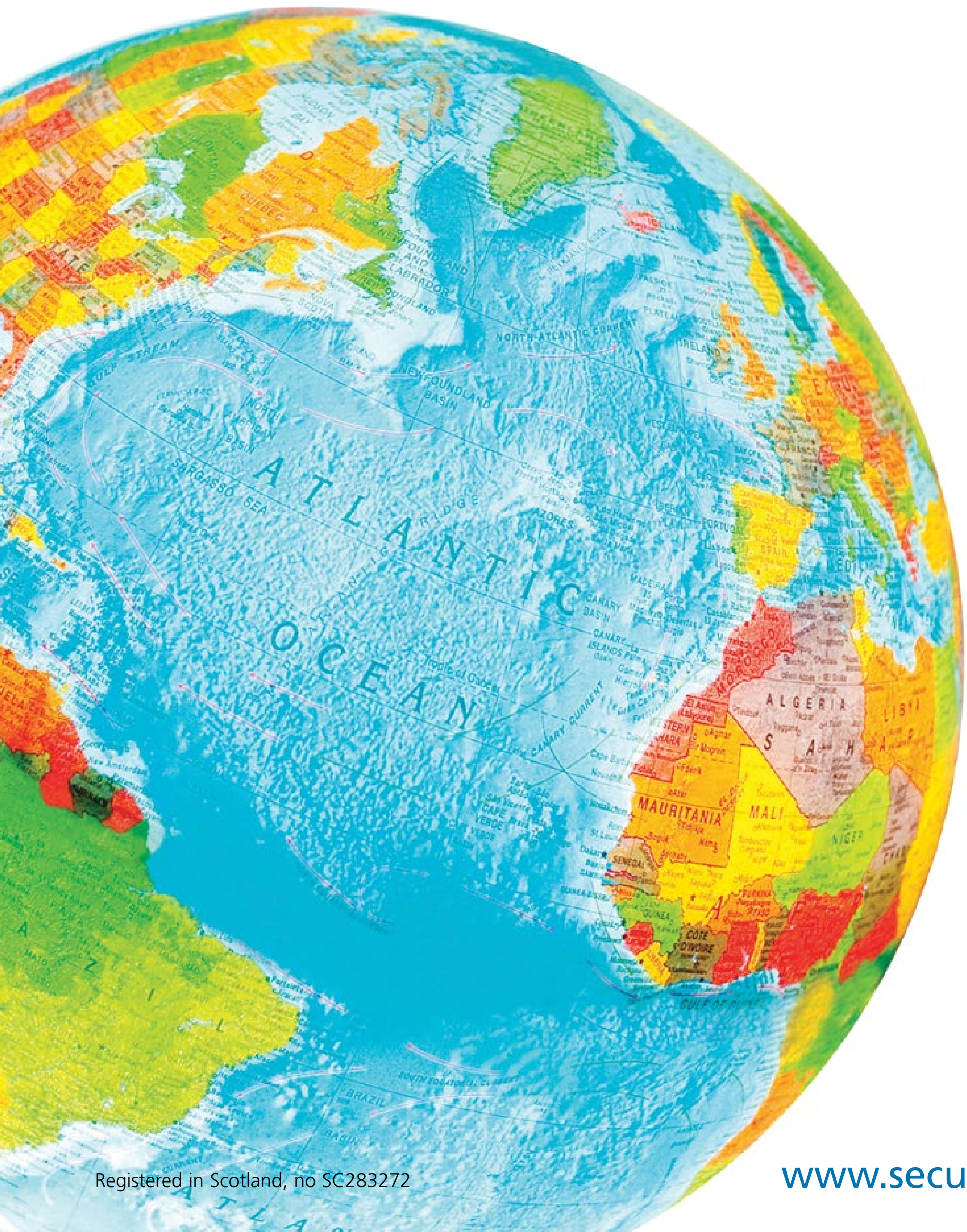
Securities Trust of Scotland plc

Interim financial report
six months to 30 September 2016

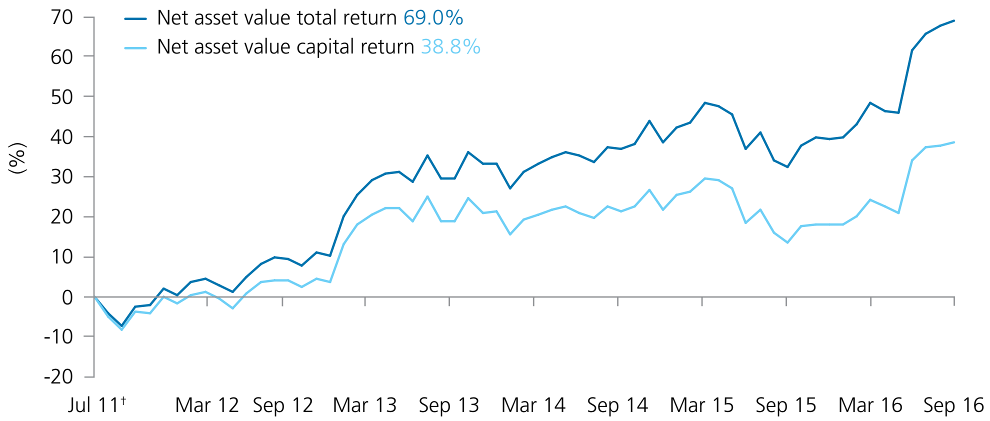


Registered in Scotland, no SC283272

www.securitiestrust.com

Financial highlights

Long-term capital growth



The net asset value rose 13.7% (total return) and the revenue return per share was 23% higher over the six month period.

Source: Martin Currie Investment Management Limited.
The net asset value capital return is calculated using the ex-income net asset value per share.
The net asset value total return is calculated using the ex-income net asset value per share with dividends reinvested.
†On 1 August 2011 Securities Trust of Scotland moved to a global equity income investment objective.

Total return*

	Six months ended 30 September 2016 %	Six months ended 30 September 2015 %
Net asset value per share**	13.7	(10.7)
Share price	17.6	(12.5)
Peer group^	14.2	—

Income

	Six months ended 30 September 2016	Six months ended 30 September 2015
Revenue per share***	3.07p	2.49p
Dividend per share	2.90p	2.90p

Ongoing charges****
(as a percentage of shareholders' funds)

	Six months ended 30 September 2016 %	Six months ended 30 September 2015 %
Ongoing charges	1.0	1.0

* The combined effect of any dividend paid, together with the rise or fall in the share price or net asset.
** The net asset value is exclusive of income with dividends reinvested.
*** For details of calculation, refer to note 2 on page 15.
^ On 1 June 2016 Securities Trust of Scotland changed from benchmarking performance against the MSCI World High Dividend Yield index to an unconstrained strategy measured against the performance of the median of the peer group described on page 23.
**** Ongoing charges (as a percentage of shareholders' funds) are calculated using average net assets over the period. The ongoing charges figure has been calculated in line with the AIC's recommended methodology.

About Securities Trust of Scotland

Investment objective

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

Quarterly dividends

To provide shareholders with a regular income, dividends are paid quarterly in March, June, September and December.

Specialist investment manager

The portfolio is managed by Martin Currie, an active equity investment specialist that manages portfolios for clients around the world.

High conviction portfolio

The concentrated portfolio typically consists of 35-55 stocks selected for their potential to deliver future growth with sustainable and rising dividends.

Discount management

The company has the authority to repurchase shares at any time. If the average discount exceeds 7.5% in the 12 weeks prior to the financial year-end, a redemption opportunity is triggered.*

Independent board

The company is overseen by an independent board. By engaging with and listening to shareholders, the board ensures that the company continues to offer a distinctive investment proposition that is relevant to investors' needs.

