance.

Interim Management Report

Philosophy

We aim to identify, own and support the world's most exceptional growth companies whether public or private; companies that offer the potential of genuinely transformative returns. Over the long-run, it is such companies that drive stock-market returns. They make equity investing truly worthwhile.

We see our role as partners to these companies. Supporting them through the provision of both capital and patience and backing them to do incredible things. Their path will rarely be a straight-line. All great companies face periods of difficulty and market doubt, if not outright hostility. These periods can be difficult to endure but great returns cannot be achieved without such testing journeys.

This requires us to be resolutely long-term through both good times and bad. The road ahead will have its fair share of bumps, some companies will not work out as hoped but it is through supporting and holding onto just a small number of extraordinary companies that exceptional returns can be achieved.

Returns

This approach has driven our returns. Over ten years Scottish Mortgage's net asset value per share with debt at fair value (NAV) has increased by 1,072% versus a 275% increase in the FTSE All-World index (both in total return terms). Over five years it has increased by 341% against 83%. Six months of data is always too short a period to infer much that is useful from stock prices. However, since the end of March our NAV rose by 16% compared to a 9% increase in the index.

Although our focus remains on long-term capital appreciation we are aware that a small but consistent dividend is of value to many shareholders. Acknowledging the Company's recent performance, the Board is recommending an interim dividend of 1.52p, an increase of 5% over last year's payment of 1.45p.

Portfolio

Over short periods, such as the last six months, the market has naturally found various things to worry about. A long-term approach is helpful here. It enables us to focus not on the cacophony of the stock-markets but the more predictable drumbeat of deep underlying progress. It has been the long-term and exponential improvements in computing technologies, genomic sequencing and energy storage that continue to strike us as the most important determinates of long-term returns.

These long-term trends may be too slow to shape financial news headlines in a single period but they compound over time as they grow in impact. Moreover, the powerful trends in computing technologies appear to not just be continuing but broadening in utility and application beyond the narrow remits of consumer internet to industries larger and far more diverse.

This broadening is slowly being reflected in the changing shape of the portfolio. The Trust's investment in healthcare and biology companies for example has grown from 11.6% a year ago to 21.4% today. We are finding and supporting a growing number of businesses that we believe are benefiting from the intersection of biology and information technology.

Our largest holding, Moderna has been the greatest contributor to this change, writing what is effectively code in the form of RNA to program human cells. Moderna has helped the world to start escaping the tragedies and confinement of the last 18 months. However, it is the breadth and scalability of its mRNA technology platform rather than its Covid vaccine that holds the greatest promise. Its pipeline of programs is both large and growing, targeting diseases such as flu, Zika, HIV, cancer and many more.

Recursion Pharmaceuticals and Tempus are successfully leveraging growing quantities of big data combined with machine learning to powerful effect in drug discovery and cancer treatment. We took a new holding in 10x Genomics whose products enable the analysis of single cells complementing Illumina's next generation sequencing and enabling a more granular understanding of biology.

We continue to see opportunities for technology platforms to improve resource allocation in the economy across a growing range of areas such as freight, food and finance. At the same time the question of how to regulate big tech platforms continues to challenge law-makers across the globe. China has taken to this task with particular vigour. It has demonstrated far greater speed and forcefulness in approach than elsewhere. This sharp adjustment has naturally presented challenges both in market sentiment and for technology businesses that are having to adapt to a rapidly altering regulatory environment. At the same time there has been a push for the rewards of China's growing prosperity to be more evenly distributed. Together these shifts have negatively impacted the share prices of many of our Chinese holdings.

The underlying progress of the companies however remains surprisingly strong. Alibaba and Tencent both continue to grow revenue in excess of 20% whilst Meituan and Pinduoduo are both growing considerably faster. The companies themselves are keenly aware of their need to contribute not just to shareholder returns but to society to ensure true sustainability. We will continue to assess the long-term implications of the new regulatory approach as they apply to each of our holdings.

Outlook

Our attention remains focused on maximising returns over the next ten years for Scottish Mortgage shareholders. We have no right to claim insight over the possible gyrations of stock markets over shorter time periods.

As we anticipate the next decade we are both optimistic and enthused. It strikes us that there are multiple drivers of change and thus opportunity. These include the continuing digitisation of our economy, the intersection of information technology and biology and the much-needed energy transition. Together they provide an opportunity set that is profound and diverse. We look forward to continuing to back the companies and visionaries that drive and take advantage of these powerful long-term trends.

The principal risks and uncertainties facing the Company are set out on the inside front cover of this report.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

Total return information sourced from Refinitiv/StatPro/Baillie Gifford.

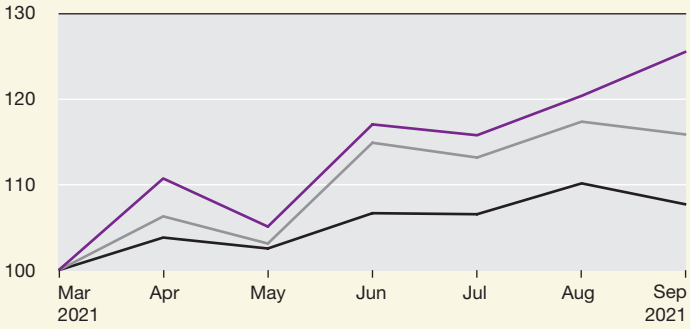
See disclaimer on page 22.

Past performance is not a guide to future performance.

Performance

Six Months Performance

(plotted on a monthly basis and rebased to 100 at 31 March 2021)



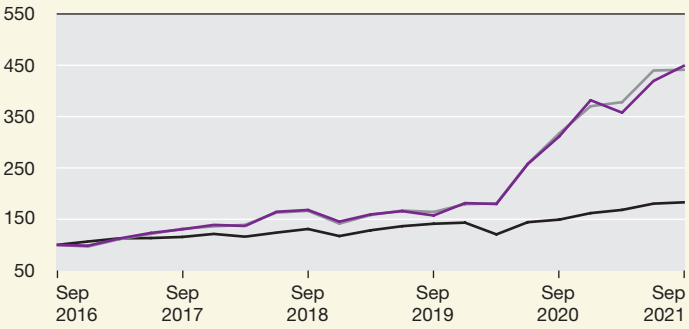
Source: Refinitiv/Baillie Gifford and relevant underlying index providers†.

- Share price
- NAV (after deducting borrowings at fair value)*
- Benchmark#

Dividends are not reinvested.

Five Year Total Return Performance*

(figures rebased to 100 at 30 September 2016)



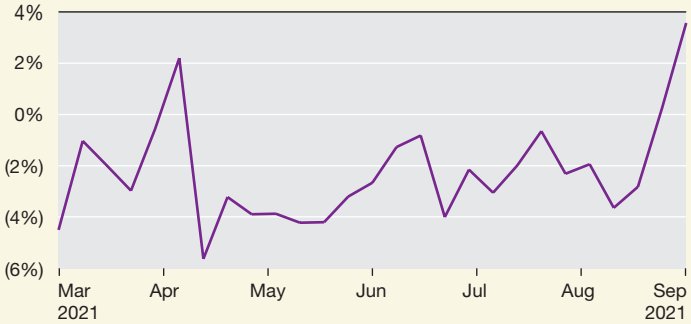
Cumulative to 30 September

Source: Refinitiv and relevant underlying index providers†.

