



## Securities Trust of Scotland plc

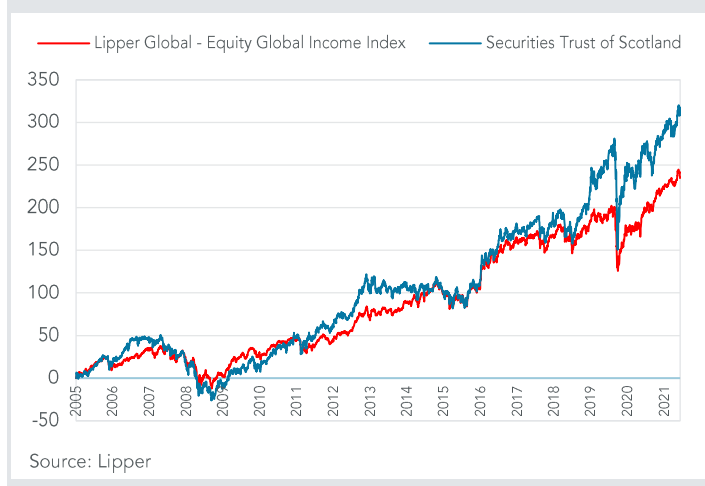
All data as at 30 November 2021

www.stsplc.co.uk

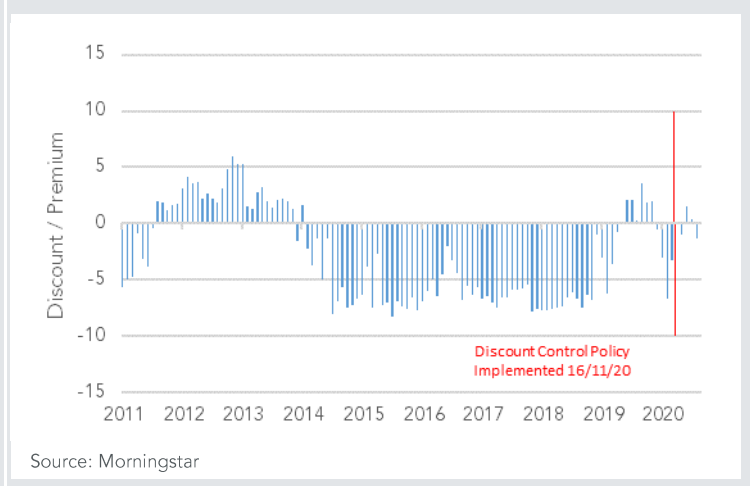
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

<b>Price</b>	<b>NAV (ex Inc)</b>	<b>Historic Dividend Yield</b>
<b>222.00p</b>	<b>218.11p</b>	<b>2.6%</b>
<b>Premium (Discount) to NAV</b>	<b>Total Net/Gross Assets</b>	
<b>0.7%</b>	<b>£220m/£235m</b>	

### Share Price Performance to 30 November 2021



### Share Price Discount / Premium to NAV



Total Return to 30 November 2021	Since Troy Appt*	30/11/16 5 years	30/11/18 3 years	30/11/20 1 year	31/05/21 6 months
Securities Trust of Scotland Share Price	+12.6%	+63.5%	+45.7%	+12.3%	+7.0%
Securities Trust of Scotland NAV	+10.8%	+56.4%	+35.6%	+11.9%	+7.0%
Lipper Global - Equity Global Income Index	+16.0%	+39.7%	+24.9%	+14.6%	+4.9%

\*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%	+8.3%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+10.7%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

### November Commentary

The Trust produced a Net Asset Value total return of +0.7% during the month and a price total return of +2.8%, compared to a return of +0.5% for the Lipper Global - Equity Global Income Index.

We have reviewed our investment in Nintendo this month. Since our initial purchase the shares have fallen in value and warrant a reassessment.

The investment case was predicated on three main arguments. First, that Nintendo possesses world class and seemingly timeless intellectual property (IP). Over the years it has created some of the most successful gaming franchises in the world such as Mario, Zelda and Pokeman. Second, that the current console – the Nintendo Switch – is on track to become the most successful console of all time and benefits from consumers

increasingly buying games digitally which aids profit margins. Third, that the company is actively seeking to monetise this IP via theme parks, games, merchandise as well as mobile gaming.