Portfolio focus

Global income and growth.

Benchmark/peer group

On 1 June 2016, the company changed from benchmarking against the MSCI World High Dividend Yield index to an unconstrained strategy measured against the performance of the median of the peer group measured over a 3 year rolling period.*

Capital structure

112,176,599 ordinary shares of 1p, each entitled to one vote.

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*Please see page 23 for more information.

Chairman's statement

It gives me great pleasure to report to you for the first time since becoming chairman in July. The period under review has been shaped to a large degree by the UK's vote to leave the European Union. After initial market falls immediately following the vote at the end of June, the ensuing devaluation of sterling, and the reactions of central banks proved supportive to global equity markets, particularly to the sterling investor. Your company, as an investor in global equities, has benefited from those trends.

New investment approach

In May, we announced the appointment of Mark Whitehead as portfolio manager along with the move to a global investment mandate that is unconstrained by a market index. Mark brings many years' experience of global income investing, has a strong track record and leads the recently expanded income research team at Martin Currie. His appointment as portfolio manager marked the beginning of what your board believe will be an exciting new chapter for the company. High levels of debt and ageing populations in many parts of the developed world present a challenging background for investors looking for growth and income opportunities. Added to this, technological disruption is causing huge challenges for many established industries. An unconstrained approach to portfolio construction is a central tenet of our strategy to deliver attractive total returns that will not only beat the median performance of open and closed ended peers, but will deliver a real increase in income and capital over the long term*.

"The revenue return per share for the six months is 3.07p, an increase of 23% for shareholders."

Performance

I am pleased to be able to report strong returns for shareholders over the six months under review. The net asset value (NAV) total return was 13.7% and the share price total return was 17.6%, in comparison with the peer group median performance of 14.2% over the same period. Encouragingly, the benefits of our new approach are being recognised and were reflected in a tightening of the discount from 7.3% at the end of March to 4.8% at end September with the result that only 0.7% of shares outstanding were bought back during the period.

The revenue return per share for the six months was 3.07p, an increase of 23%. This is a good result against the backdrop of the portfolio repositioning that we reported to you in May and which has continued. While currency fluctuations, and a disciplined share buy back programme over the last 12 months, have helped, a major contributor has been the introduction of the options strategy that has boosted returns and delivered additional income over the period. The portfolio manager is focussed on growing the income from the portfolio over the long term with the medium term objective of generating sufficient income to cover the current level of dividend payment. In the meantime your board will continue to use the flexibility inherent in the investment trust structure to fund a portion of the dividend payment from capital reserves, as necessary.

Dividends

The second interim dividend of 1.45p will be paid on 16 December 2016 to shareholders on the register at 25 November 2016 and brings the total dividend to 2.90p following the first interim dividend of 1.45p, paid on 16th September 2016. This is in line with last year's record dividend and represents an attractive level of income given the low interest rate environment that we continue to endure.

Borrowing

Your board has recently realised its intention to take advantage of low interest rates and has agreed a seven year £15 million multi-currency fixed rate facility and a two year £10 million revolving credit facility. In aggregate, the borrowing costs are just 1.9%. The facilities provide a conservative level of borrowing at 13.8% of net assets at the period end.

The gearing is being effectively employed by the portfolio manager in two different ways. Firstly, by investing the majority of the proceeds in global equities and secondly, with the tactical use of options, in a careful and controlled manner, as mentioned above. Your board is pleased to see both contribute positive returns over the period and looks forward to the compounding effects over the long term.

*As of 31st May 2016, the company's investment performance will be measured over a three year rolling basis by comparing the NAV total return against the median of the peer group. In addition, the portfolio manager will aim to grow both the revenue earnings and the cum income NAV in real terms over a rolling five year period.

Outlook

The economic impact of Brexit and policy impacts of Donald Trump's election as US president have yet to be fully comprehended and it will be some time before there is evidence that will inform views fully on either. Added to this, the rise in populist politics has potential implications for December's Italian referendum, next year's presidential elections in France and Federal government elections in Germany, bringing further political uncertainty in Europe at a time of change. Such uncertainty will bring volatility, but also opportunity for the global stock picker.

The backdrop of accommodative monetary policy has been helpful to markets, and whilst Fed rate rises are likely in the US, the trajectory of increases is not expected to be steep. In the meantime, central bank policy should remain supportive in Europe and the UK. In addition, government rhetoric both in the UK and US increasingly suggests that fiscal policy will also begin to support growth in an effort to reduce the reliance on monetary policy. The market reaction to this is likely to be increases in the longer term interest rate environment. Whilst rising bond yields don't tend to be helpful to equity markets overall, the level of longer term interest rates is still likely to remain extremely low by historic standards, and the yield offered by equities continues to look attractive in comparison. If the goal of sustainable long term growth is achieved by policy makers, equities should continue to perform well against other asset classes.

Against this uncertain backdrop, I believe firmly that a global investment remit, particularly one that is unconstrained by sector or region, offers the best range of opportunities to deliver long-term returns. This strategy, in combination with the portfolio manager's approach of high conviction stock selection, to construct a portfolio of high quality income generating companies, at appealing valuations, I believe, offers an attractive investment prospect to our shareholders. I look forward to reporting progress under the new manager.

Keeping in touch

I encourage you to visit the company's revitalised website www.securitiestrust.com that holds interesting viewpoint articles, performance updates and market information. You can register to receive our monthly email that will keep you abreast of information relating to your company.

Thank you for your continued support.

Rachel Beagles
Chairman

18 November 2016

Manager's review

After a fairly uneventful April and May, the period encompassing June through to the end of September has been altogether livelier. It began in early June, with the escalating tensions regarding the outcome of the UK's referendum on European Union (EU) membership, followed by the shock decision to leave. This triggered a short and sharp sell-off, accompanied by a spike in equity market volatility. However, an abrupt rebound then led equity markets back onto their upward march as volatility retraced to surprisingly low levels.

In essence, the 'Brexit' vote can be looked back on as a blip, when many UK and European assets fell sharply, in what has otherwise been a strong period for global equity markets. During the period under review, world equity markets have risen 6.3% in US$ terms. However, for a sterling-based investor (following the pound's steep depreciation since the vote) holding US dollar and euro-denominated assets has proved very beneficial. Global markets, as measured by the MSCI World index, have posted a particularly strong return of 18% in sterling terms during the six months.

The immediate impact of the Brexit vote on the UK economy has actually been very modest, despite some predictions to the contrary. After an initial hiatus, consumer confidence has recovered and sentiment among exporters is understandably strong following sterling's devaluation. The value of Central London property, both commercial and residential, has fallen by about 5%, but this is not reflective of the broader economy. Gilt yields fell dramatically to a low point near 50 basis points following the vote, but have subsequently edged back up, albeit not above pre-Brexit levels.

Currency effects aside, why have equity markets in the main been strong? Certainly the Bank of England's stimulative response – through liquidity provision to the banks and a cut to the policy rate – will have helped sentiment for the UK, but also permeated out into the global economy.

The US Federal Reserve (Fed) specifically held back recommencing its tightening strategy, citing global uncertainty. This has perhaps allowed the global economy to build momentum over the middle part of the year, which, in turn, has also powered the stock market higher. Emerging markets in particular have performed strongly, producing an even greater return than developed markets over the period, up by over 22% in sterling terms – fuelled in part by accommodative central bank policy and a rebound in Chinese activity.

