



## Securities Trust of Scotland plc

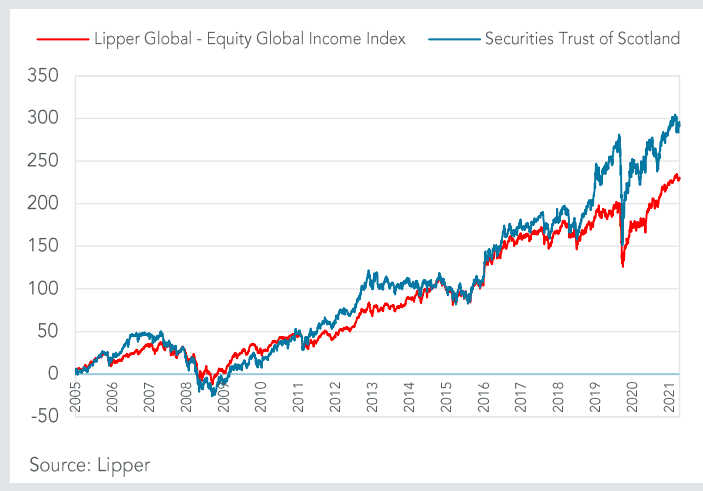
All data as at 30 September 2021

[www.stsplc.co.uk](http://www.stsplc.co.uk)

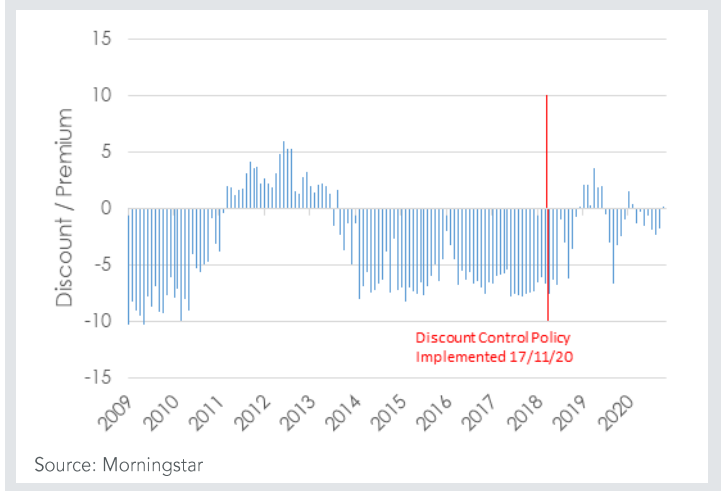
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

<b>Price</b>	<b>NAV (ex Inc)</b>	<b>Yield</b>
<b>214.00p</b>	<b>210.60p</b>	<b>2.7%</b>
<b>Premium (Discount) to NAV</b>	<b>Total Net/Gross Assets</b>	
<b>0.1%</b>	<b>£214m/£229m</b>	

### Share Price Performance to 30 September 2021



### Share Price Discount / Premium to NAV



Total Return to 30 September 2021	Since Troy Appt*	30/09/16 5 years	30/09/18 3 years	30/09/20 1 year	31/03/21 6 months
Securities Trust of Scotland Share Price	+9.3%	+61.8%	+36.5%	+16.3%	+6.8%
Securities Trust of Scotland NAV	+6.8%	+52.7%	+25.7%	+12.4%	+6.3%
Lipper Global - Equity Global Income Index	+14.0%	+39.2%	+19.1%	+19.7%	+6.0%

\*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%	+5.2%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+6.7%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

### September Commentary

The Trust produced a Net Asset Value total return of -2.5% during the month and a price total return of -0.7%, compared to a return of -1.5% for the Lipper Global - Equity Global Income Index.

We are often asked about how we think about investing in Asia and emerging markets (EMs).

Troy's approach to investing is deliberately unconstrained by both sector and geography. While this provides a high degree of flexibility we do contain ourselves by the conservatism of our investment approach. This makes us reluctant to venture into investments that may be considered higher risk or more esoteric. We would consider most companies listed in Asia and EMs to fit this description.

Our reticence with regard to direct investment is driven by four factors. First we

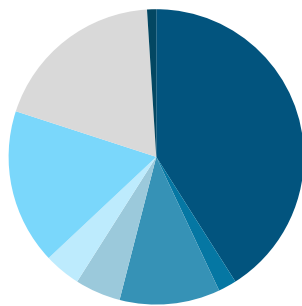
rarely find businesses in these regions to be very high quality. For all its economic failings the "West" continues to produce intangible assets of a quantity and quality that outstrips the "East". Second is valuation; those rare high quality businesses that do exist tend to be very fully valued. Third is governance; on average shareholder rights are not afforded the same protections in Asia and EMs as they are elsewhere. Recent events in China re Tencent and Alibaba are a stark reminder of this. Fourth is costs and currency; it is usually more difficult and expensive to trade and currencies tend to suffer debasement over the long term.

Rather than relying on arbitrary criteria – where a company is listed – to evaluate our exposure to certain geographic areas, we look at the underlying revenue generation of our companies. On that basis, we do have material exposure to Asia and EMs. 19 of the Trust's 35 equity investments have double-

digit % of revenues from Asia and a further 3 have a similar amount derived from EMs. In all, 27% of our portfolio's revenues derive from these countries. While the portfolio is concentrated by the number of stocks the operations of each company are highly diversified by product type, brand, price and geography. This diversity drives resilience as was demonstrated during the pandemic.

Asia and EMs are an engine of growth for many of our core holdings and is a cause for optimism. These economies are large, lowly indebted and enjoy fast rates of economic growth. They are home to the vast majority of the world's population and many have young demographic profiles. We are confident that we can find adequate exposure to these important parts of the global economy without having to put investors capital at undue risk.

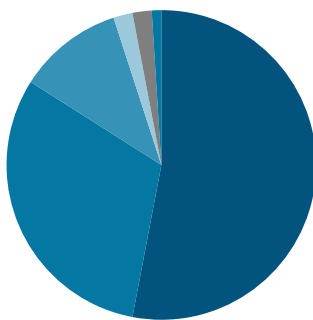
## Asset Allocation by Sector



- Consumer Staples 41%
- Communication Services 2%
- Financials & Real Estate 11%
- Industrials 5%
- Consumer Discretionary 4%
- Health Care 17%
- Information Technology 19%
- Cash 1%

Source: Factset. Asset Allocation subject to change

## Asset Class by Geography



- North America 53%
- United Kingdom 31%
- Europe ex UK 11%
- Asia Pacific ex Japan 2%
- Japan 2%
- Cash 1%

Source: Factset. Asset Allocation subject to change

## Top 10 holdings

Top 10 holdings	% Trust
British American Tobacco	5.6
Philip Morris International	5.2
Unilever	5.1
Paychex	5.0
Reckitt Benckiser	4.6
Diageo	4.4
ADP	4.2
PepsiCo	4.1
CME Group	4.0
Medtronic	4.0
<b>Total Top 10</b>	<b>46.3</b>
24 other holdings	52.3
Cash	1.4
<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 100,460,075 Shares held in treasury 21,839,073	<b>Dividend Yield (trailing 12 months)</b> 2.7% 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> £214m <b>Gross Assets</b> £229m <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@taml.co.uk	<b>Management Fee</b> 0.65% - Troy's investment management fee will be 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> 0.1% <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 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).