- Share price total return
- NAV (fair) total return
- Benchmark# total return

Premium/(Discount) to Net Asset Value*

(plotted on a weekly basis)

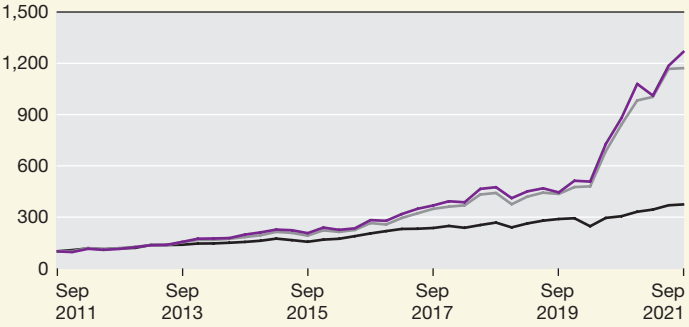


Source: Baillie Gifford.

- Scottish Mortgage premium/(discount) (after deducting borrowings at fair value)*

Ten Year Total Return Performance*

(figures rebased to 100 at 30 September 2011)



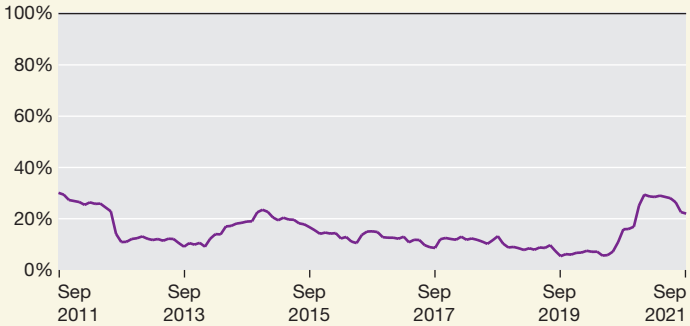
Cumulative to 30 September

Source: Refinitiv and relevant underlying index providers†.

- Share price total return
- NAV (fair) total return
- Benchmark# total return

Ten Year Turnover*

(plotted on a monthly basis, for the previous 12 months)

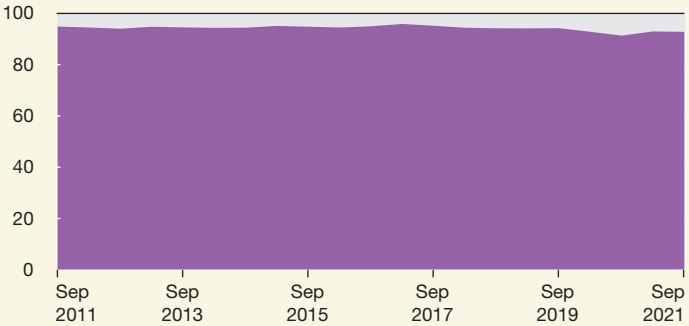


Source: Baillie Gifford.

- Turnover

Ten Year Active Share* Relative to the Benchmark#

(plotted on a six monthly basis)



Source: Baillie Gifford and relevant underlying index providers†.

- Active share

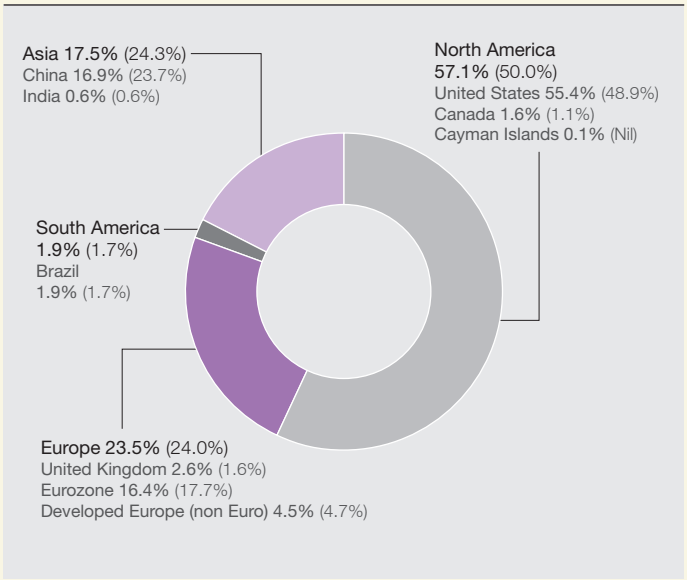
* See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.
† See disclaimer on page 22.
# Benchmark: FTSE All-World Index (in sterling terms).

Past performance is not a guide to future performance.

Distribution of Total Assets*

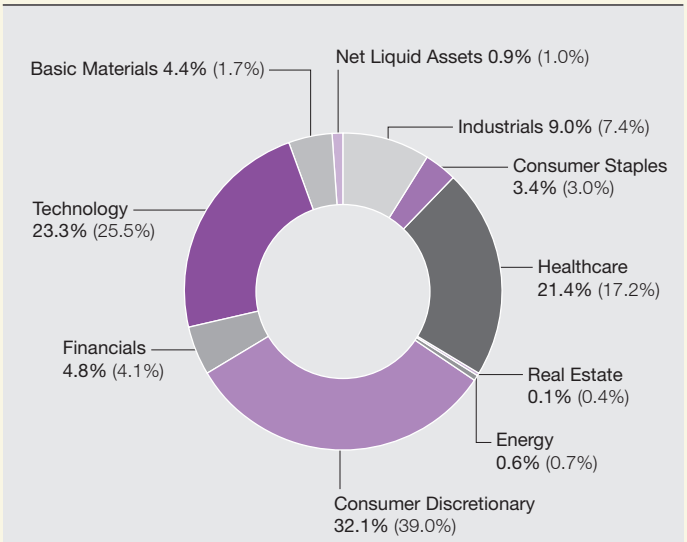
Geographical Analysis at 30 September 2021

(31 March 2021)



Sectoral Analysis at 30 September 2021

(31 March 2021)

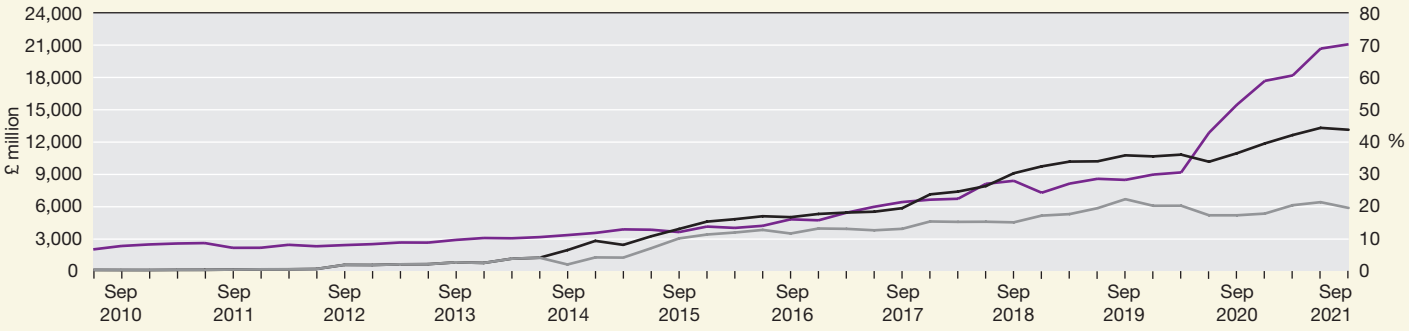


	Listed equities %	Unlisted (private company) securities † %	Unlisted (private company) bonds %	Net liquid assets %	Total %
30 September 2021	**79.7**	**19.3**	**0.1**	**0.9**	**100.0**
31 March 2021	78.7	20.2	0.1	1.0	100.0

* See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.
† Includes holdings in preference shares and ordinary shares.