Performance

The headline moves in equity markets during the period masked more interesting underlying shifts in terms of sector leadership, which really began earlier in the year, but have accelerated post the Brexit vote. The rebound in the oil price from its low to the US$50 per barrel mark has driven energy stocks higher, but the rally has mainly been led by those companies with higher beta and little yield. Materials and resources have followed a similar trend and, to some extent, industrial capital-goods companies. So the market leadership has shifted from 'defensive growth' to a 'value' stance. Financials, particularly those in the US, have also re-rated as investors speculate that higher interest rates and stronger macroeconomic activity will feed through to better bank earnings.

The biggest mover of late in the market has been the IT sector, which in the third quarter produced a 16.4% return vs. utilities -0.6%. Such vicious relative moves in short order between sectors can prove particularly uncomfortable to the long-term investor positioned in a different direction (the company, for instance, holds minimal IT stocks on yield grounds), but from experience, such moves are generally followed by some normalisation and even retracement.

As cyclical companies have been taking up the market leadership in recent months, it has become important to assess whether or not this change in momentum will become more pervasive. As an income investor, it has been difficult to hold these business models as many (such as mining and integrated oil companies) have either cut dividends or continue to generate poor cash flow returns that struggle to cover remaining dividend distributions. In response to lower earnings and cash conversion, a typical response from many companies has been to cut back capital expenditure and increase balance-sheet gearing to pay dividends and we find this concerning. The first limits future growth potential and the second increases risk to shareholders, both of which we are very mindful of. However, we have benefited from strong moves in capital goods companies such as Caterpillar and Eaton in the US both of which exhibit attractive valuations and an up tick in earnings momentum.

One specific area of disappointment has been the share price performance from both Italian banks held in the portfolio. Intesa Sanpaolo & Banca Generali have been impacted by a number of issues, including the shock of the Brexit vote and the fear of other EU countries following the UK's lead, most notably Italy. The country's banking industry is also undergoing stress from high-legacy non-performing loans (NPLs), most notably Montepaschi, as the country's third-largest bank tries to restructure to avoid a bail in of its bond holders. The Italian President Matteo Renzi's referendum also looms large for the end of 2016 and his stance on resigning should he lose has also caused uncertainty. However, despite this politically charged and uncertain economic backdrop, both Intesa & Banca Generali have produced very strong operating results, with the latter in particular, taking in record net new assets.

With a focus on high-quality business models that can generate consistent growth and strong shareholder returns our portfolio beta is lower than that of the broader market which has proven difficult in the recent high beta market rally. However, the portfolio remains very robust and we believe will be able to generate market-leading dividend growth at a relatively cheaper valuation than at the start of the year. This represents an ideal opportunity to build further exposure.

During the period, we initiated our first derivatives positions, through the sale of put options on Airbus. Airbus is set to benefit from an underappreciated megatrend of increased global air travel by 4 to 5% per annum until 2034. The company should double earnings and free cash flow over the coming years which is likely to create outsized dividend growth as it ramps up production to fulfil its nine years of order backlog. Both Airbus put option positions that we initiated during the period complemented our existing cash equity position and I am pleased to say they have expired having produced high levels of premium, which we added to the revenue account.

Activity

Key purchases in the period included Cinemark, DSM and Coway.

Our investment case for Cinemark is based on the US cinema segment continuing to consolidate and outperform industry attendance and pricing growth due to Cinemark's innovation. Also, the Latin American business continues to see strong, self-funded growth which we believe is not fully appreciated by the market place. The result is a growing, high-quality business delivering sustainable dividend growth.

DSM, a manufacturer of animal and human nutrition products, offers exposure to an organically growing business driven by population growth, rising protein consumption and the increased use of packaged food. The company has embarked on a three-year cost savings plan adding some potential 'self-help' to the structural growth case.

Coway is the market leader in the home wellness appliances (water purifiers, air purifiers, bidets) market in Korea. Coway is a highly cash-generative business with a strong return track record and balance sheet. It also offers a decent yield. The company should also be able to generate steady growth over the next few years, underpinned by the still relatively low penetration levels in wellness products in Korea. We have been following the company for a while but have previously been put off by the valuation. However, the stock has de-rated significantly over the past 18 months, latterly due to a product recall. We think that the reaction to the product recall is overblown and that it has offered a good entry point for the stock.

Outlook

The economic consequences of Brexit, the Fed's interest rate policy and the strength of the global economy remain key uncertainties for the market. Looking ahead, we believe investors are unlikely to remain as sanguine as they have been over the past few months and the lack of macroeconomic visibility will result in bouts of sharp equity-market volatility.

In previous periods of Fed interest rate tightening, equity markets have performed strongly and this is true of the current episode, as global equity markets have risen by over 20% in the year to date (in sterling terms) with the last rate rise in mid-December 2015. We are not convinced that the path of US interest rates will be a steep one. Indeed, the IMF has recently downgraded its forecast for US economic growth for 2016, despite recent stronger data. However, a more cautious monetary policy path may well continue to be supportive of the more economically-sensitive areas of the economy.

"We expect recent additions to the portfolio to exhibit organic growth even in a sluggish economic environment."

For the UK-based investor, a large proportion of the return from global equities since the Brexit vote has come from sterling weakness. The UK's withdrawal from Europe is likely to be a drawn-out process and this will undoubtedly cause fluctuations in activity, not only at home but also in Europe. Add to this the risks inherent in the Italian referendum, Greece requiring refinancing and rising geopolitical tensions between Russia and other western states, and we are reminded that the equity market may well be too complacent.

In comparison to Brexit, the immediate reaction by equity and currency markets to Donald Trump's remarkable presidential victory has been much more muted. The U.S. dollar's status as a reserve currency is providing ballast and Mr Trump's reflationary stance through favouring infrastructure and defence spend and widening healthcare provision, whilst ultimately generating stronger GDP growth, may well underpin equities.

It is, as yet, very early days to call how equity markets may perform and what the leadership may be in terms of sectors and industries. One thing is for sure, it will take many weeks, months and even years for evidence to surface of how Mr Trump's, at times highly inflammatory policy statements, will be actually implemented. His campaign has been a remarkably successful one, a strategy that used 'shock and awe' rhetoric to gain unprecedented levels of media publicity.

However, once he has formed his administration, the policies enacted may turn out to be more moderate. For example, it is likely that on trade he will have a freer hand but it will be more difficult to change the likes of taxation policies quickly as constitutional change will involve an altogether more drawn out process.

In the short term, the probability of a rate hike in December has fallen. This may well cause weakness in banks which have rallied hard on the expectation of the imminent resumption of the Federal Reserve's (FED) interest rate tightening cycle, initiated in December 2015.

Short-term uncertainty has increased and this may well cause the FED to hold interest rates in check this coming December. But as Mr Trump's policies are in the main viewed to be reflationary, we could expect the FED to be strong-armed into raising interest rates, economic activity permitting, whilst a fiscal splurge is initiated to rebuild American infrastructure and generate a surge in employment. This would be a welcome backdrop for well capitalised regional banks that may benefit from a steepening yield curve and a surge in lending growth.

Much also has been talked about in terms of the healthcare industry, which has underperformed the market considerably during the run into the election. The policy path here is far from certain, but pressure on drug pricing will continue in our view – but aggressive government intervention may now be less likely. We therefore continue to focus on our investment process of identifying high-conviction ideas that offer us a mixture of organic growth, high quality and attractive valuations. The credit analysis we employ should enable us to avoid companies with inappropriate balance-sheet leverage and liquidity for the business models they operate, which can lead to dividend cuts and capital volatility. We expect recent additions to the portfolio to exhibit organic growth even in a sluggish economic environment, whether that is the growth of nutritional products owing to higher protein consumption (DSM) or the emerging growth areas for logic semiconductors (TSMC). The provision of sustainable and attractive levels of income should work well for investors in the current climate of low yields from alternative asset classes, despite short-term fears of tighter monetary policy in some regions.

