



Securities Trust of Scotland plc

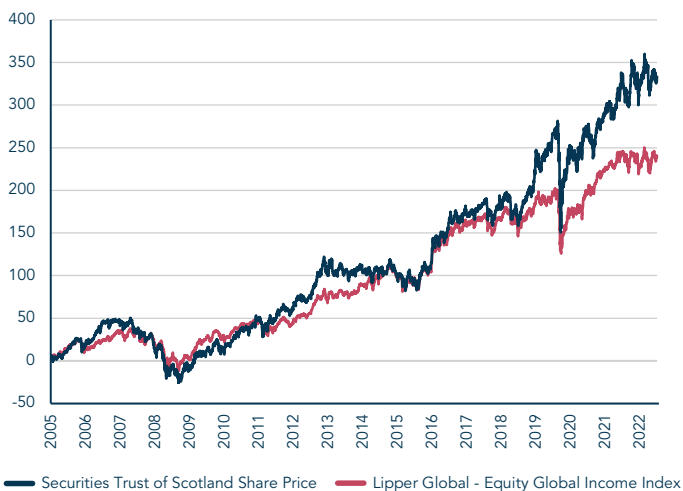
All data as at 31 December 2022

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.

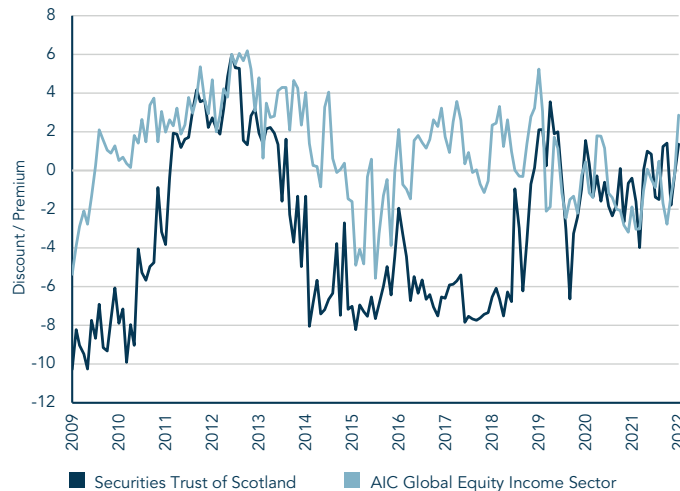
PRICE	NAV (EX INC)	PREMIUM/DISCOUNT	YIELD*	TOTAL NET/GROSS ASSETS
225.00p	220.25p	1.4%	2.7%	£222m/£238m
			*historic dividend yield	

PERCENTAGE GROWTH FROM 30/06/2005 TO 31/12/2022



Source: Lipper

SHARE PRICE DISCOUNT/PREMIUM TO NAV



Source: Morningstar

Total Return to 31 December 2022	Since Troy Appt*	31/12/17 5 years	31/12/19 3 years	31/12/21 1 year	30/06/22 6 months
Securities Trust of Scotland Share Price	+19.5%	+52.1%	+18.6%	-0.4%	+3.6%
Securities Trust of Scotland NAV	+15.3%	+39.7%	+19.4%	-2.1%	+0.8%
Lipper Global – Equity Global Income Index	+18.0%	+27.0%	+15.9%	-1.3%	+4.3%

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	+15.4%	-0.4%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-2.1%

*Troy appointed Investment Manager 12 November 2020

Past performance is not a guide to future performance.

Source: Lipper/Morningstar

December Commentary

The Trust produced a Net Asset Value total return of -2.8% during the month and a price total return of -1.3%, compared to a return of -1.7% for the Lipper Global – Equity Global Income Index

For the year the Trust had a -2.1% Net Asset Value return and share price return of -0.4%, which was ahead of the global market and slightly behind its peers. Weakness in Sterling both mitigated capital losses and helped grow the income delivered by the portfolio which was up 18% over the 12 months compared to the preceding year.

In November Troy released a podcast with Gerard Minack, one of the global strategists we follow. We would encourage our investors and friends to have a [listen](#). Gerard makes a number of sound points which are relevant to both our performance in 2022 and our positioning for 2023.

Two points are of particular note. First, despite the likely upcoming global recession being described as the "most forecast ever", Gerard notes that "this is evident everywhere except in the capital markets". Equity markets continue to trade on valuations towards the upper end of long-term historical ranges. Further, credit spreads¹, which one would expect to

expand in times of stress, remain relatively tight, and defaults virtually non-existent. Both of these may well change.