Private Company Securities and Listed Securities Previously Held as Private Company Securities as a Percentage of Total Assets#

(plotted quarterly from June 2010)



Source: Baillie Gifford.

Total assets (in sterling) (left hand axis)

Private company securities as a % of total assets (right hand axis)

Private company securities and listed securities previously held in the portfolio as private company securities as a % of total assets (right hand axis)

See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

Holding Period of Investments as at 30 September 2021

More Than 5 Years

Name		% of total assets
Illumina	⑩	5.8
ASML		5.5
Tesla Inc		4.7
Tencent Holdings	⑩	4.1
Ginkgo BioWorks Inc	Ⓟ	3.2
Meituan Dianping	Ⓟ	2.9
Amazon.com	⑩	2.6
Alibaba Group	Ⓟ	2.5
NVIDIA		2.2
Kering	⑩	2.1
Netflix		2.0
Wise Plc	Ⓟ	1.9
Zalando		1.6
HelloFresh	Ⓟ	1.5
Spotify Technology SA	Ⓟ	1.3
You & Mr Jones	Ⓤ	1.2
Denali Therapeutics	Ⓟ	1.1
Ferrari		1.0
Housing Development Finance Corporation	⑩	0.6
Warby Parker Inc	Ⓟ	0.5
Kinnevik		0.5
Atlas Copco	⑩	0.5
Thumbtack Inc	Ⓤ	0.4
Airbnb Inc	Ⓟ	0.3
Innovation Works Development Fund	Ⓤ⑩	0.2
Essence Healthcare	Ⓤ	0.2
ARCH Ventures Fund IX	Ⓤ	0.1
Zocdoc Inc	Ⓤ	0.1
Sinovation Fund III	Ⓤ	<0.1
WI Harper Fund VIII	Ⓤ	<0.1
Udacity Inc	Ⓤ	<0.1
WI Harper Fund VII	Ⓤ⑩	<0.1
Global AI Opportunities Fund		<0.1
Intarcia Therapeutics Inc	Ⓤ	–
Total		**50.6**

2–5 Years

Name		% of total assets
NIO Inc	Ⓟ	2.8
Delivery Hero		2.6
ByteDance Ltd	Ⓤ	1.8
Affirm Holdings Inc	Ⓟ	1.7
Shopify		1.2
Space Exploration Technologies	Ⓤ	1.2
Recursion Pharmaceuticals Inc	Ⓟ	1.1
Tempus Labs Inc	Ⓤ	1.1
Zoom		0.9
Ant International Ltd	Ⓤ	0.9
Pinduoduo Inc		0.8
Zipline International Inc	Ⓤ	0.7
Vir Biotechnology Inc	Ⓟ	0.6
The Production Board	Ⓤ	0.5
Tanium Inc	Ⓤ	0.5
Sana Biotechnology Inc	Ⓟ	0.4
Indigo Agriculture Inc	Ⓤ	0.4
Carbon Inc	Ⓤ	0.4
Full Truck Alliance Ltd	Ⓟ	0.3
Bolt Threads Inc	Ⓤ	0.3
HeartFlow Inc	Ⓤ	0.2
Rubius Therapeutics Inc	Ⓟ	0.2
Aurora Innovation Inc	Ⓤ	0.2
JRSK Inc (Away)	Ⓤ	0.2
Uptake Technologies Inc	Ⓤ	0.2
KSQ Therapeutics Inc	Ⓤ	<0.1
ARCH Ventures Fund X Overage	Ⓤ	<0.1
ARCH Ventures Fund X	Ⓤ	<0.1
Total		**21.2**

Less Than 2 Years

Name		% of total assets
Moderna		9.2
MercadoLibre		1.9
Northvolt	Ⓤ	1.8
Adyen		1.4
Stripe Inc	Ⓤ	1.3
Carvana		1.0
Wayfair		0.9
Snowflake Inc	Ⓟ	0.8
Ocado		0.7
DoorDash		0.7
Epic Games	Ⓤ	0.7
Lilium NV	Ⓟ	0.7
Blockstream Corporations Inc	Ⓤ	0.4
GoPuff Inc	Ⓤ	0.4
Honor Technology Inc	Ⓤ	0.4
Blockchain.com	Ⓤ	0.4
Solugen Inc	Ⓤ	0.4
Redwood Materials Inc	Ⓤ	0.4
Rappi Inc	Ⓤ	0.4
Relativity Space Inc	Ⓤ	0.3
ChargePoint Holdings Inc		0.3
Databricks Inc	Ⓤ	0.3
Joby Aviation Inc	Ⓟ	0.3
Jiangxiaobai Holdings Ltd	Ⓤ	0.3
Workrise Technologies Inc	Ⓤ	0.3
Capsule	Ⓤ	0.2
10x Genomics		0.2
Convoy Inc	Ⓤ	0.2
Horizon Robotics	Ⓤ	0.2
Nuro Inc	Ⓤ	0.2
Clear Secure Inc		0.1
Clover Health Investments	Ⓟ	0.1
KE Holdings		0.1
Zymergen	Ⓟ	0.1
PsiQuantum	Ⓤ	0.1
Salt Pay Co Ltd	Ⓤ	0.1
ARCH Ventures Fund XI	Ⓤ	<0.1
Beam Therapeutics		<0.1
Total		**27.3**

Ⓤ Denotes unlisted (private company) security.
Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.
⑩ Denotes security held for more than 10 years.
Net liquid assets represent 0.9% of total assets. See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

List of Investments

At 30 September 2021

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
Moderna	Clinical stage biotechnology company	1,943,247	9.2	7.2		646,271
Illumina	Biotechnology equipment	1,221,406	5.8	0.6		1,059,297
ASML	Lithography	1,163,871	5.5	1.4		923,130
Tesla Inc	Electric cars, autonomous driving and solar energy	983,770	4.7	0.7		828,668
Tencent Holdings	Internet services	858,577	4.1	(1.4)		1,110,755
Ginkgo BioWorks Inc℗	Bio-engineering company	674,515	3.2	2.1	Significant addition to investment	259,544
Meituan Dianping℗	Local services aggregator	606,440	2.9	(0.7)		717,711
NIO Inc℗	Designs and manufactures electric and autonomous vehicles	593,453	2.8	(0.1)		634,335
Delivery Hero	Online food delivery service	549,846	2.6	–		544,212
Amazon.com	Online retailer and cloud computing	546,650	2.6	0.4	Significant reduction to investment	910,847
Alibaba Group℗	Online retailing and financial services	525,851	2.5	(1.5)		792,539
NVIDIA	Visual computing	471,257	2.2	1.2		334,991
Kering	Luxury goods producer and retailer	446,133	2.1	0.3		422,631
Netflix	Subscription service for TV shows and movies	420,171	2.0	0.3		351,135
MercadoLibre	Latin American e-commerce platform	404,568	1.9	0.2		303,802
Wise Plc℗	Online platform to send and receive money	403,024	1.9	1.1		189,200
ByteDance Ltd Series E Pref.Ⓤ	Social media	199,017	0.9	0.1		173,187
ByteDance Ltd Series E-1 Pref.Ⓤ	Social media	179,042	0.9	0.1		155,805
		378,059	1.8	0.2		328,992
Northvolt AB Series E1 Pref.Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	233,679	1.1	0.1		218,459
Northvolt AB Series E2 Pref.Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	115,663	0.5	–	New purchase	–
Northvolt AB Series A Ord.Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	17,499	0.1	–	Significant addition to investment	362
Northvolt AB MIP 1 WarrantsⓊ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	4,381	0.1	–		4,094
Northvolt AB MIP 4 WarrantsⓊ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	1,495	<0.1	–	Significant addition to investment	364
Northvolt AB MIP 3 WarrantsⓊ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	1,301	<0.1	–		1,214

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

Ⓤ Denotes unlisted (private company) security.