Mark Whitehead

18 November 2016

Principal risks and uncertainties

Risk and mitigation

The company's business model is longstanding and resilient to most of the short term uncertainties that it faces, which the board believes are effectively mitigated by its internal controls and the oversight of the investment manager, as described in the latest annual report. The principal risks and uncertainties are therefore largely longer term and driven by the inherent uncertainties of investing in global equity markets. The board believes that it is able to respond to these longer term risks and uncertainties with effective mitigation so that both the potential impact and the likelihood of these seriously affecting shareholders' interests are materially reduced.

Risks are regularly monitored at board meetings and the board's planned mitigation measures are described in the latest annual report. The board maintains a risk register and also carries out a risk workshop as part of its annual strategy meeting. The board has identified the following principal risks to the company:

- Loss of s1158-9 status
- Long-term investment underperformance
- Market, financial and interest rate risk

Further details of these risks and how the board manages them can be found in the 2016 annual report and on the company's website www.securitiestrust.com.

Directors' responsibility

In accordance with Chapter 4 of the Disclosure and Transparency Rules, and to the best of their knowledge, each director of the company confirms that the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014. The directors are satisfied that the financial statements give a true and fair view of the assets, liabilities, financial position and profit of the company. Furthermore, each director certifies that the interim management statement includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties that the company faces. In addition, each director of the company confirms that there have been no related party transactions during the six months to 30 September 2016.

Going concern status

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the chairman's statement and manager's review. The financial position of the company as at 30 September 2016 is shown on the unaudited condensed statement of financial position on page 11. The cash flow of the company is set out on page 13.

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk issued in October 2009, the directors have undertaken a rigorous review of the company's ability to continue as a going concern. The company's assets consist primarily of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale. The directors are mindful of the principal risks disclosed above and have reviewed revenue forecasts and they believe that the company has adequate financial resources to continue its operational existence for the foreseeable future and for at least one year from the date of signing of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

By order of the board

Rachel Beagles
Chairman

18 November 2016

Portfolio Summary

Portfolio distribution as at 30 September 2016

By region (excluding cash)

	As at 30 September 2016 %	As at 31 March 2016 %
North America	51.9	49.8
Developed Europe*	32.8	39.4
Developed Asia Pacific ex Japan	8.4	7.4
Global Emerging Markets	5.0	1.4
Japan	1.9	2.0
	100.0	100.0

By sector (excluding cash)

	As at 30 September 2016 %	As at 31 March 2016 %
Industrials*	19.4	16.4
Financials*	11.5	13.8
Healthcare	10.9	13.5
Consumer goods	10.6	13.9
Consumer services	8.9	8.8
Telecommunications	8.1	8.0
Oil & gas	8.1	6.5
Real estate	8.1	6.1
Basic materials	6.3	4.5
Utilities	4.3	6.4
Technology	3.8	2.1
	100.0	100.0

By asset class (including cash and borrowings)

	As at 30 September 2016 %	As at 31 March 2016 %
Equities	106.8	109.6
Options	(0.1)	—
Cash	7.0	0.8
Less borrowings	(13.7)	(10.4)
	100.0	100.0

Largest 10 holdings

	30 September 2016 Market value £000	30 September 2016 % of total portfolio	31 March 2016 Market value £000	31 March 2016 % of total portfolio
Chevron	6,702	3.4	7,194	4.0
Roche Holdings	6,506	3.3	4,298	2.4
United Parcel Service	6,255	3.2	5,452	3.0
Caterpillar	6,184	3.2	3,828	2.1
Merck + Co	6,027	3.1	4,620	2.6
Philip Morris International	5,917	3.0	7,195	4.0
Verizon Communications	5,761	2.9	5,417	3.0
Givaudan	5,629	2.9	4,915	2.7
Apple	5,437	2.8	3,760	2.1
Waste Management	5,331	2.7	4,456	2.5
	59,749	30.5	51,135	28.4

*Includes the fair value of the options as at the balance sheet date.

Unaudited Condensed Statement of Comprehensive Income

		(Unaudited) Six months to 30 September 2016			(Unaudited) Six months to 30 September 2015			(Audited) Year to 31 March 2016		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net gains/(losses) on investments and derivatives	5	—	20,149	20,149	—	(22,521)	(22,521)	—	(7,866)	(7,866)
Net currency gains/(losses)		71	(10)	61	(19)	(32)	(51)	21	(10)	11
Income	3	4,334	—	4,334	3,803	—	3,803	7,306	—	7,306
Investment management fee		(192)	(356)	(548)	(168)	(312)	(480)	(339)	(629)	(968)
Other expenses		(311)	—	(311)	(280)	—	(280)	(634)	—	(634)
Net return before finance costs and taxation		3,902	19,783	23,685	3,336	(22,865)	(19,529)	6,354	(8,505)	(2,151)
Finance costs		(72)	(131)	(203)	(37)	(69)	(106)	(76)	(141)	(217)
Net return on ordinary activities before taxation		3,830	19,652	23,482	3,299	(22,934)	(19,635)	6,278	(8,646)	(2,368)
Taxation on ordinary activities	4	(388)	—	(388)	(345)	—	(345)	(732)	—	(732)
Net returns attributable to ordinary redeemable shareholders		3,442	19,652	23,094	2,954	(22,934)	(19,980)	5,546	(8,646)	(3,100)
Net returns per ordinary redeemable share	2	3.07p	17.50p	20.57p	2.49p	(19.33p)	(16.84p)	4.73p	(7.37p)	(2.64p)

The total columns of this statement are the profit and loss accounts of the company.

The revenue and capital items are presented in accordance with the Association of Investment Companies ('AIC') Statement of Recommended Practice.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the six months.

The notes on pages 14 to 20 form part of these condensed financial statements.

Unaudited Condensed Statement of Financial Position

	Note	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2015 £000	(Unaudited) As at 30 September 2015 £000	(Audited) As at 31 March 2016 £000	(Audited) As at 31 March 2016 £000
Fixed assets							
Investments at fair value through profit or loss	5		196,405		170,242		179,903
Current assets							
Trade receivables	6	14,080		436		947	
Cash and cash equivalents		12,868		2,886		1,267	
		26,948		3,322		2,214	
Current liabilities							
Derivative financial liabilities held at fair value through profit or loss	5	(172)		—		—	
Creditors - amounts falling due within one year	7	(24,727)		(17,289)		(17,629)	
Total current liabilities		(24,899)		(17,289)		(17,629)	
Net current assets/(liabilities)			2,049		(13,967)		(15,415)
Total assets less current liabilities			198,454		156,275		164,488
Amounts falling due after more than one year	8		(15,208)		—		—
Net assets			183,246		156,275		164,488
Capital and reserves							
Called up ordinary share capital			1,223		1,223		1,223
Capital redemption reserve			78		78		78
Share premium account			30,040		30,040		30,040
Special distributable capital reserve*			95,715		102,101		96,795
Capital reserve*			54,026		20,086		34,374
Revenue reserve*			2,164		2,747		1,978
Total shareholders' funds			183,246		156,275		164,488
Net asset value per ordinary redeemable share	2		163.35p		133.47p		145.61p

The notes on pages 14 to 20 form part of these condensed financial statements.

*These reserves are distributable.