Second, owing to a range of factors, including inflationary pressures and rising interest rates as well as the horrors of Ukraine, some of the top performing sectors in 2022 were energy, materials and banks – businesses that we do not favour for the long term. These industries normally perform at times of economic recovery. If 2023 proves to be a recessionary year it is unlikely this performance will persist.

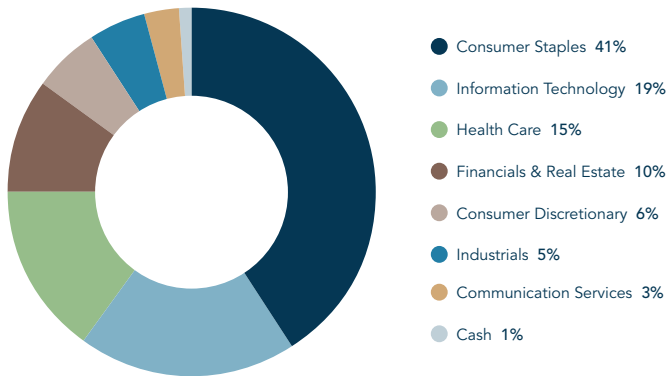
We are maintaining our focus on quality and value with limited cyclicality and capital intensity. These attributes may once again reassert themselves in 2023 if events unfold as we expect.

We remain confident in our positioning with regard to both capital and income despite the gathering storms.

¹ The credit spread is the difference in yield between bonds of a similar maturity but with different credit quality.

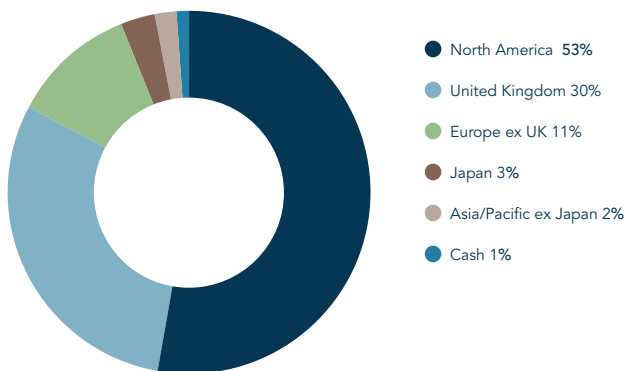


ASSET ALLOCATION BY SECTOR



Source: Factset. Asset Allocation subject to change

ASSET CLASS BY SPLIT



Source: Factset. Asset Allocation subject to change

TOP 10 HOLDINGS

British American Tobacco	6.4%
Paychex	5.3%
PepsiCo	5.3%
Unilever	5.1%
Philip Morris International	4.8%
ADP	4.5%
Reckitt Benckiser	4.1%
Diageo	4.0%
Johnson & Johnson	3.9%
Novartis	3.9%
Total Top 10	47.5%
23 other holdings	51.5%
Cash	1.1%
TOTAL	100.0%

Source: Factset. Holdings subject to change.

TRUST INFORMATION

Structure

London Listed Investment Trust

Board

Chairman	John Evans
Non-Executive Director	Mark Little
Senior Independent Director	Sarah Harvey
Non-Executive Director	Angus Cockburn
Non-Executive Director	Alexandra Innes

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

Manager

James Harries

Benchmark

Lipper Global Equity Global Income Index

Capital Structure

Shares with voting rights	100,075,575
Shares held in treasury	22,223,573

Net Assets £222m

Gross Assets £238m

Ongoing Charges

Ordinary shares: (31.03.22)	0.93%
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Management Fee 0.65%

Allocation of Expense and Interest
Capital 65%
Revenue 35%

Mandate Established 2005

Year End 31 March

Premium (Discount) 1.36%

Gearing 7%

Currency £ Sterling

Historic Dividend Yield

(trailing 12 months)	2.68%
Q4 2022	1.45p
Q3 2022	1.45p
Q2 2022	1.75p
Q1 2022	1.375p

Dividend Payments January, April, July, October

Market Makers: JPMORGAN, NUMIS, WINTERFLOOD, INVESTEC, PANMURE, PEEL HUNT

Bloomberg/Epic/Reuters Code STS

Sedol B09G3N2

AIFM Juniper Partners Limited

Pricing Share price is listed daily in the FT

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.

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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.

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