



Securities Trust of Scotland plc

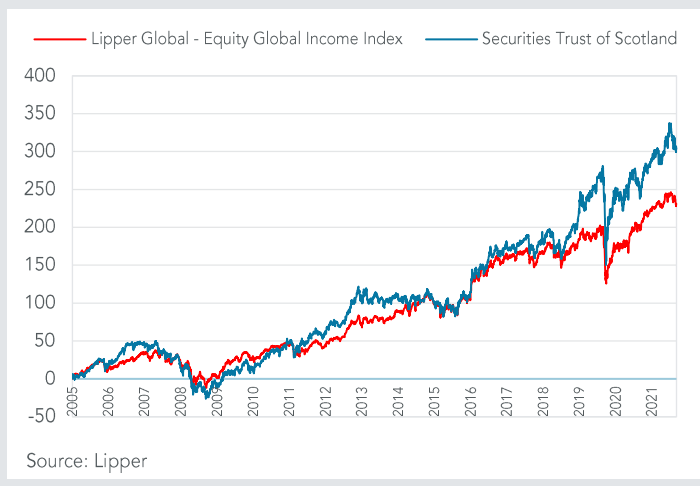
All data as at 28 February 2022

www.stsplc.co.uk

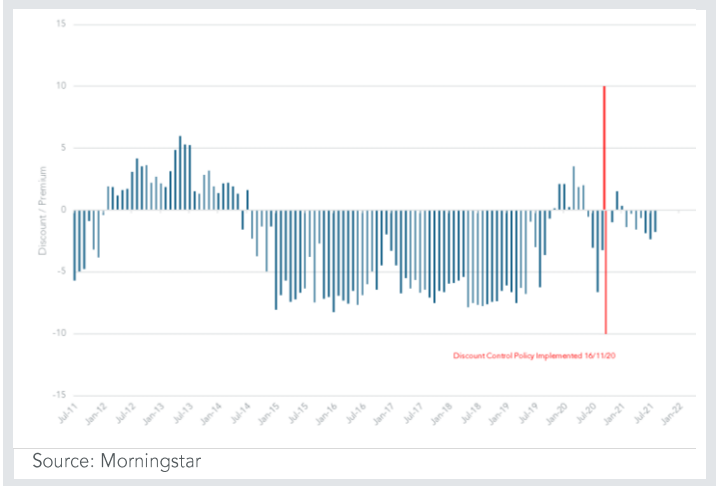
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

Price 217.00p	NAV (ex Inc) 221.69p	Historic Dividend Yield 2.6%
Premium (Discount) to NAV -3.08%	Total Net/Gross Assets £225m/£240m	

Share Price Performance to 28 February 2022



Share Price Discount / Premium to NAV



Total Return to 28 February 2022	Since Troy Appt*	28/02/17 5 years	28/02/19 3 years	28/02/21 1 year	31/08/21 6 months
Securities Trust of Scotland Share Price	+11.2%	+49.8%	+41.9%	+18.0%	+1.0%
Securities Trust of Scotland NAV	+13.2%	+48.3%	+37.8%	+21.1%	+3.3%
Lipper Global - Equity Global Income Index	+14.9%	+29.1%	+25.5%	+11.9%	-0.7%

*Troy appointed Investment Manager 12 November 2020

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	+15.4%	-7.3%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-3.9%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

February Commentary

The Trust produced a Net Asset Value total return of -0.8% during the month and a price total return of -3.2%, compared to a return of -2.0% for the Lipper Global - Equity Global Income Index.

The events unfolding in Ukraine are deeply distressing and have far reaching implications for the world, the economy and capital markets.

We would like to reassure investors that, grim though the news may be, it is having no effect on Troy from an operational or corporate perspective. We have no direct exposure to Russia or Ukraine in this or any of our other portfolios and very limited indirect exposure. Some of our global companies have historically done business in both countries – inevitably – but we estimate this is limited to c.1.8% of the portfolio on an underlying revenue basis.

Although these events are likely to alter the course of commodity prices, notably oil, economic growth and international relations, they have no impact on our investment process and little impact on our portfolio – at least yet.