Securities Trust of Scotland plc is registered in Scotland, company number SC283272. The financial statements on pages 10 to 20 were approved by the board of directors on 18 November 2016 and signed on its behalf by:

Rachel Beagles
Chairman

18 November 2016

Unaudited Condensed Statement of Changes in Equity

Statement of changes in equity for the period to 30 September 2016 (Unaudited)	Called up ordinary share capital £000	Capital redemption reserve £000	Share premium account £000	Special distributable capital reserve* £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 31 March 2016	1,223	78	30,040	96,795	34,374	1,978	164,488
Return attributable to shareholders	—	—	—	—	19,652	3,442	23,094
Ordinary shares bought back during the period	—	—	—	(1,080)	—	—	(1,080)
Dividends paid	—	—	—	—	—	(3,256)	(3,256)
As at 30 September 2016	**1,223**	**78**	**30,040**	**95,715**	**54,026**	**2,164**	**183,246**

Statement of changes in equity for the period to 30 September 2015 (Unaudited)	Called up ordinary share capital £000	Capital redemption reserve £000	Share premium account £000	Special distributable capital reserve* £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 31 March 2015	1,223	78	30,040	107,448	43,020	3,223	185,032
Return attributable to shareholders	—	—	—	—	(22,934)	2,954	(19,980)
Ordinary shares bought back during the period	—	—	—	(5,347)	—	—	(5,347)
Dividends paid	—	—	—	—	—	(3,430)	(3,430)
As at 30 September 2015	1,223	78	30,040	102,101	20,086	2,747	156,275

Statement of changes in equity for the year to 31 March 2016 (Audited)	Called up ordinary share capital £000	Capital redemption reserve £000	Share premium account £000	Special distributable capital reserve* £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 31 March 2015	1,223	78	30,040	107,448	43,020	3,223	185,032
Return attributable to shareholders	—	—	—	—	(8,646)	5,546	(3,100)
Ordinary shares bought back during the year	—	—	—	(10,653)	—	—	(10,653)
Dividends paid	—	—	—	—	—	(6,791)	(6,791)
As at 31 March 2016	1,223	78	30,040	96,795	34,374	1,978	164,488

*These reserves are distributable.
The notes on pages 14 to 20 form part of these condensed financial statements.

Unaudited Condensed Statement of Cash Flow

	Note	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2015 £000	(Unaudited) Six months to 30 September 2015 £000	(Audited) Year to 31 March 2016 £000	(Audited) Year to 31 March 2016 £000
Cash flows from operating activities							
Profit/(loss) before tax			23,482		(19,635)		(2,368)
Adjustments for:							
(Gains)/losses on investments and derivatives	5	(20,149)		22,845		8,190	
Finance costs		203		106		217	
Purchases of investments and derivatives*	5	(47,831)		(49,233)		(68,918)	
Sales of investments and derivatives*	5	51,650		54,855		79,534	
Premium from option writing	3	(430)		—		—	
Dividend income	3	(3,879)		(3,760)		(7,216)	
Interest income	3	—		(3)		(3)	
Stocklending income	3	(25)		(40)		(87)	
Premium from option writing received		430		—		—	
Dividend received		4,281		4,417		6,540	
Interest received		—		3		3	
Stocklending income received		28		36		81	
(Increase)/decrease in receivables		(13,565)		1,216		2,045	
Increase/(decrease) in payables		14,345		(2,479)		(2,379)	
Overseas withholding tax suffered		(361)		(340)		(732)	
			(15,303)		27,623		17,275
Net cash flows from operating activities			8,179		7,988		14,907
Cash flows from financing activities							
Repurchase of ordinary share capital		(1,336)		(5,330)		(10,397)	
New borrowings		8,208		—		—	
Equity dividends paid		(3,256)		(3,430)		(6,791)	
Interest paid on borrowings		(194)		(104)		(214)	
Net cash flows from financing activities			3,422		(8,864)		(17,402)
Net increase/(decrease) in cash and cash equivalents			11,601		(876)		(2,495)
Cash and cash equivalents at the start of the period/year			1,267		3,762		3,762
Cash and cash equivalents at the end of the period/year	9		12,868		2,886		1,267

*Receipts from the sale of, and payments to acquire, investment securities have been classified as components of cash flows from operating activities because they form part of the company's dealing operations.

The notes on pages 14 to 20 form part of these condensed financial statements.

Note 1: Accounting policies

For the period ended 30 September 2016 (and the year ending 31 March 2016), the company is applying FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), which forms part of the revised Generally Accepted Accounting Practice ('New UK GAAP') issued by the Financial Reporting Council ('FRC') in 2012 and 2013.

These condensed financial statements have been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, FRS 102, FRS 104 Interim Financial Reporting issued by the FRC in March 2015 and the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (SORP) issued by the AIC in November 2014.

As a result of the first time adoption of New UK GAAP and the revised SORP, comparative amounts and presentation formats have been amended where required. The net return attributable to ordinary shareholders and total shareholders' funds remain unchanged from under old UK GAAP basis, as reported in the preceding annual and interim reports. The Statement of Cash Flow has been restated to reflect presentational changes required under FRS 102 and does not include any other material changes.

The accounting policies applied for the condensed set of financial statements are set out in the company's annual report for the year to 31 March 2016. However, the references to prior individual FRSs should now be taken to reference FRS 102.

During the period ending 30 September 2016 the company commenced the writing of options. These derivatives are held at fair value based on the bid/offer prices of the options written to which the company is exposed. The value of the option is subsequently marked -to -market to reflect the fair value of the option based on traded prices. The primary purpose behind the writing of the option is to receive the premium thus any premium received is considered to be revenue in nature and presented under revenue in the statement of comprehensive income. When an option is closed out or exercised, the gain or loss is accounted for as a capital gain or loss.

Note 2: Returns and net asset value

	(Unaudited) Six months to 30 September 2016	(Unaudited) Six months to 30 September 2015	(Audited) Year to 31 March 2016
Revenue return			
Revenue return attributable to ordinary redeemable shareholders	£3,442,000	£2,954,000	£5,546,000
Weighted average number of shares in issue during the period*	112,295,644	118,627,997	117,264,778
Revenue return per ordinary redeemable share**	3.07p	2.49p	4.73p
Capital return			
Capital return attributable to ordinary redeemable shareholders	£19,652,000	(£22,934,000)	(£8,646,000)
Weighted average number of shares in issue during the period*	112,295,644	118,627,997	117,264,778
Capital return per ordinary redeemable share	17.50p	(19.33p)	(7.37p)
Total return			
Total return per ordinary redeemable share	20.57p	(16.84p)	(2.64p)
Net asset value per share			
Net assets attributable to shareholders	£183,246,000	£156,275,000	£164,488,000
Number of shares in issue at period end	112,176,599	117,084,127	112,965,486
Net asset value per share	163.35p	133.47p	145.61p

*Calculated excluding shares held in treasury.

**During the six months to 30 September 2016 special dividends of £49,000 (30 September 2015: £96,000) were received and treated as income.

During the six months to 30 September 2016 there were 788,887 shares bought back into treasury at a cost of £1,080,000. (Six months to 30 September 2015: 3,907,250 shares brought back into treasury at a cost of £5,347,000; twelve months to 31 March 2016: 8,025,891 shares brought back into treasury at a cost of £10,653,000). Between 1 October and 11 November 2016, 14,231 ordinary shares of 1p each were bought back into treasury at a cost of £22,000. There have been no shares issued from treasury during the six months to 30 September 2016. (Six months to 30 September 2015: no shares were issued from treasury; twelve months to 31 March 2016: no shares were issued from treasury.) There have been no shares cancelled from treasury during the six months to 30 September 2016. (Six months to 30 September 2015: no shares were cancelled from treasury; twelve months to 31 March 2016: no shares were cancelled from treasury).