After a short seven months does this remain valid? The Switch installed base is still growing and we now know has a pleasingly balanced demographic profile. A newer version – the Switch OLED – has been launched and is selling well.

The attachment rate – the number of games sold per year per unit – is declining but not at a rate that is outside expectations. Digital purchases continue to steadily increase as a percentage of sales.

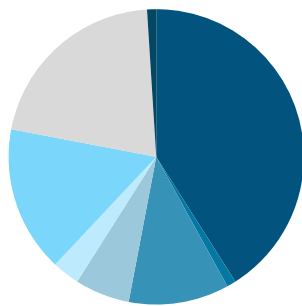
The Super Nintendo World theme park has received favourable reviews and the Super Mario movie release is imminent. Mobile gaming remains a work in

progress. Overall the company, outside mobile gaming, has done rather better than we expected. We remain optimistic about the release of the upcoming Switch Pro and the roster of games due to be released in the next 12-24 months. Longer term opportunities in the metaverse and NFTs<sup>1</sup> could also be material if hard to quantify now.

The ongoing success of the Switch, along with the other areas of potential, continue to lead us to think Nintendo remains undervalued and retains its place in the portfolio.

<sup>1</sup>A Non-fungible token is a unique and non-interchangeable unit of data stored on a digital ledger.

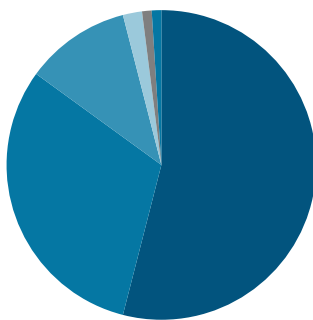
## Asset Allocation by Sector



- Consumer Staples 41%
- Communication Services 1%
- Financials & Real Estate 11%
- Industrials 6%
- Consumer Discretionary 3%
- Health Care 16%
- Information Technology 21%
- Cash 1%

Source: Factset. Asset Allocation subject to change

## Asset Class by Geography



- North America 54%
- United Kingdom 31%
- Europe ex UK 11%
- 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	5.3
Paychex	5.3
ADP	4.8
Unilever	4.8
Reckitt Benckiser	4.7
Philip Morris International	4.6
CME Group	4.5
Diageo	4.5
Microsoft	4.4
PepsiCo	4.3
<b>Total Top 10</b>	<b>47.2</b>
25 other holdings	52.0
Cash	0.8
<b>TOTAL</b>	<b>100.0</b>

Source: Factset. Holdings subject to change

## Trust information

<b>Structure</b> London Listed Investment Trust	<b>Capital Structure</b> Shares with voting rights 99,930,075 Shares held in treasury 22,369,073	<b>Historic Dividend Yield (trailing 12 months)</b> 2.6% Q2 2020/21 1.575p Q1 2020/21 1.375p Q4 2019/20 1.375p Q3 2019/20 1.375p
<b>Board</b> <b>Chairman</b> John Evans <b>Non-Executive Director</b> Mark Little <b>Non-Executive Director</b> Angus Gordon Lennox <b>Non-Executive Director</b> Sarah Harvey <b>Non-Executive Director</b> Angus Cockburn	<b>Net Assets</b> £220m <b>Gross Assets</b> £235m <b>Ongoing Charges</b> Ordinary shares: 0.92% (31.03.21)	<b>Dividend Payments</b> January, April, July, October <b>Market Makers:</b> JPMORGAN, NUMIS, WINTERFLOOD, INVESTEC, PANMURE, PEEL HUNT
<b>Investment Manager</b> Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: info@tam.l.co.uk	<b>Management Fee</b> 0.65% - Troy's investment management fee was waived for 12 months from its appointment as investment manager (12 November 2020).	<b>Bloomberg/Epic/Reuters Code</b> STS <b>Sedol</b> B09G3N2
<b>Manager</b> James Harries	<b>Allocation of Expense and Interest</b> Capital 65% Revenue 35%	<b>AIFM</b> Juniper Partners Limited
<b>Benchmark</b> Lipper Global Equity Global Income Index	<b>Mandate Established</b> 2005 <b>Year End</b> 31 March <b>Premium (Discount)</b> 0.7% <b>Gearing</b> 7%	<b>Pricing</b> Share price is listed daily in the FT <b>Auditor</b> Ernst & Young LLP

## 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. 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 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).