



Securities Trust of Scotland plc

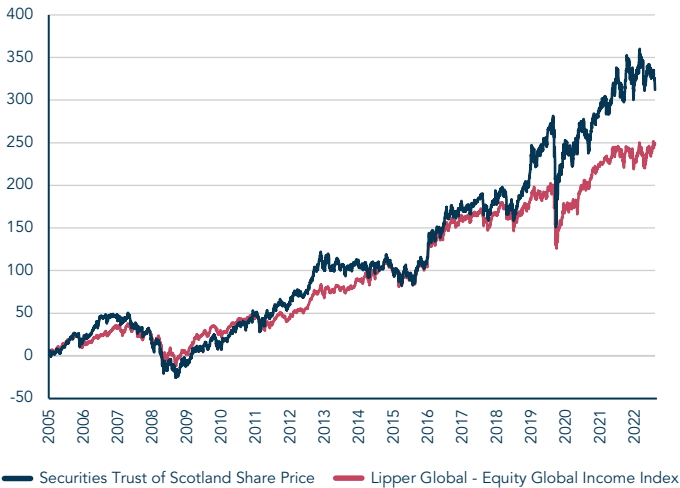
All data as at 31 January 2023

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.

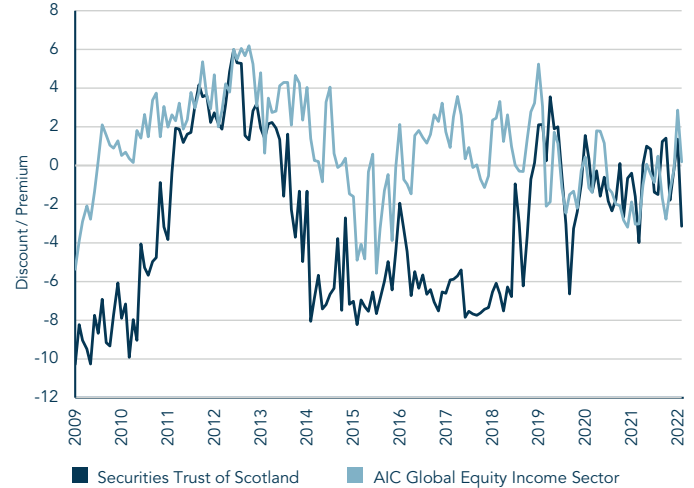
PRICE	NAV (EX INC)	PREMIUM/DISCOUNT	YIELD*	TOTAL NET/GROSS ASSETS
214.00p	219.16p	-3.14%	2.8%	£221m/£237m
			*historic dividend yield	

PERCENTAGE GROWTH FROM 30/06/2005 TO 31/01/2023



Source: Lipper

SHARE PRICE DISCOUNT/PREMIUM TO NAV



Source: Morningstar

Total Return to 31 January 2023	Since Troy Appt*	31/01/18 5 years	31/01/20 3 years	31/01/22 1 year	31/07/22 6 months
Securities Trust of Scotland Share Price	+13.7%	+44.7%	+14.4%	-1.0%	-4.9%
Securities Trust of Scotland NAV	+14.8%	+40.0%	+20.6%	+0.6%	-3.3%
Lipper Global – Equity Global Income Index	+21.2%	+31.8%	+20.8%	+3.5%	+3.4%

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	+15.4%	-0.4%	-4.9%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-2.1%	-0.5%

*Troy appointed Investment Manager 12 November 2020

Past performance is not a guide to future performance.

Source: Lipper/Morningstar

January Commentary

The Trust produced a Net Asset Value total return of -0.5% during the month and a price total return of -4.9%, compared to a return of +2.7% for the Lipper Global – Equity Global Income Index

While we do not normally comment on short term performance, this month has been a notable outlier. Not least that we have materially underperformed a sharply rising market.

This can be largely attributed to the remarkable ebullience of investors as they have re-embraced the winners of the last few years, but which do not form part of our high quality, conservatively managed portfolio. Thus, in the vanguard of this advance has been many of the heroes/villains of the last cycle which have appreciated meaningfully in January. These include crypto currencies (Bitcoin +38.8%), meme stocks (AMC Entertainment +31.4%) as well as companies such as Tesla (+40.6%) and Carvana (214.6%)* which suffered heavy losses in 2022 and have made a (very) partial recovery.

This should be no great surprise. A steep countertrend ascent, led by previous market darlings, is characteristic of declining markets and reminds

*all figures given in USD.

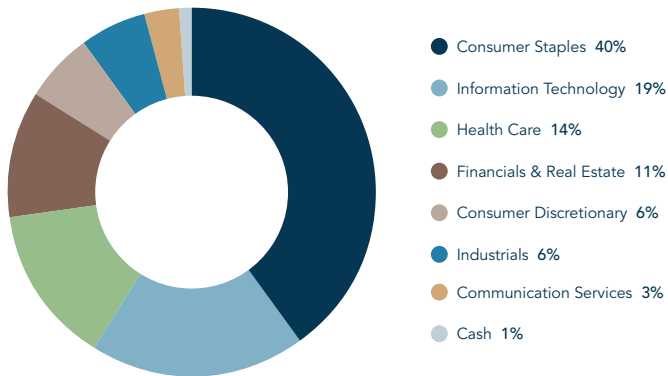
us that old habits die hard. Investors are hopeful that since inflation appears to be peaking, we can return to a non-inflationary constant expansionary (NICE as labelled by Mervyn King) world or what in the US they call "Goldilocks" (neither too hot nor too cold). Such an environment is positive for equities, hence the rally.

Given the sheer inversion of the US yield curve, which was not evident in previous times when Goldilocks was around, this will likely turn out to be optimistic. It seems more likely to us that we are in a passing phase between inflation beginning to ameliorate, implying more supportive policy settings, and the likely upcoming recession which could negatively impact earnings growth.

What looks like a return of Goldilocks may, in time, turn out to be a brief interlude and make this short, sharp, re-pricing of risk look premature.

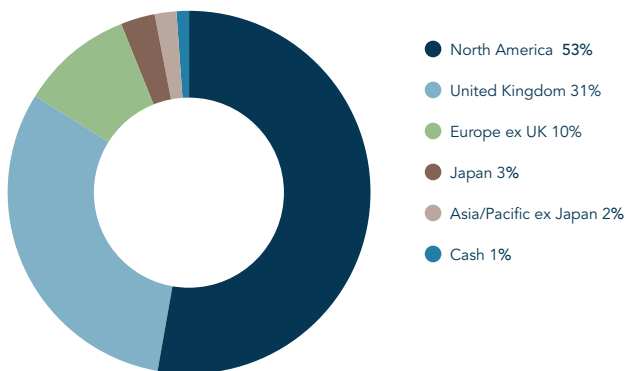


ASSET ALLOCATION BY SECTOR



Source: Factset. Asset Allocation subject to change

ASSET CLASS BY SPLIT



Source: Factset. Asset Allocation subject to change

TOP 10 HOLDINGS

British American Tobacco	6.1%
Paychex	5.2%
Unilever	5.1%
PepsiCo	4.9%
Philip Morris International	4.9%
Reckitt Benckiser	4.2%
ADP	4.2%
CME Group	3.9%
Diageo	3.9%
Novartis	3.8%
Total Top 10	46.2%
23 other holdings	52.7%
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	100,120,575
Shares held in treasury	22,178,573

Net Assets £221m

Gross Assets £237m

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) -3.14%

Gearing 7%

Currency £ Sterling

Historic Dividend Yield

(trailing 12 months)	2.82%
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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