Note 3: Income

	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2015 £000	(Audited) Year to 31 March 2016 £000
From listed investments			
Franked income – equities	568	740	1,474
Unfranked income – equities	3,311	3,020	5,742
	3,879	3,760	7,216
Other income			
Interest on deposits	—	3	3
Derivative revenue	430	—	—
Stock lending	25	40	87
	4,334	3,803	7,306

During the six months to 30 September 2016 the company did not receive any capital dividends. (Six months to 30 September 2015: the company received a capital dividend of £324,000 from Direct Line Insurance; year to 31 March 2016: the company received a capital dividend of £324,000 from Direct Line Insurance Group).

Note 4: Taxation on ordinary activities

	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2015 £000	(Audited) Year to 31 March 2016 £000
Foreign tax	388	345	732

Note 5: Investments and derivatives at fair value through profit or loss	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2015 £000	(Audited) As at 31 March 2016 £000
UK listed investments held at fair value through profit or loss	20,309	39,724	31,426
Overseas listed investments held at fair value through profit or loss	176,096	130,518	148,477
Total value of financial asset investments	196,405	170,242	179,903
Derivative financial instruments – written option contracts	(172)	—	—
Valuation of investments and derivatives	196,233	170,242	179,903
Opening valuation	179,903	198,709	198,709
Opening investment holding gains	(19,286)	(26,510)	(26,510)
Opening cost	160,617	172,199	172,199
Add: additions at cost	47,831	49,233	68,918
Disposal proceeds	(51,650)	(54,855)	(79,534)
Less: net gain/(loss) on disposal of investments and derivatives	3,666	3,353	(966)
Disposals at cost	(47,984)	(51,502)	(80,500)
Closing cost	160,464	169,930	160,617
Add: investment and derivative holding gains	35,769	312	19,286
Closing valuation	196,233	170,242	179,903

Note 5: Investments and derivatives at fair value through profit or loss (cont)

	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2015 £000	(Audited) Year to 31 March 2016 £000
Gains/(losses) on investments and derivatives			
Net gain/(loss) on disposal of investments and derivatives	3,666	3,353	(966)
Movement in investment and derivative holdings unrealised gains/(losses)	16,483	(26,198)	(7,224)
Capital distributions	—	324	324
	20,149	(22,521)	(7,866)

During the period the company began writing options. The primary purpose behind writing options is to receive the premium. Any premium received is considered to be revenue in nature and presented under revenue in the statement of comprehensive income. The fair value of the options is part of the closing valuation of investments and derivatives at fair value through profit or loss.

Transaction costs

During the period expenses were incurred in acquiring or disposing of investments and derivatives classified as fair value though profit or loss. These have been expensed through capital and are included within gains on investments in the condensed statement of comprehensive income. The total costs were as follows:

	(Unaudited) Six months to 30 September 2016 £000	(Unaudited) Six months to 30 September 2015 £000	(Audited) Year to 31 March 2016 £000
Acquisitions	90	96	134
Disposals	74	65	96
	164	161	230

Note 6: Trade and other receivables

	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2015 £000	(Audited) As at 31 March 2016 £000
Dividends receivable	274	202	676
Due from brokers	8,189	—	—
Cash collateral held at broker for derivatives	916	—	—
Tax recoverable	225	217	252
Prepayments and other debtors	4,473	13	13
Stock lending income receivable	3	4	6
	14,080	436	947

Note 7: Creditors - amounts falling due within one year

	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2015 £000	(Audited) As at 31 March 2016 £000
Interest accrued	12	2	3
Due to brokers	9,809	—	—
Revolving bank loan	10,000	17,000	17,000
Amount due for ordinary shares bought back	—	17	256
Other creditors	4,906	270	370
	24,727	17,289	17,629

The company had a £17,000,000 revolving loan facility with State Street Bank and Trust Company which expired on the 25 September 2016. Under this agreement £17,000,000 was drawn at 30 August 2016 at a rate of 0.97563% with a maturity date of 25 September 2016. The loan was repaid on 23 September 2016.

On 19 September 2016 the company entered into a new agreement with The Royal Bank of Scotland Plc for £1,500,000 (Facility A), €4,500,000 (Facility B) and US$12,750,000 (Facility C) term loans and £10,000,000 (Facility D) multi-currency revolving credit facility agreement.

The term loans carry an annual fixed rate interest of 2.1408%, 1.4175% and 3.1925% for Facility A, Facility B and Facility C respectively. The rate of interest for the revolving credit facility is set at each roll-over date and is made up of a fixed margin of 0.5% plus LIBOR rate. Under this agreement £10,000,000 was drawn at 22 September 2016 at a rate of 0.876560% with a maturity date of 22 December 2016.

The repayment date of the term loans is the same as their termination date which is the 19 September 2023. The repayment date of the revolving facility is the last day of its interest period and the termination date is the 19 September 2018.

Under the loan agreements the company is to ensure that, at each month end, the aggregate principal amount outstanding in respect of monies borrowed does not exceed an amount equal to the 25% of its net tangible assets and, unless otherwise agreed with the lender, net tangible assets are not less than £100,000,000. Also the company shall not enter into any obligations except with the prior consent of the lender and not enter into any option writing programme which the value of its transactions, at any time, exceed 15% of its net tangible assets.

As at 30 September 2016 the company had drawn down the full amount of the loan and the balances as at that date were for Facility A £1,500,000, Facility B £3,893,000 (€4,500,000), Facility C £9,815,000 (US$12,700,000) and Facility D £10,000,000.

Note 8: Creditors – amounts falling due after more than one year

	(Unaudited) As at 30 September 2016 £000	(Unaudited) As at 30 September 2015 £000	(Audited) As at 31 March 2016 £000
Bank loan	15,208	—	—

For more details of the loan refer to note 7.

Note 9: Analysis of net debt

	(Audited) As at 31 March 2016 £000	Cash flow £000	(Unaudited) As at 30 September 2016 £000
Cash at bank	1,267	11,601	12,868
Bank borrowings	(17,000)	(8,208)	(25,208)
Net debt	(15,733)	3,393	(12,340)

Note 10: Stock lending

The company has a Securities Lending Authorisation Agreement with State Street Bank & Trust Company.

As at 30 September 2016: £17,454,000 of investments were subject to stock lending agreements and £18,673,000, was held in collateral. The collateral was held in the form of cash (in GBP, USD or EUR), government securities issued by any of the OECD countries or equity securities listed and/or traded on an exchange in the following countries: Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, Switzerland and USA. (Six months to 30 September 2015: £18,025,000 of investments subject to stock lending, £27,521,000 held as collateral; year to 31 March 2016: £42,766,000 of investments subject to stock lending, £6,164,000 held as collateral).

The gross earnings and the fees payable for the period are £33,000 (Six months to 30 September 2015: £53,000; year to 31 March 2016: £115,000) and £8,000 (Six months to 30 September 2015: £13,000; year to 31 March 2016: £28,000).

Note 11: Interim financial report

The financial information contained in this interim financial report does not constitute statutory accounts as defined in s434 - 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2016 and 30 September 2015 have not been audited.

The information for the year to 31 March 2016 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under s498 (2), (3) or (4) of the Companies Act 2006.

Note 12: Fair value hierarchy

The company has early adopted the amendments to FRS 102, where an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc); or
- Level 3: significant unobservable input (including the company's own assumptions in determining the fair value of investments).

