



Securities Trust of Scotland plc

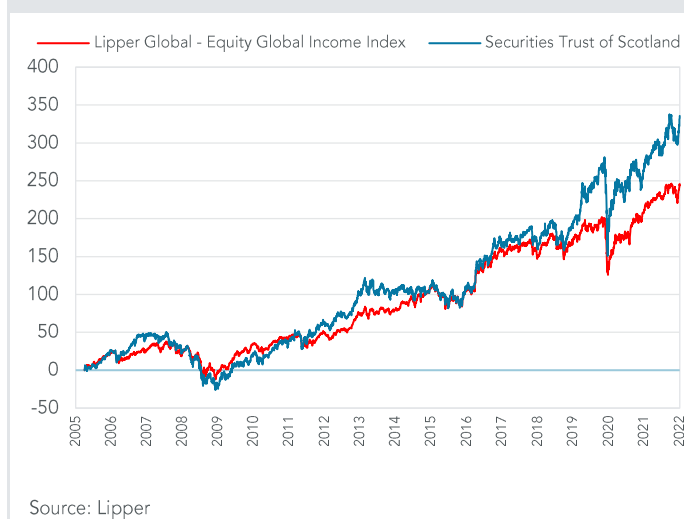
All data as at 31 March 2022

www.stsplc.co.uk

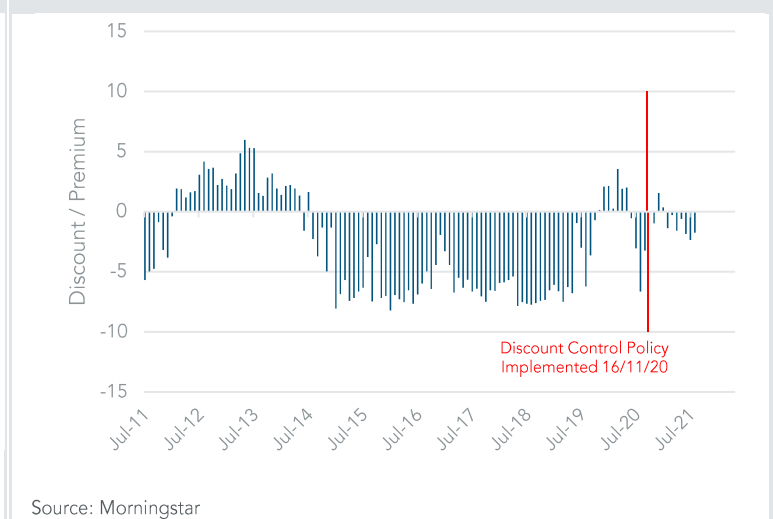
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

Price	NAV (ex Inc)	Historic Dividend Yield
231.00p	229.02p	2.5%
Premium (Discount) to NAV	Total Net/Gross Assets	
+0.04%	£230m/£247m	

Share Price Performance to 31 March 2022



Share Price Discount / Premium to NAV



Total Return to 31 March 2022	Since Troy Appt*	31/03/17 5 years	31/03/19 3 years	31/03/21 1 year	30/09/21 6 months
Securities Trust of Scotland Share Price	+20.2%	+63.7%	+49.1%	+17.4%	+10.0%
Securities Trust of Scotland NAV	+17.5%	+51.8%	+37.8%	+17.0%	+10.0%
Lipper Global - Equity Global Income Index	+19.3%	+33.1%	+27.1%	+10.8%	+4.6%

*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%	+0.2%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-0.3%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

March Commentary

The Trust produced a Net Asset Value total return of +3.8% during the month and a price total return of +8.1%, compared to a return of +3.8% for the Lipper Global - Equity Global Income Index.

In February we increased our investment in Intercontinental Hotels Group (IHG). We first invested in the company during the Covid pandemic in March 2020. We believe the brands owned by IHG – Holiday Inn, Intercontinental Hotel and many others – will continue to capture share from independent hotels.

The value of a brand to a hotel operator mostly lies in the size of the commercial infrastructure, which is in turn a function of awareness, which is ultimately dependent on the number of hotels in a certain region. The more hotels become branded, the more valuable the brand becomes for independent hotel operators, leading more hotels to join the IHG system generating a virtuous growth cycle.

IHG is also an asset-light business as it does not own the underlying hotels. Growth requires little capital, and the company did exceptionally well during Covid by not burning cash in 2020. More than a hotel business, IHG is a platform, connecting travellers and hotel operators through the power of its brands.

We decided to increase our investment for three reasons. First, we believe that the demand for hotel stays will eventually recover to pre-Covid levels. During the pandemic, consumers dramatically increased spending on goods by cutting back on experiences and travel. This dynamic is bound to reverse as the world reopens.

Second, the company, under the leadership of Keith Barr, has significantly increased its growth potential. IHG has launched or acquired six new brands since 2018. The company now has a much more complete portfolio across different segments of the hospitality industry. In turn, we believe this will allow IHG to capture more

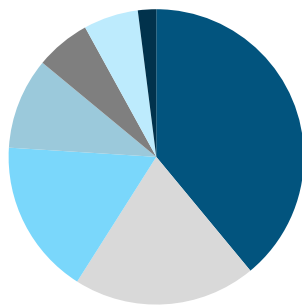
growth opportunities. We think IHG has the opportunity to grow its room count in line with the industry leaders Marriot and Hilton.

Finally, IHG restarted a dividend, as a result of improved cash generation in 2021.

While the exact timing of the recovery is hard to forecast – we believe demand for hotel nights might materialise much sooner than investors anticipate – as such, IHG shares today offer significant value. On our estimates, the business trades on mid-teens fully recovered earnings.

Finally, we note the tragic events unfolding in Ukraine will have a limited impact on IHG, as the business has little direct exposure to Russia and most stays are by domestic travellers.

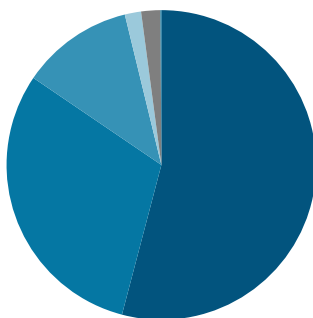
Asset Allocation by Sector



- Consumer Staples 39%
- Information Technology 20%
- Health Care 17%
- Financials & Real Estate 10%
- Industrials 6%
- Consumer Discretionary 6%
- Communication Services 2%
- Cash <1%

Source: Factset. Asset Allocation subject to change

Asset Class by Geography



- North America 54%
- United Kingdom 30%
- Europe ex UK 12%
- Asia Pacific ex Japan 2%
- Japan 2%
- Cash <1%

Source: Factset. Asset Allocation subject to change

Top 10 holdings	% Trust
British American Tobacco	6.4
Paychex	5.6
Philip Morris International	4.9
CME Group	4.7
ADP	4.6
Diageo	4.4
PepsiCo	4.4
Reckitt Benckiser Group	4.3
Unilever	4.2
Roche Holding	3.8
Total Top 10	47.4
23 other holdings	52.5
Cash	0.1
TOTAL	100.0

Source: Factset. Holdings subject to change

Trust information

Structure London Listed Investment Trust	Capital Structure Shares with voting rights 99,525,075 Shares held in treasury 22,774,073	Historic Dividend Yield (trailing 12 months) 2.47% 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 £230m Gross Assets £247m 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
Manager James Harries	Mandate Established 2005 Year End 31 March	AIFM Juniper Partners Limited Pricing Share price is listed daily in the FT
Benchmark Lipper Global Equity Global Income Index	Premium (Discount) +0.04% Gearing 7% Currency £ Sterling	Auditor Ernst & Young LLP

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.