Geopolitical risk is ever-present and has a nasty habit of flaring up unexpectedly. In our experience, however, it is not wise to make material changes to portfolios based on such events other than to keep a keen eye out for pre-identified opportunities.

Investors will know that we have been concerned about the valuation of equity markets within the context of a likely slowing economy as indicated by a rapidly flattening yield curve (as short term rate expectations rise but longer term inflation expectations remain quiescent). In essence we think current events accentuate this trend.

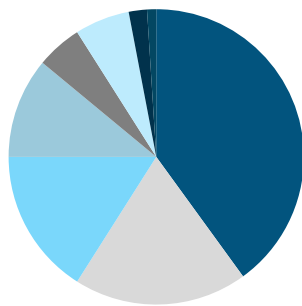
The rapid increase in commodity prices, especially oil, make a global recession much more likely. This will, in turn, lead to a probable amelioration in prices. While rising oil prices are inflationary short term, longer term they suck demand out of the broader economy and lead to declining consumption and economic growth. The Russian invasion makes it more probable we will have higher short term

inflation, fewer global rate rises but a steeper recession.

At Troy we seek to build portfolios that are high quality and robust to a range of outcomes – including this one (assuming we exclude the worst case). As such we avoid companies that elicit high degrees of cyclicality and capital intensity. Incidentally this rules out energy and commodity companies despite their short term attractions.

We do, however, have a number of companies in our investment universe that are becoming better value by the day. This will likely allow us to upgrade the quality and income growth embedded in the portfolio should prices continue to fall. Even as we are horrified by the humanitarian disaster unfolding, we are remaining rational in our investment approach.

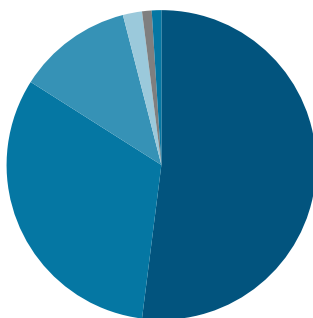
Asset Allocation by Sector



- Consumer Staples 40%
- Information Technology 19%
- Health Care 16%
- Financials & Real Estate 11%
- Industrials 5%
- Consumer Discretionary 6%
- Communication Services 2%
- Cash 1%

Source: Factset. Asset Allocation subject to change

Asset Class by Geography



- North America 52%
- United Kingdom 32%
- Europe ex UK 12%
- Asia Pacific ex Japan 2%
- Japan 1%
- Cash 1%

Source: Factset. Asset Allocation subject to change

Top 10 holdings

Top 10 holdings	% Trust
British American Tobacco	6.7
Philip Morris International	5.3
Paychex	4.9
Reckitt Benckiser	4.8
CME Group	4.7
Unilever	4.6
Diageo	4.4
PepsiCo	4.3
ADP	4.2
Roche Holding	3.7
Total Top 10	47.7
23 other holdings	51.7
Cash	0.6
TOTAL	100.0

Source: Factset. Holdings subject to change

Trust information

Structure London Listed Investment Trust	Capital Structure Shares with voting rights 99,830,075 Shares held in treasury 22,469,073	Historic Dividend Yield (trailing 12 months) 2.63% Q4 2020/21 1.375p Q3 2020/21 1.375p Q2 2020/21 1.575p Q1 2020/21 1.375p
Board Chairman John Evans Non-Executive Director Mark Little Non-Executive Director Angus Gordon Lennox Non-Executive Director Sarah Harvey Non-Executive Director Angus Cockburn	Net Assets £225m Gross Assets £240m Ongoing Charges Ordinary shares: 0.92% (31.03.21)	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% Allocation of Expense and Interest Capital 65% Revenue 35%	Bloomberg/Epic/Reuters Code STS Sedol B09G3N2 AIFM Juniper Partners Limited
Manager James Harries	Mandate Established 2005 Year End 31 March Premium (Discount) -3.08%	Pricing Share price is listed daily in the FT Auditor Ernst & Young LLP
Benchmark Lipper Global Equity Global Income Index	Gearing 7% Currency £ Sterling	

Important Information

Please refer to Troy's Glossary of Investment terms [here](#). 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. The Trust is registered for distribution to the public in the UK and to professional investors only in Ireland. 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 dividend 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 historic dividend 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.