The financial assets measured at fair value through profit and loss are grouped into the fair value hierarchy as follows:

	As at 30 September 2016 (Unaudited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities and derivatives	196,233	—	—	196,233
Net fair value	**196,233**	**—**	**—**	**196,233**

	As at 30 September 2015 (Unaudited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	170,242	—	—	170,242
Net fair value	**170,242**	**—**	**—**	**170,242**

	As at 31 March 2016 (Audited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	179,903	—	—	179,903
Net fair value	**179,903**	**—**	**—**	**179,903**

Note 13: Post balance sheet events

Since 1 October 2016 a further 14,231 ordinary shares of 1p each have been bought back into treasury at a cost of £22,000.

Investor Information

Directors and Advisers

Directors

Rachel Beagles (chairman)
John Evans
Angus Gordon Lennox
Andrew Irvine
Mark Little

AIFM

Martin Currie Fund Management Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
www.martincurrie.com

Martin Currie Fund Management Limited is authorised and regulated by the Financial Conduct Authority.

Investment manager and company secretary

Martin Currie Investment Management Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Telephone 0131 229 5252
Fax 0131 228 5959
www.martincurrie.com

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Registered office

Securities Trust of Scotland Trust plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Registered in Scotland, registered number SC283272
www.securitiestrust.com

Independent auditor

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2DB

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone 0871 664 0300
www.capitaassetservices.com

Custodians

State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Bankers

The Royal Bank of Scotland plc
24-25 St Andrew Square
Edinburgh
EH2 1AF

Depositary

State Street Trustees Limited
525 Ferry Road
Edinburgh
EH15 2AW

Brokers

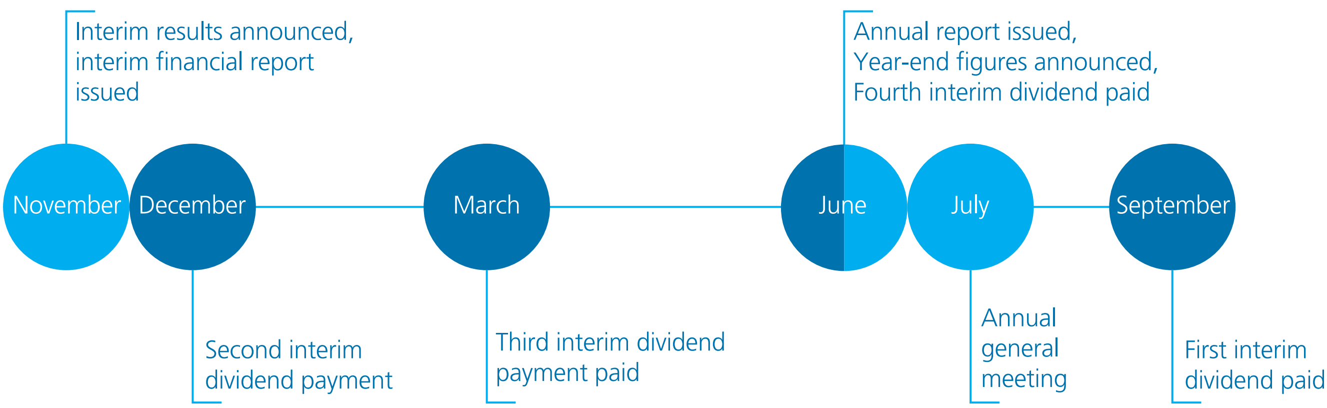
JPMorgan Cazenove Limited
25 Bank Street
London E14 5JP

Association of Investment Companies

9th Floor
24 Chiswell Street
London EC1Y 4YY
Telephone 020 7282 5555
www.theaic.co.uk

Securities Trust of Scotland is a member of the AIC (the trade body of the investment company industry).

Financial calendar – key dates 2016/17



Glossary of terms

AIFM Directive

The Alternative Investment Fund Managers Directive ('AIFMD') is a European Union ('EU') directive governing the regulation of alternative investment fund managers ('AIFMs') operating in the EU. AIFMs are responsible for managing investment products that fall within the category of alternative investment funds and investment trusts, including the company, are included in this.

Assets

Anything owned or controlled that has value. For investment companies, this might include shares and securities, property, cash etc.

Benchmark

An index or other measure against which the performance of an investment company is compared or its objectives are set.

The financial statements will include an explanation of how the company has performed against its benchmark over the period and the reasons for any under or over performance.

Bid price

The price at which you sell your shares when two prices are quoted. This is sometimes shown as the 'sell' price and will be the lower of the two prices shown.

Discount

The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Dividend

Income from an investment in shares. Dividends are usually paid twice a year but can also be paid quarterly or monthly. Not all investment companies pay dividends. Dividend income isn't guaranteed and may fall as well as rise.

Dividend yield

The annual dividends expressed as a percentage of the current share price.

Environmental, social and corporate governance ('ESG')

Assessment Assessment of material environmental, social and corporate governance (ESG) factors and the potential impact on that company's cash flows, statement of financial position, reputation and, ultimately, corporate value in the long term.

Ex income

Also shown as 'ex div' or 'xd', this means that, if you buy the shares today, you won't receive the most recently declared dividend.

Shares are being traded all the time on stock markets, so for administrative reasons there needs to be a point when buyers and sellers agree whether they will receive the most recently declared dividend. The point when the shares purchased will no longer receive the dividend is known as the 'ex dividend date' and the shares are said to have 'gone ex dividend'. The share price will normally fall by the amount of the dividend to reflect this.

If you buy the shares when you're still entitled to the most recently declared dividend, this is known as the shares being cum dividend.

Gearing

At its simplest, gearing means borrowing money to buy more assets in the expectation the company makes enough profit to pay back the debt and interest and leave something extra for shareholders. However, if the investment portfolio doesn't perform well, gearing can increase losses. The more an investment company gears, the higher the risk.

Investment company

A closed-ended fund which invests in a diversified portfolio of assets. Investors buy and sell their shares in the investment company on a stock exchange.

Investment trust

An investment company which is based in the UK and which meets certain tax conditions so that it doesn't pay tax on gains made within the portfolio.

Net assets

A measure of the size of an investment company. The total value of all assets held, less liabilities and prior charges, including income for the current year.

NAV per share

A very common measure of the underlying value of a share in an investment company.

In basic terms, the net asset value ('NAV') is the value of the investment company's assets, less any liabilities it has. The NAV per share is the NAV divided by the number of shares in issue. This will very often be different to the share price. The difference is known as the discount or premium.

NAV total return performance

A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.

The AIC shows NAV total return based on a hypothetical investment of £100. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV total return shows performance which isn't affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

Glossary of terms

Offer price

The price at which you can buy shares when two prices are quoted. This is also shown as the 'buy' price and will be the higher of the two prices.

Ongoing charges

Ongoing charges are the total of the company's expenses including both the investment management fee (excluding performance fees) and other costs expressed as a percentage of NAV.

Options

An option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

Call options give the option to buy at certain price, so the buyer would want the stock to go up.

Put options give the option to sell at a certain price, so the buyer would want the stock to go down.

Peer group

The company's peer group consists of the AIC Global Equity Income sector combined with actively managed ICVC, SICAV or OEIC funds from the Lipper Global Equity Income sector. Performance is measured against the median of this peer group.

Premium

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

Redemption opportunity

In accordance with the company's articles of association, and subject to the provisions of statute and availability of distributable reserves, ordinary shareholders shall have the right to redeem their shareholding at a price calculated in accordance with the company's articles of association ('redemption price'), if the average ex income discount is greater than 7.5 per cent in the last 12 weeks of a company's financial year. The redemption price is the net asset value per share less all costs associated with the redemption divided by the number of shares in total being redeemed.

Share buy backs

Describes an investment company buying its own shares and reducing the number of shares in existence.