℗ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
Northvolt AB MIP 2 Warrants Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	780	<0.1	–		729
Northvolt AB Series D1 Pref. Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	551	<0.1	–	New purchase	–
Northvolt AB MIP 5 Warrants Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	473	<0.1	–	New purchase	–
Northvolt AB Series D Pref. Ⓤ	Battery developer and manufacturer, specialised in lithium-ion technology for electric vehicles	300	<0.1	–		280
		376,122	1.8	0.1		225,502
Affirm Holdings Inc Class A Ⓟ	Online platform which provides lending and consumer credit services	198,608	0.9	0.4		114,837
Affirm Holdings Inc Class B Ⓟ	Online platform which provides lending and consumer credit services	163,749	0.8	0.3		94,681
		362,357	1.7	0.7		209,518
Zalando	International online clothing retailer	334,539	1.6	–		290,851
HelloFresh Ⓟ	Grocery retailer	318,390	1.5	0.5		253,246
Adyen	Global payment company	304,010	1.4	0.4		237,488
Spotify Technology SA Ⓟ	Online music streaming service	276,378	1.3	(0.3)		321,399
Stripe Inc Series G Pref. Ⓤ	Online payment platform	179,483	0.9	0.2		149,651
Stripe Inc Class B Common Ⓤ	Online payment platform	63,191	0.3	0.1	New purchase	–
Stripe Inc Series H Pref. Ⓤ	Online payment platform	26,330	0.1	–		21,954
		269,004	1.3	0.3		171,605
Shopify	Cloud-based commerce platform provider	262,154	1.2	0.3		209,270
Space Exploration Technologies Corp Series J Pref. Ⓤ	Designs, manufactures and launches rockets and spacecraft	109,142	0.5	0.1		98,196
Space Exploration Technologies Corp Series N Pref. Ⓤ	Designs, manufactures and launches rockets and spacecraft	87,718	0.4	–		78,921
Space Exploration Technologies Corp Class A Common Ⓤ	Designs, manufactures and launches rockets and spacecraft	42,790	0.2	–	Significant addition to investment	17,404
Space Exploration Technologies Corp Class C Common Ⓤ	Designs, manufactures and launches rockets and spacecraft	13,198	0.1	–		11,875
		252,848	1.2	0.1		206,396

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

Ⓤ Denotes unlisted (private company) security.

Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
You & Mr Jones Class A Units Ⓤ	Digital advertising	185,412	0.9	0.3		135,899
You & Mr Jones Class C Units Ⓤ	Digital advertising	60,743	0.3	0.1		42,971
		246,155	1.2	0.4		178,870
Recursion Pharmaceuticals Inc Ⓟ	Uses image recognition/machine learning and automation to improve drug discovery	238,359	1.1	1.1	Significant addition to investment	55,509
Denali Therapeutics Ⓟ	Biotechnology	230,020	1.1	–		253,963
Tempus Labs Inc Series E Pref. Ⓤ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	131,682	0.6	–		128,690
Tempus Labs Inc Series F Pref. Ⓤ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	48,066	0.2	–		46,974
Tempus Labs Inc Series G-2 Pref. Ⓤ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	37,082	0.2	–		36,240
Tempus Labs Inc Series G Pref. Ⓤ	Offers molecular diagnostics tests for cancer and aggregates clinical oncology records	7,758	0.1	–		7,581
		224,588	1.1	–		219,485
Ferrari	Luxury automobiles	211,390	1.0	–	Significant reduction to investment	304,315
Carvana	Online platform for buying used cars	205,342	1.0	0.2		174,501
Zoom	Remote conferencing service provider	199,386	0.9	(0.1)		239,408
Wayfair	Online household goods retailer	198,493	0.9	(0.2)		239,353
Ant International Ltd Class C Ord. Ⓤ	Online financial services platform	194,666	0.9	(0.2)		240,306
Pinduoduo Inc	Chinese e-commerce	178,774	0.8	(0.4)		258,258
Snowflake Inc Ⓟ	Developer of a SaaS-based cloud data warehousing platform	174,885	0.8	0.3	Significant addition to investment	74,865
Zipline International Inc Series D Pref. Ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	58,975	0.3	–		61,116
Zipline International Inc Series C Pref. Ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	50,362	0.2	–		52,190
Zipline International Inc Series E Pref. Ⓤ	Logistics company that designs, manufactures and operates drones to deliver medical supplies	44,499	0.2	–		46,114
		153,836	0.7	–		159,420
Ocado	Online grocery retailer and technology provider	145,372	0.7	(0.2)	Significant addition to investment	124,357
DoorDash	Provides restaurant food delivery services	140,757	0.7	0.3		87,606

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

Ⓤ Denotes unlisted (private company) security.

Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
Epic Games Inc Ⓤ	Gaming platform	139,741	0.7	(0.1)		155,065
Lilium NV Ⓟ	On demand air transportation	137,831	0.7	–	Significant addition to investment	54,226
Vir Biotechnology Inc Ⓟ	Biotechnology company developing anti-infective therapies	120,578	0.6	(0.1)		136,754
Housing Development Finance Corporation	Indian mortgage provider	116,832	0.6	0.1		105,134
The Production Board Series A-2 Pref. Ⓤ	Holding company for food technology companies	88,998	0.4	0.3		35,080
The Production Board Series A-3 Pref. Ⓤ	Holding company for food technology companies	25,958	0.1	–	New purchase	–
		114,956	0.5	0.3		35,080
Warby Parker Inc Ⓟ	Online and physical glasses retailer	111,482	0.5	0.3		59,165
Kinnevik	Investment company	111,214	0.5	0.2		150,313
Tanium Inc Class B Common Ⓤ	Provides security and systems management solutions	107,333	0.5	–		106,961
Atlas Copco	Engineering	97,185	0.5	–	Significant reduction to investment	154,175
Sana Biotechnology Inc Ⓟ	Biotechnology company creating and delivering engineered cells as medicine	93,260	0.4	(0.3)		134,828
Indigo Agriculture Inc Series D Pref. Ⓤ	Analyses plant microbiomes to increase crop yields	33,570	0.2	–		32,807
Indigo Agriculture Inc Series F Pref. Ⓤ	Analyses plant microbiomes to increase crop yields	17,120	0.1	–		16,731
Indigo Agriculture Inc Series E Pref. Ⓤ	Analyses plant microbiomes to increase crop yields	17,064	0.1	–		17,187
Indigo Agriculture Inc Series G Pref. Ⓤ	Analyses plant microbiomes to increase crop yields	11,125	<0.1	–	New purchase	–
Indigo Agriculture Inc Common Ⓤ	Analyses plant microbiomes to increase crop yields	3,770	<0.1	–		3,685
		82,649	0.4	–		70,410
Thumbtack Inc Series G Pref. Ⓤ	Online directory service for local businesses	47,802	0.2	0.1		40,115
Thumbtack Inc Series I Pref. Ⓤ	Online directory service for local businesses	14,121	0.1	–	New purchase	–
Thumbtack Inc Series H Pref. Ⓤ	Online directory service for local businesses	9,560	0.1	–		8,023
Thumbtack Inc Class A Common Ⓤ	Online directory service for local businesses	5,274	<0.1	–	New purchase	–
Thumbtack Inc Series A Pref. Ⓤ	Online directory service for local businesses	3,110	<0.1	–	New purchase	–
Thumbtack Inc Series C Pref. Ⓤ	Online directory service for local businesses	910	<0.1	–	New purchase	–
Thumbtack Inc Series B Pref. Ⓤ	Online directory service for local businesses	211	<0.1	–	New purchase	–
		80,988	0.4	0.1		48,138

