



Securities Trust of Scotland plc

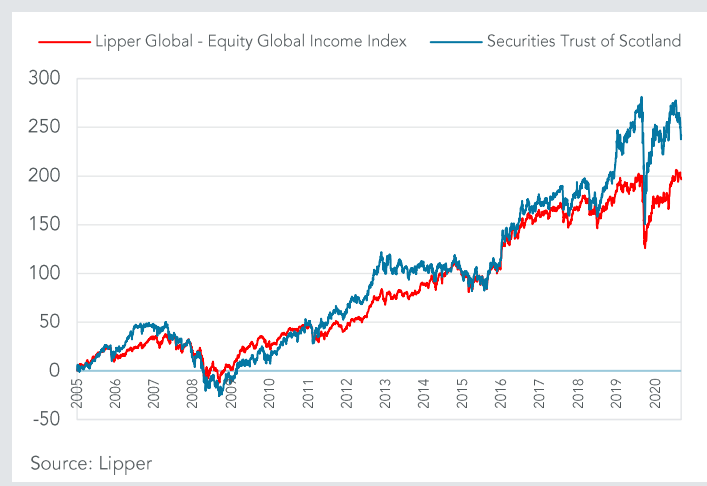
All data as at 28 February 2021

www.stsplc.co.uk

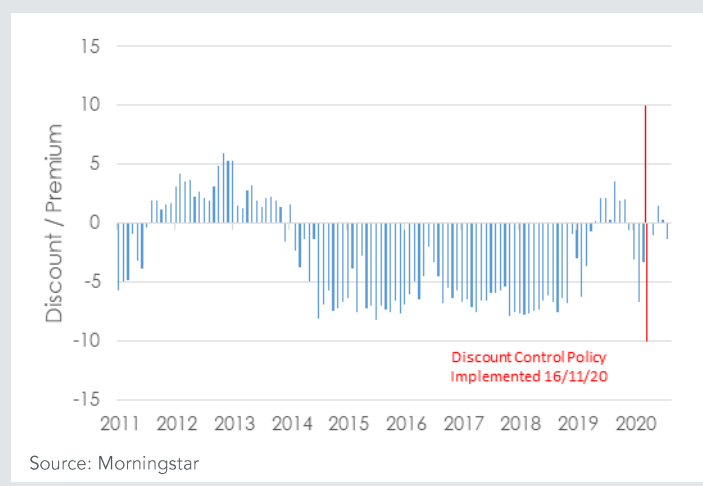
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

Price	NAV (ex Inc)	Yield
187.25p	186.60p	3.3%
Premium (Discount) to NAV	Total Net/Gross Assets	
-1.4%	£196m/£210m	

Share Price Performance to 28 February 2021



Share Price Discount / Premium to NAV



Total Return to 28 February 2021	Since Troy Appt*	29/02/16 5 years	28/02/18 3 years	29/02/20 1 year	31/08/20 6 months
Securities Trust of Scotland Share Price	-5.8%	+70.3%	+23.9%	+2.4%	+4.0%
Securities Trust of Scotland NAV	-6.5%	+59.5%	+17.9%	+4.1%	-1.6%
Lipper Global - Equity Global Income Index	+2.7%	+48.7%	+13.3%	+8.2%	+8.2%

*Troy appointed Investment Manager 12 November 2020

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	-9.3%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	-6.6%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

February Commentary

The Trust produced a Net Asset Value total return of -3.1% during the month and a price total return of -4.7%, compared to a return of +0.6% for the Lipper Global - Equity Global Income Index.

We have exited our investment in IG Group. This is the UK's leading spread betting platform with a dominant market share and resultant tight dealing spreads conferring a sustainable competitive advantage. In addition to the core UK trading business the company has a number of other avenues of growth which we did not think were adequately reflected in the valuation of the shares.

The sale is disappointing as the conditions under which this company thrives are precisely those currently pertaining:

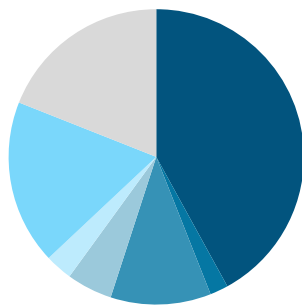
macro-economic uncertainty leading to elevated levels of volatility delivering opportunities for market participants to trade. Against this backdrop we considered the shares to be inexpensive and well set for some strong performance. Our hope was that excess capital would be used to fund a special dividend or reduce the share count to the benefit of existing shareholders. Instead, the management team executed what we think is a questionable capital allocation decision, part-funded by equity, and without seeking approval from shareholders.