Share buy backs can be used to return money to shareholders, but are also often used to tackle the company's discount. Discounts may reflect an imbalance between the demand for shares and the number of shares in existence. The hope is that, by reducing the number of shares in existence, the buy back will help to prevent the discount widening or even reduce it.

Share price

The price of a share as determined by the stock market.

If you see a single share price shown, it's likely that this is the mid-market price. This is different to the price at which you buy and sell the shares, which are known as the bid price (sell) and offer price (buy).

Treasury shares

Shares in a company's own share capital which the company itself owns and which can be sold to investors to raise new funds.

Treasury shares only come into existence when a company buys back shares. Instead of cancelling the shares (i.e. they cease to exist) they are held 'in treasury' by the company and can be sold at a later date to raise new funds.

Ways to invest in the company

However you choose to invest, please ensure you are aware of any charges associated with receiving advice or investing through any of the third-party providers listed below.

Independent financial advisers

An increasing number of independent financial advisers are including investment trusts within their investment recommendations for clients. To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

Private client stockbrokers

If you have a large sum to invest, you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association: www.thewma.co.uk.

Alliance Trust Savings ('ATS')

ATS provides products to UK private investors, including a Stocks and Shares ISA and SIPP. Their website also has a research centre where you can compare different options before making investment decisions. Their trading platform allows you to invest online, by phone or by mail.

UK residents can invest in Securities Trust of Scotland shares in the following ATS products:

- Select SIPP
- Select Stocks & Shares ISA
- Child SIPP
- First Steps account
- Investment Dealing Account
- Junior ISA

For more information:
www.alliancetrustsavings.co.uk

Other online platforms and stockbroking services

A number of real-time execution-only stockbroking services and platforms allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give you advice, they simply allow you to trade. Many of these sites also offer 'wrapper' products such as ISAs, SIPPs and savings plans.

Sites include:

- Youinvest (part of AJ Bell) www.youinvest.co.uk
- Barclays Stockbrokers www.barclaysstockbrokers.co.uk
- Charles Stanley Direct www.charles-stanley-direct.co.uk
- Hargreave Hale www.hargreave-hale.co.uk
- Hargreaves Lansdown www.hl.co.uk
- HSDL www.halifax.co.uk/sharedealing
- idealing www.idealing.com
- Jarvis Investment Management www.jarvisim.co.uk
- Selftrade www.selftrade.co.uk
- Sharecentre www.share.com
- Stocktrade www.stocktrade.co.uk
- TD Waterhouse www.tddirectinvesting.co.uk
- Trustnet www.trustnet.com

Shareholder information

Shareholder services

The registrars of the company are Capita Asset Services. You can buy and sell shares directly by calling the Capita Dealing team on 0371 664 0445.

For other services you can contact Capita by telephone or online:

Contact details	www.capitaassetservices.com	0871 664 0300*
Opening times	24 hour	9:00am – 5:30pm Monday to Friday
Change your address	✓	✓
Request tax vouchers	—	✓
Valuation	✓	✓
Online proxy voting	✓	—
Dividend payment records	✓	✓
Register and change bank mandate instructions for receipt of dividends	✓	✓
Elect to receive shareholder communication electronically	✓	✓
Request/download shareholder forms	✓	✓

*calls cost 12p per minute plus network extras.

Checking the share price

We want to make it easy for you to follow your investment and ensure that you can check the share price in the way that suits you best:

Publications	Financial Times, The Herald and The Scotsman
Telephone	FT Cityline on 09058 171 690* simply say 'Securities Trust of Scotland' when prompted.
Online	www.securitiestrust.com www.londonstockexchange.com

*Calls are charged at 75p per minute from a BT landline. Average call duration will be 1 minute for one stock quote. Cost from other networks and mobile phones may be higher.

Easy access to information

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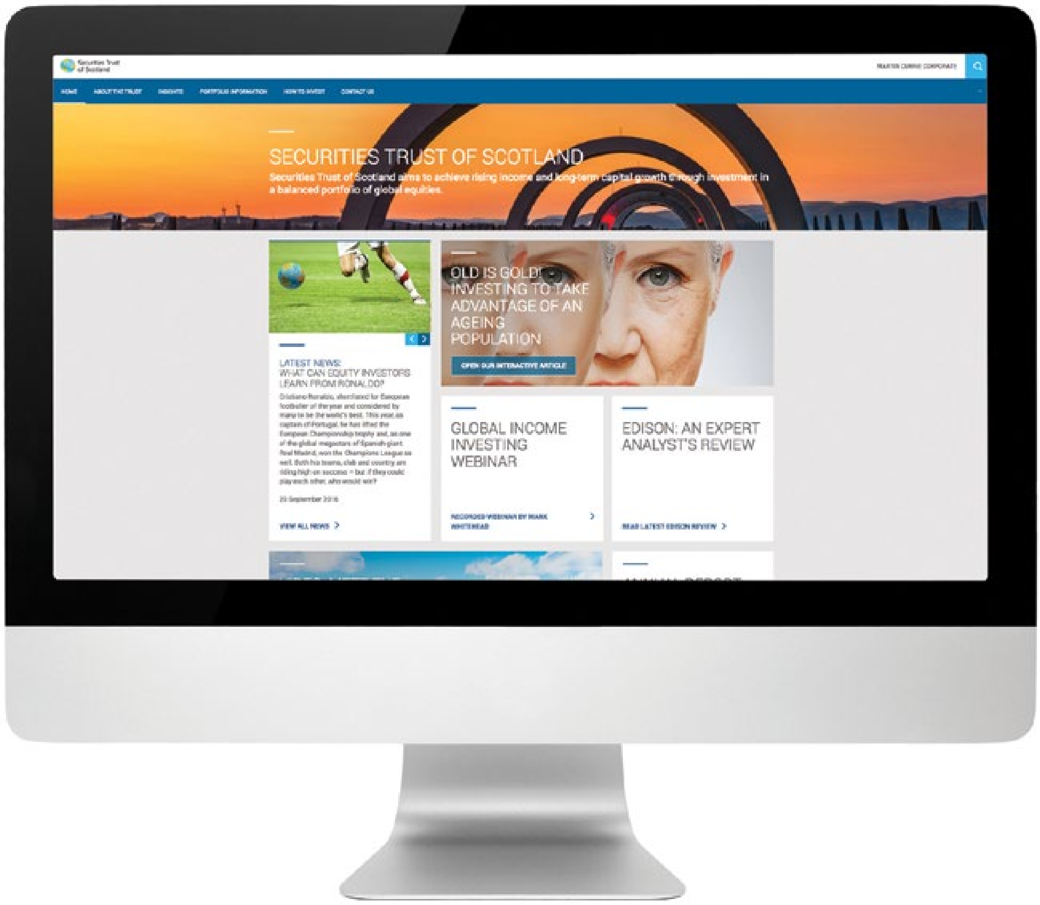
- latest prices
- manager videos
- performance data
- portfolio information
- latest monthly update
- research
- press releases and articles
- annual and half yearly reports



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Simply visit www.securitiestrust.com

Enquiries

If you have an enquiry about Securities Trust of Scotland, please get in touch.

0131 229 5252 ▌enquiries@martincurrie.com

The Chairman
c/o Company secretary
Securities Trust of Scotland plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ES

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Securities Trust
of Scotland

How to contact us

Tel: 0131 229 5252

Fax: 0131 228 5959

Email: enquiries@martincurrie.com

www.securitiestrust.com

Calls to the above may be recorded.

The Chairman
c/o Company secretary
Securities Trust of Scotland plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ES

martin
currie