



ALASDAIR MCKINNON

Equity markets ended 2021 on a high, extending their yearly gain in December. However, concerns around macroeconomic challenges and rising Covid infections meant that the best returns came from defensive areas of the market. Against that backdrop, gold prices increased.

The UK and Europe recorded the best returns. Conversely, Asian markets continued to lag amid the debt crisis facing Chinese property developers.

Eager to be on the front foot, governments around the world ramped up restrictions in the face of the new, more transmissible Omicron variant. There was some comfort, however, from early indications that this variant might prove less deadly, suggesting that the world could avoid more severe lockdowns and the associated disruption to supply chains and economic activity. Despite the potential economic drag, central

banks made tentative moves towards tightening monetary policy.

Having baulked at an anticipated hike in November, the Bank of England opted for a modest rise in interest rates. That came after data showed that UK inflation was higher than expected. Meanwhile, the US Federal Reserve announced that it would double the pace of tapering and adjusted its 'dot plot' outlook to reflect three interest rates rises in 2022.

This will be the final factsheet produced by The Scottish Investment Trust as a self-managed company. From 21 January 2022, JPMorgan Funds Limited will take over the role of managing the trust, and future commentary will come from the new managers. The team wish shareholders success and prosperity in 2022 and beyond.

“ramped up restrictions”

Performance

Total return on £100 to 31 December 2021	6 months	1 year	3 years	5 years	10 years
Share price ⁽¹⁾	106.8	123.5	122.9	129.4	246.3
NAV per share ⁽²⁾	100.9	115.4	115.3	118.0	223.6

Summary balance sheet	31/12/2021	30/11/2021	Total return
Market capitalisation	£553m	£536m	
Total assets	£684m	£666m	
Borrowings at amortised cost	£84m	£84m	
Net assets ⁽³⁾	£600m	£582m	
NAV ⁽²⁾ per share	872.8p	842.4p	3.6%
NAV ⁽³⁾ per share	907.0p	879.3p	3.2%
Share price	835.0p	810.0p	3.1%

⁽¹⁾ Net income reinvested and before expenses are deducted.

⁽²⁾ With borrowings at market value ⁽³⁾ With borrowings at amortised cost

The figures refer to the past and past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. Exchange rate changes may cause the value of non-sterling investments to go down as well as up.

Company information

Company founded	1887
Manager	Alasdair McKinnon
Ongoing charges figure (OCF) *	0.56%
Dividend yield	2.9%
Number of listed holdings	51
Gearing/(net cash) ⁽²⁾	5%
Discount to NAV ⁽²⁾	4.3%

The Company's discount policy aims, in normal market conditions, to maintain the discount to NAV at or below 9%.

*Calculated as at 31/10/21.

Link to our [Annual and Interim Reports](#)

Contact **US** ...to get in touch and find out more

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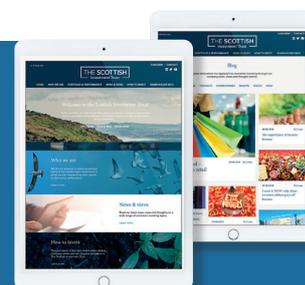
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The Scottish Investment Trust PLC



Our Objective

To provide investors, over the longer term, with above-average returns through a diversified portfolio of international equities and to achieve dividend growth ahead of UK inflation.

Our High Conviction, Global Contrarian Investment Approach

- We are contrarian investors.
- We believe markets are driven by cycles of emotion rather than dispassionate calculation. This creates profitable investment opportunities.
- We take a different view from the crowd.
- We seek undervalued, unfashionable companies that are ripe for improvement.
- We are prepared to be patient.
- We back our judgement and run a portfolio of our best ideas, selected on a global basis.
- Our portfolio is unlike any benchmark or index and we fully expect to have differentiated performance.
- Our approach will not always be in fashion but we believe it delivers above-average returns over the longer term, by which we mean at least five years.

[Link to more about our philosophy, approach and process](#)

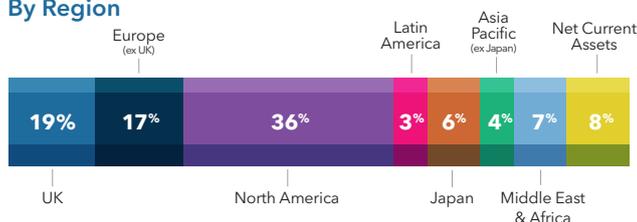
Top 10 holdings (31 December 2021)

Holding	Country	£m	% ⁽⁴⁾
Newmont	US	33.0	4.8
Newcrest	Australia	28.8	4.2
Barrick Gold	Canada	26.8	3.9
BT	UK	25.4	3.7
Wells Fargo	US	23.4	3.4
Exxon Mobil	US	21.5	3.1
Royal Dutch Shell	UK	19.9	2.9
TotalEnergies	France	19.1	2.8
Halliburton	US	19.0	2.8
Gilead Sciences	US	18.1	2.6
Aggregate of top 10 holdings		235.0	34.2

[Link to a full list of holdings](#)

⁽⁴⁾ Percentage of total assets

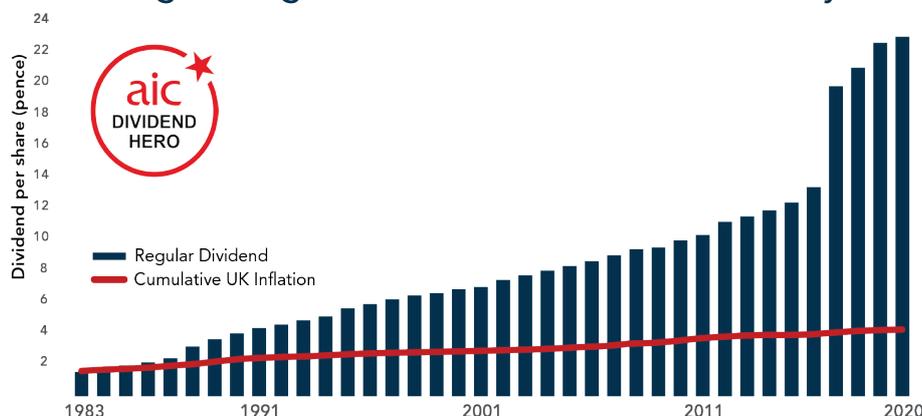
By Region



QUARTERLY DIVIDEND PAYMENT

FIRST INTERIM	■ May
SECOND INTERIM	■ August
THIRD INTERIM	■ November
FINAL	■ February

Increasing our regular dividend for 37 consecutive years



IMPORTANT INFORMATION

Please remember past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest.

The Scottish Investment Trust PLC (the Company) is not authorised to give financial advice. This information should not be considered an offer, invitation, recommendation or solicitation to deal in investments. The Company has a long-term policy of borrowing money to invest in equities ('gearing') in the expectation that this will improve returns but should stockmarkets fall, such borrowings would magnify losses on these investments. SIT can buy back and cancel its own shares. All other things being equal this would have the effect of increasing gearing.

All sources the Scottish Investment Trust unless otherwise stated.

Issued and approved by SIT Savings Ltd, registered in Scotland No: SC91859. Registered office: 6 Albyn Place, Edinburgh, EH2 4NL.

Authorised and regulated by the Financial Conduct Authority.

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