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

Ⓤ Denotes unlisted (private company) security.

Ⓟ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
Carbon Inc Series D Pref.Ⓤ	Manufactures and develops 3D printers	49,001	0.2	–		45,876
Carbon Inc Series E Pref.Ⓤ	Manufactures and develops 3D printers	30,655	0.2	–		28,700
		79,656	0.4	–		74,576
Blockstream Corporation Inc Series B-1 Pref.Ⓤ	Financial software developer	78,207	0.4	–	New purchase	–
GoPuff Inc (GoBrands) Series G Pref.Ⓤ	On demand retail delivery service	77,881	0.4	0.1		54,360
Honor Technology Inc Series D Pref.Ⓤ	Provider of home-care services	48,683	0.3	0.1		36,240
Honor Technology Inc Series E Pref.Ⓤ	Provider of home-care services	27,802	0.1	–	New purchase	–
		76,485	0.4	0.1		36,240
Blockchain.com Series C-1 Pref.Ⓤ	Software platform for digital assets	74,694	0.4	–	New purchase	–
Rappi Inc. Series F Pref.Ⓤ	Provider of an on-demand delivery platform designed to connect consumers with local stores	74,165	0.4	–	New purchase	–
Redwood Materials Inc. Series C Pref.Ⓤ	Environmental battery recycling	74,165	0.4	–	New purchase	–
Solugen Inc. Series C-1 Pref.Ⓤ	Specialty chemicals manufacturer	74,165	0.4	–	New purchase	–
Full Truck Alliance Ltd℗	Freight-truck matching platform	71,162	0.3	0.1		51,854
Relativity Space Inc Series D Pref.Ⓤ	Designs and builds rockets using 3D printers	48,786	0.2	–		34,930
Relativity Space Inc Series E Pref.Ⓤ	Designs and builds rockets using 3D printers	22,249	0.1	0.1	New purchase	–
		71,035	0.3	0.1		34,930
ChargePoint Holdings Inc	Electric vehicle charging solutions	67,792	0.3	(0.1)		77,408
Airbnb Inc Class B Common℗	Online market place for travel accommodation	66,852	0.3	(0.1)		73,048
Databricks Inc Series H Pref.Ⓤ	Data software solutions	66,526	0.3	–	New purchase	–
Joby Aviation Inc Series C Pref.℗	Electric aircraft	56,421	0.3	–	Significant addition to investment	18,438
Jiangxiaobai Holdings Ltd Series C Pref.Ⓤ	Producer of alcoholic beverages	56,267	0.3	0.1		45,632
Workrise Technologies Inc Series E Pref.Ⓤ	Online platform connecting contractors with work	56,250	0.3	–		47,112
Bolt Threads Inc Series D Pref.Ⓤ	Natural fibres and fabrics manufacturer	30,668	0.2	–		32,360
Bolt Threads Inc Series E Pref.Ⓤ	Natural fibres and fabrics manufacturer	24,006	0.1	–	New purchase	–
		54,674	0.3	–		32,360

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

Ⓤ Denotes unlisted (private company) security.

℗ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
HeartFlow Inc Series E Pref.Ⓤ	Develops software for cardiovascular disease diagnosis and treatment	53,552	0.2	0.1		37,644
Capsule Corp Series D Pref.Ⓤ	Digital platform providing home delivery of prescription medication	52,201	0.2	–	New purchase	–
10x Genomics	Life science and diagnostics company	45,776	0.2	–	New purchase	–
Rubius Therapeutics IncⓅ	Biotechnology	45,506	0.2	(0.1)		65,822
Aurora Innovation Inc Series B Pref.Ⓤ	Developer of driverless vehicle technology	43,141	0.2	–		38,552
JRSK Inc (Away) Series D Pref.Ⓤ	Manufactures luggage	16,752	0.1	–		15,197
JRSK Inc (Away) Series Seed Pref.Ⓤ	Manufactures luggage	9,137	0.1	–		7,113
JRSK Inc (Away) Convertible Promissory NoteⓊ	Manufactures luggage	8,716	<0.1	–		8,531
JRSK Inc (Away) Convertible Promissory Note 2021Ⓤ	Manufactures luggage	8,158	<0.1	–	New purchase	–
		42,763	0.2	–		30,841
Convoy Inc Series D Pref.Ⓤ	Marketplace for truckers and shippers	27,110	0.1	–		25,871
Convoy Inc Series E Pref.Ⓤ	Marketplace for truckers and shippers	14,833	0.1	–	New purchase	–
		41,943	0.2	–		25,871
Uptake Technologies Inc Series D Pref.Ⓤ	Designs and develops enterprise software	39,792	0.2	–		35,598
Innovation Works Development FundⓊ	Venture capital fund	39,697	0.2	0.1		20,622
Essence Healthcare Series 3 Pref.Ⓤ	Cloud-based health provider	39,631	0.2	–		45,950
Horizon Robotics Series C Pref.Ⓤ	Designer and developer of AI chips and algorithms principally for advanced driving assistance systems and autonomous vehicles	37,082	0.2	–		36,240
Nuro Inc Series C Pref.Ⓤ	Delivery business, using self-driving purpose-built electric vehicles	37,082	0.2	–		36,240
Clear Secure Inc	Biometric security firm	30,445	0.1	–	New purchase	–
Clover Health Investments CorpⓅ	Healthcare insurance provider	28,107	0.1	–		28,214
KE Holdings	Chinese real estate platform	25,392	0.1	(0.3)		77,434
Zocdoc Inc Series D-2 Pref.Ⓤ	Online platform for searching for doctors and booking appointments	22,029	0.1	–		16,421
ARCH Ventures Fund IXⓊ	Venture capital fund to invest in biotech start-ups	21,759	0.1	0.1	Return of capital	18,556

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

ⓊDenotes unlisted (private company) security.

ⓅDenotes listed security previously held in the portfolio as an unlisted (private company) security.

Past performance is not a guide to future performance.