IG Group agreed to pay \$1bn to acquire a relatively newly established US online options and futures brokerage and "trader education" company called Tastytrade. The price represented a full

multiple at 8.6x 2020 sales - sales which are likely to have been bolstered by widespread speculative activity seen in the US market among retail investors. We fear this may turn out to be the wrong asset, bought at the wrong price, at the wrong time. Further, despite material equity issuance, existing shareholders were not given a vote to approve the deal.

We engaged with the company, including with the management team and the Chairman of the Board, expressing our reservations about the deal and the governance issues surrounding the lack of a shareholder vote. Having received no comfort on either count we sold the shares. We think there is a reasonable risk that the value of the acquired asset may be written down in the coming years.

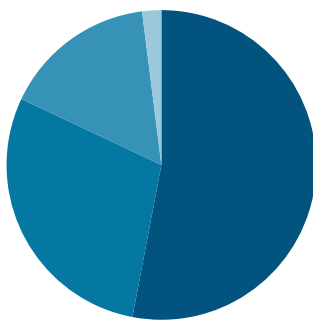
Asset Allocation by Sector



- Consumer Staples 42%
- Communication Services 2%
- Financials & Real Estate 11%
- Industrials 5%
- Consumer Discretionary 3%
- Health Care 18%
- Information Technology 19%
- Cash 0%

Source: Factset. Asset Allocation subject to change

Asset Class by Geography



- North America 53%
- United Kingdom 29%
- Europe ex UK 16%
- Asia Pacific ex Japan 2%
- Cash 0%

Source: Factset. Asset Allocation subject to change

Top 10 holdings

Top 10 holdings	% Trust
British American Tobacco	6.0
Unilever	5.1
Reckitt Benckiser	5.1
Philip Morris International	5.0
Paychex	4.7
Medtronic	4.2
PepsiCo	4.2
CME Group	4.1
Novartis	4.0
ADP	4.0
Total Top 10	46.5
23 other holdings	53.1
Cash	0.4
TOTAL	100.0

Source: Factset. Holdings subject to change

Trust information

Structure London Listed Investment Trust	Capital Structure Shares with voting rights 103,323,075 Shares held in treasury 18,976,073	Dividend Yield (trailing 12 months) 3.3% Q4 2019/20 1.375p Q3 2019/20 1.375p Q2 2019/20 2.06p Q1 2019/20 1.45p
Board Chairman John Evans Non-Executive Director Mark Little Non-Executive Director Angus Gordon Lennox Non-Executive Director Sarah Harvey	Net Assets £196m Gross Assets £210m Ongoing Charges Ordinary shares: 0.89% (31.03.20)	Dividend Payments January, April, July, October Market Makers: JPMORGAN, NUMIS, WINTERFLOOD, INVESTEC, PANMURE, PEEL HUNT
Investment Manager Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: info@taml.co.uk	Management Fee 0.65% - Troy's investment management fee will be waived for 12 months from its appointment as investment manager (12 November 2020).	Bloomberg/Epic/Reuters Code STS
Manager James Harries	Allocation of Expense and Interest Capital 65% Revenue 35%	Sedol B09G3N2
Benchmark Lipper Global Equity Global Income Index	Mandate Established 2005	AIFM PATAC Limited
Currency £ Sterling	Year End 31 March	Pricing Share price is listed daily in the FT
	Premium (Discount) -1.4%	Auditor Ernst & Young LLP
	Gearing 8%	

Important Information

The Trust can use gearing to purchase assets for the Trust; the use of this facility will have the effect of magnifying any gains or losses made. Asset allocation and holdings information is based on the gross assets. All performance data is calculated net of fees, unless otherwise stated. All references to benchmarks are for comparative purposes only. The views expressed in this document are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The information contained within this document does not constitute investment advice or an offer to invest or to provide discretionary investment management services and should not be used as the sole basis of any investment decision. Should you wish to obtain financial advice, please contact a professional advisor. The historic yield reflects distributions declared over the past twelve months as a percentage of the trust's price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The yield is not guaranteed and will fluctuate. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Although Troy Asset Management Limited ("Troy") considers the information included in this document to be reliable, no warranty is given as to its accuracy or completeness. The opinions expressed are expressed at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. Past performance is not a guide to future performance. The investments discussed may fluctuate in value and investors may get back less than they invested. Overseas investments may be affected by movements in currency exchange rates. The investment policy and process of the Trust may not be suitable for all investors. Third party data is provided without warranty or liability and may belong to a third party. Issued by Troy Asset Management Limited, 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Registered office: Hill House, 1 Little New Street, London EC4A 3TR. Authorised and regulated by the Financial Conduct Authority (FRN: 195764).