Name	Business	Fair value 30 September 2021 £'000	% of total assets	Contribution to absolute performance * %	Notes †	Fair value 31 March 2021 £'000
Zymergen Inc℗	Developer of molecular technology	21,613	0.1	(0.1)	Significant addition to investment	25,368
PsiQuantum Series D Pref.Ⓤ	Developer of commercial quantum computing	18,541	0.1	–	New purchase	–
Salt Pay Co Ltd Non-Voting Ordinary SharesⓊ	Payment and management solutions	18,540	0.1	–	New purchase	–
Salt Pay Co Ltd Voting Ordinary SharesⓊ	Payment and management solutions	1	<0.1	–	New purchase	–
		18,541	0.1	–		–
KSQ Therapeutics Inc Series C Pref.Ⓤ	Biotechnology	13,947	<0.1	–		13,630
Sinovation Fund IIIⓊ	Venture capital fund	11,000	<0.1	–		8,613
WI Harper Fund VIIIⓊ	Venture capital fund	9,549	<0.1	–		9,174
Udacity Inc Series D Pref.Ⓤ	Online education	8,988	<0.1	–		8,928
WI Harper Fund VIIⓊ	Venture capital fund	7,319	<0.1	–		6,404
ARCH Ventures Fund X OverageⓊ	Venture capital fund to invest in biotech start-ups	6,564	<0.1	–		4,144
ARCH Ventures Fund XⓊ	Venture capital fund to invest in biotech start-ups	6,126	<0.1	–		3,750
Global AI Opportunities Fund	Artificial intelligence based algorithmic trading	5,275	<0.1	–		5,107
ARCH Ventures Fund XIⓊ	Venture capital fund to invest in biotech start-ups	2,825	<0.1	–	Additional investment	652
Beam Therapeutics	Biotechnology	663	<0.1	–	New purchase	–
Intarcia Therapeutics Inc Common‡Ⓤ	Implantable drug delivery system	–	–	–		–
Intarcia Therapeutics Inc Convertible Bond‡Ⓤ	Implantable drug delivery system	–	–	–		–
Intarcia Therapeutics Inc Series EE Pref.‡Ⓤ	Implantable drug delivery system	–	–	–		–
		–	–	–		–
Total Investments		**20,955,958**	**99.1**			
Net Liquid Assets#		188,778	0.9			
Total Assets#		**21,144,736**	**100.0**			

* Contribution to absolute performance has been calculated on a total return basis over the period 1 April 2021 to 30 September 2021. For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Significant additions and reductions to investments have been noted where the change is at least a 20% movement from the value of the holding at 31 March 2021. The change in value over the period also reflects the share price performance and the movement in exchange rates.

See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

‡ The Intarcia Therapeutics holdings are valued at nil at 30 September 2021.

Ⓤ Denotes unlisted (private company) security.

℗ Denotes listed security previously held in the portfolio as an unlisted (private company) security.

The following investments were completely sold during the period: Alnylam Pharmaceuticals, Auto1 Group, CureVac, Eventbrite, Lyft, Unity Biotechnology and Workday. Grail was acquired by Illumina in exchange for cash proceeds and Illumina shares.

Source: Baillie Gifford/StatPro.

Past performance is not a guide to future performance.

Performance of Listed Holdings at 30 September 2021 Held Previously as Private Company Investments From Date of Initial Investment of Each Holding to 30 September 2021

(absolute performance in sterling terms %)



Note: Absolute performance returns cannot be added together as they are geometric.

Source: StatPro/Baillie Gifford.

Absolute Performance to 30 September 2021

	Total return* (%) for five years	Total return* (%) for ten years	Total return (%)* since inception (2 June 2010)†
Overall investment portfolio	339.9	1,057.8	1,084.7
Private and previously private companies	205.6	1,386.3	1,033.3
FTSE All-World Index (in sterling terms)	83.1	274.8	274.2

* For a definition of total return please see Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

† Date of investment in first private company security. Source: StatPro/Baillie Gifford and underlying index providers.

Income Statement (unaudited)

For the six months ended 30 September

	Notes	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Gains on investments		–	2,721,589	**2,721,589**	–	6,376,063	**6,376,063**
Currency (losses)/gains		–	(15,778)	**(15,778)**	–	6,895	**6,895**
Income from investments and interest receivable		13,640	–	**13,640**	10,659	–	**10,659**
Investment management fee	3	–	(27,179)	**(27,179)**	–	(18,727)	**(18,727)**
Other administrative expenses		(3,644)	–	**(3,644)**	(3,279)	–	**(3,279)**
Net return before finance costs and taxation		9,996	2,678,632	**2,688,628**	7,380	6,364,231	**6,371,611**
Finance costs of borrowings		–	(19,526)	**(19,526)**	–	(15,764)	**(15,764)**
Net return on ordinary activities before taxation		9,996	2,659,106	**2,669,102**	7,380	6,348,467	**6,355,847**
Tax on ordinary activities		(1,281)	(4,905)	**(6,186)**	(387)	–	**(387)**
Net return on ordinary activities after taxation		**8,715**	**2,654,201**	**2,662,916**	**6,993**	**6,348,467**	**6,355,460**
Net return per ordinary share	4	**0.62p**	**187.38p**	**188.00p**	**0.48p**	**433.36p**	**433.84p**
Dividends proposed per ordinary share	5	**1.52p**			**1.45p**		

The accompanying notes on pages 18 to 20 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 return 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)

	Notes	At 30 September 2021 £'000	At 31 March 2021 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	6	20,955,958	18,042,688
Current assets			
Debtors		1,892	20,883
Shares sold from treasury awaiting settlement		12,213	–
Cash and cash equivalents		198,835	212,128
		212,940	233,011
Creditors			
Amounts falling due within one year:			
Bank loans	7	(327,066)	(264,550)
Buybacks outstanding and related stamp duty		–	(25,418)
Other creditors and accruals		(24,162)	(21,020)
		(351,228)	(310,988)
Net current liabilities		(138,288)	(77,977)
Total assets less current liabilities		20,817,670	17,964,711
Creditors			
Amounts falling due after more than one year:			
Bank loans	7	(504,220)	(362,289)
Loan notes	7	(682,827)	(482,629)
Debenture stocks	7	(127,711)	(127,864)
Provision for deferred tax liability		(4,029)	(2,459)
		(1,318,787)	(975,241)
		19,498,883	**16,989,470**
Capital and reserves			
Share capital		74,239	74,239
Share premium account		784,946	781,771
Capital redemption reserve		19,094	19,094
Capital reserve		18,611,889	16,105,297
Revenue reserve		8,715	9,069
Shareholders' funds		**19,498,883**	**16,989,470**
Net asset value per ordinary share (after deducting borrowings at book)*		**1,381.1p**	**1,195.1p**
Ordinary shares in issue	9	**1,411,799,194**	**1,421,618,969**

* See Glossary of Terms and Alternative Performance Measures on pages 22 and 23.

The accompanying notes on pages 18 to 20 are an integral part of the Financial Statements.

Statement of Changes in Equity (unaudited)

For the six months ended 30 September 2021

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 April 2021		74,239	781,771	19,094	16,105,297	9,069	**16,989,470**
Net return on ordinary activities after taxation		–	–	–	2,654,201	8,715	**2,662,916**
Shares bought back		–	–	–	(137,732)	–	**(137,732)**
Shares sold from treasury	9	–	3,175	–	9,038	–	**12,213**
Dividends paid during the period	5	–	–	–	(18,915)	(9,069)	**(27,984)**
Shareholders' funds at 30 September 2021		**74,239**	**784,946**	**19,094**	**18,611,889**	**8,715**	**19,498,883**

For the six months ended 30 September 2020

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 April 2020		74,239	764,521	19,094	7,363,915	22,865	**8,244,634**
Net return on ordinary activities after taxation		–	–	–	6,348,467	6,993	**6,355,460**
Shares bought back		–	–	–	(164,564)	–	**(164,564)**
Shares sold from treasury	9	–	58,413	–	128,434	–	**186,847**
Dividends paid during the period	5	–	–	–	(4,441)	(22,865)	**(27,306)**
Shareholders' funds at 30 September 2020		**74,239**	**822,934**	**19,094**	**13,671,811**	**6,993**	**14,595,071**

* The Capital Reserve balance at 30 September 2021 includes investment holding gains on fixed asset investments of £12,122,474,000 (30 September 2020 – gains of £9,878,399,000).

The accompanying notes on pages 18 to 20 are an integral part of the Financial Statements.

Cash Flow Statement (unaudited)

For the six months ended 30 September

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation		2,669,102	6,355,847
Gains on investments		(2,721,589)	(6,376,063)
Currency losses/(gains)		15,778	(6,895)
Finance costs of borrowings		19,526	15,764
Overseas capital gains tax incurred		(3,335)	–
Overseas withholding tax incurred		(1,281)	(387)
Changes in debtors and creditors		1,657	10,634
Cash from operations		(20,142)	(1,100)
Interest paid		(18,518)	(16,477)
Net cash outflow from operating activities		(38,660)	(17,577)
Net cash (outflow)/inflow from investing activities		(172,338)	66,171
Equity dividends paid	5	(27,984)	(27,306)
Shares bought back into treasury and stamp duty thereon		(163,149)	(164,534)
Shares sold from treasury		–	186,847
Debenture repaid		–	(20,000)
Bank loans drawn down and loan notes issued	7	386,090	19,972
Net cash inflow/(outflow) from financing activities		194,957	(5,021)
(Decrease)/increase in cash and cash equivalents		(16,041)	43,573
Exchange movements		2,748	(4,143)
Cash and cash equivalents at start of period		212,128	38,526
Cash and cash equivalents at end of period*		**198,835**	**77,956**

* Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

The accompanying notes on pages 18 to 20 are an integral part of the Financial Statements.

Notes to the Financial Statements (unaudited)

1 The condensed Financial Statements for the six months to 30 September 2021 comprise the statements set out on pages 14 to 17 together with the related notes on pages 18 to 20. 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 October 2019 and April 2021 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 September 2021 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 March 2021.

Going Concern

The Directors have considered the nature of the Company's assets, its liabilities, projected income and expenditure together with its investment objective and policy, dividend policy and principal risks and uncertainties, as set out on the inside front cover. The Board has, in particular, considered the impact of heightened market volatility during the Covid-19 pandemic but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are 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 continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011. Accordingly, the Directors considered 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 in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

2 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 March 2021 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was not qualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying its report and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

3 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 is 0.30% on the first £4 billion of total assets less current liabilities (excluding short term borrowings for investment purposes) and 0.25% thereafter, calculated and payable quarterly.

4 Net Return per Ordinary Share

	Six months to 30 September 2021 £'000	Six months to 30 September 2020 £'000
Revenue return on ordinary activities after taxation	8,715	6,993
Capital return on ordinary activities after taxation	2,654,201	6,348,467
Total net return	**2,662,916**	**6,355,460**
Weighted average number of ordinary shares in issue	**1,416,515,214**	**1,464,928,674**

The net return per ordinary share figures are based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

5 Dividends

	Six months to 30 September 2021 £'000	Six months to 30 September 2020 £'000
Amounts recognised as distributions in the period:		
Previous year's final dividend of 1.97p (2020 – 1.86p), paid 1 July 2021	27,984	27,306
	27,984	**27,306**
Dividends proposed in the period:		
Interim dividend for the year ending 31 March 2022 of 1.52p (2021 – 1.45p)	21,459	21,167
	21,459	**21,167**

The interim dividend was declared after the period end date and has therefore not been included as a liability in the Balance Sheet. It is payable on 3 December 2021 to shareholders on the register at the close of business on 19 November 2021. The ex-dividend date is 18 November 2021. The Company's Registrars offer a Dividend Reinvestment Plan and the final date for elections for this dividend is 22 November 2021.

6 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 and loss account are measured is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

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).

The Company's investments are financial assets designated at fair value through profit or loss. An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

Investments held at fair value through profit or loss

As at 30 September 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities/funds	16,846,771	–	–	**16,846,771**
Private company ordinary shares	–	–	587,463	**587,463**
Private company preference shares	–	–	3,391,581	**3,391,581**
Private company convertible note	–	–	16,874	**16,874**
Warrants	–	–	8,430	**8,430**
Limited partnership investments	–	–	104,839	**104,839**
Total financial asset investments	**16,846,771**	–	**4,109,187**	**20,955,958**

As at 31 March 2021 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities/funds	14,345,430	–	–	**14,345,430**
Private company ordinary shares	–	–	597,839	**597,839**
Private company preference shares	–	–	3,004,792	**3,004,792**
Private company convertible note	–	–	15,949	**15,949**
Warrants	–	–	6,764	**6,764**
Limited partnership investments	–	–	71,914	**71,914**
Total financial asset investments	**14,345,430**	**–**	**3,697,258**	**18,042,688**

During the period, investments with a book cost of £281,364,000 were transferred from Level 3 to Level 1 on becoming listed. The fair value of listed investments is bid value or, in the case of holdings on certain recognised overseas exchanges, last traded price. Listed Investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data.

Private company investments

The Company's holdings in unlisted (private company) investments are categorised as Level 3. Private company investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' private company investment policy applies techniques consistent with the International Private Equity and Venture Capital Valuation Guidelines 2018 ('IPEV'). The techniques applied are predominantly market-based approaches. The market-based approaches available under IPEV are set out below and are followed by an explanation of how they are applied to the Company's private company portfolio:

— Multiples;

— Industry Valuation Benchmarks; and

— Available Market Prices.

The nature of the private company portfolio will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the Industry Valuation Benchmarks technique and an absence of observable prices may preclude the Available Market Prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

6 Fair Value Hierarchy (continued)

The private company investments are valued according to a three monthly cycle of measurement dates. The fair value of the private company investments will be reviewed before the next scheduled three monthly measurement date on the following occasions:

— At the year end and half year end of the Company; and

— Where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

7 The total value of the borrowings (at book) is £1,641,824,000 (31 March 2021 – £1,237,332,000).

The bank loans falling due within one year are a US$391 million revolving 3 year loan with National Australia Bank Limited ('NAB') and a US$50 million revolving 5 year loan with The Royal Bank of Scotland International Limited ('RBS') (31 March 2021 – US$200 million revolving 3 year loan with NAB, a US$80 million revolving 3 year loan with RBS and a US$85 million revolving 2 year loan with RBS).

The bank loans falling due after more than one year are a US$200 million fixed rate loan and a US$180 million fixed rate loan with RBS and a US$300 million fixed rate loan with The Bank of Nova Scotia.

During the period, the US$200 million revolving 3 year loan with NAB was refinanced with a US$391 million revolving 3 year loan with NAB, the US$80 million revolving 3 year loan with RBS was refinanced on expiry with a US$180 million 5 year fixed rate credit facility with RBS and the US$85 million revolving 2 year loan with RBS was part refinanced with a US$50 million revolving 5 year loan with RBS.

During the period the Company issued the following private placement unsecured loan notes:

— £100 million at a coupon of 2.03% maturing on 10 August 2036; and

— £100 million at a coupon of 2.30% maturing on 10 August 2046.

Following the period end, on 12 October 2021, a US$120 million revolving 3 year loan was drawn down from Industrial and Commercial Bank of China Limited ('ICBC').

8 The fair value of the borrowings at 30 September 2021 was £1,674,997,000 (31 March 2021 – £1,309,443,000).

9 Share Capital: Ordinary Shares of 5p Each

	At 30 September 2021 No. of shares	At 31 March 2021 (audited) No. of shares
Allotted, called up and fully paid	**1,411,799,194**	**1,421,618,969**

In the six months to 30 September 2021, the Company sold 850,000 ordinary shares from treasury with a nominal value of £42,500 at a premium to net asset value raising net proceeds of £12,213,000 (year to 31 March 2021 – issued 24,725,000 ordinary shares, with a nominal value of £1,236,250, at a premium to net asset value, raising net proceeds of £193,559,000).

In the six months to 30 September 2021, 10,669,775 ordinary shares with a nominal value of £533,000 were bought back at a total cost of £137,732,000 and held in treasury (year to 31 March 2021 – 56,365,839 shares with a nominal value of £2,818,000 were bought back at a total cost of £613,920,000 and held in treasury). At 30 September 2021 the Company had authority remaining to buy back 208,586,466 ordinary shares.

10 Transaction costs on acquisitions within the portfolio amounted to £382,000 (30 September 2020 – £1,364,000) and transaction costs on sales amounted to £190,000 (30 September 2020 – £88,000). These costs are included in the book cost of acquisitions and in the net proceeds of disposals.

11 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.

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

Further Shareholder Information

How to Invest

Scottish Mortgage's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Scottish Mortgage you can do so online. There are a number of companies offering real time online dealing services – find out more by visiting **scottishmortgageit.com**.

Dividend Reinvestment Plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to **investorcentre.co.uk** and follow the instructions or telephone 0370 707 1694.

Risk Warnings

- Past performance is not a guide to future performance.
- Scottish Mortgage is listed on the London Stock Exchange. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.
- Scottish Mortgage has a significant exposure to private companies. The risk could be increased as these assets may be more difficult to buy or sell, so changes in their prices may be greater.
- Scottish Mortgage 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.
- Scottish Mortgage invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Scottish Mortgage has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.
- Scottish Mortgage can buy back its own shares. The risks from borrowing, referred to above, are increased when a company 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 Company might receive upon their sale.
- Scottish Mortgage can make use of derivatives which may impact on its performance.
- Share prices may either be below (at a discount) or above (at a premium) the net asset value (NAV). The Company may issue new shares when the price is at a premium which will reduce the share price. Shares bought at a premium can therefore quickly lose value.
- Scottish Mortgage charges 100% of the investment management fee and 100% of borrowing costs to capital which reduces the capital value.
- You should note that tax rates and reliefs may change at anytime and their value depends on circumstances.

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

The staff of Baillie Gifford and the Directors of Scottish Mortgage may hold shares in Scottish Mortgage and may buy or sell such shares from time to time.

Further details of the risks associated with investing in the Company, including how charges are applied, can be found at **scottishmortgageit.com**, or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed within this Interim Financial Report are subject to change without notice. The information on this page has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Scottish Mortgage Investment Trust PLC is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Scottish Mortgage Investment Trust PLC will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities. Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders **gov.uk/government/publications/exchange-of-information-account-holders**.

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

FTSE Index Data

FTSE International Limited ('FTSE') © FTSE 2021. 'FTSE®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or data, underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.

Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

Total assets less current liabilities, before deduction of all borrowings.

Net Asset Value

Also described as shareholders' funds. Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). Net Asset Value is calculated on the basis of borrowings stated at book value or fair value. An explanation of each basis is provided below. The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding treasury shares).

Net Asset Value (Borrowings at Book)/Shareholders' Funds

Borrowings are valued at adjusted net issue proceeds. The value of the borrowings at book is set out in note 7 on page 20

Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of their market worth. The value of the borrowings at fair is set out in note 8 on page 20 and a reconciliation to Net Asset Value with borrowings at book value is provided below.

	30 September 2021	31 March 2021
Net Asset Value per ordinary share (borrowings at book value)	1,381.1p	1,195.1p
Shareholders' funds (borrowings at book value)	£19,498,883k	£16,989,470k
Add: book value of borrowings	£1,641,824k	£1,237,332k
Less: fair value of borrowings	(£1,674,997k)	(£1,309,443k)
Net Asset Value (borrowings at fair value)	£19,465,710k	£16,917,359k
Shares in issue at year end (excluding treasury shares)	1,411,799,194	1,421,618,969
Net Asset Value per ordinary share (borrowings at fair value)	1,378.8p	1,190.0p

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Discount/Premium (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, it is said to be trading at a premium.

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.

Gearing represents borrowings at book value less cash and cash equivalents (including any outstanding trade settlements) expressed as a percentage of shareholders' funds.

Turnover (APM)

Annual turnover is calculated on a rolling 12 month basis. The lower of purchases and sales for the 12 months is divided by the average assets, with average assets being calculated on assets as at each month's end.

Active Share (APM)

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

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 September 2021			30 September 2020		
		NAV (book)	NAV (fair)	Share price	NAV (book)	NAV (fair)	Share price
Closing NAV per share/share price	(a)	1,381.1p	1,378.8p	1,428.0p	999.8p	992.0p	991.0p
Dividend adjustment factor*	(b)	1.0020	1.0012	1.0016	1.0026	1.0025	1.0023
Adjusted closing NAV per share/share price	(c = a x b)	1,383.9p	1,380.4p	1,430.3p	1,002.4p	994.5p	993.3p
Opening NAV per share/share price	(d)	1,195.1p	1,190.0p	1,137.0p	567.3p	565.7p	573.5p
Total return	(c ÷ d)-1	**15.8%**	**16.0%**	**25.8%**	**76.7%**	**75.8%**	**73.2%**

* The dividend adjustment factor is calculated on the assumption that the final dividend of 1.97p (2020 – 1.86p) paid by the Company during the period was reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

Directors

Chair:
FC McBain ACA

LJ Dowley FCA
Professor A Bhidé
MT FitzPatrick CA
Professor PH Maxwell DPhil FRCP FMedSci
Professor P Subacchi

Alternative Investment Fund Managers, Secretaries and Registered Office

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Tel: 0131 275 2000
baillliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 707 1300

Company Brokers

Numis Securities Limited
45 Gresham Street
London EC2V 7BF

Jefferies Hoare Govett
Vintners Place
68 Upper Thames Street
London EC4V 3BJ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants
and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

Company Details

scottishmortgageit.com
E-mail:
scottishmortgage@bailliegifford.com
Company Registration No. SC007058
ISIN GB00BLDYK618
Sedol BLDYK61
Ticker SMT

Legal Entity Identifier:
213800G37DCS3Q9IJM38

Further Information

Client Relations Team
Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Tel: 0800 917 2112
Your call may be recorded
E-mail:
trustenquiries@bailliegifford.com