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# The Scottish Investment Trust PLC

129<sup>th</sup> Annual General Meeting

3<sup>rd</sup> February 2017



# The Scottish Investment Trust PLC

## Performance

- 30.0% share price total return
- 29.4% NAV total return
- International equities 29.1%\*
- UK equities 12.3%\*
- 1st quartile performance

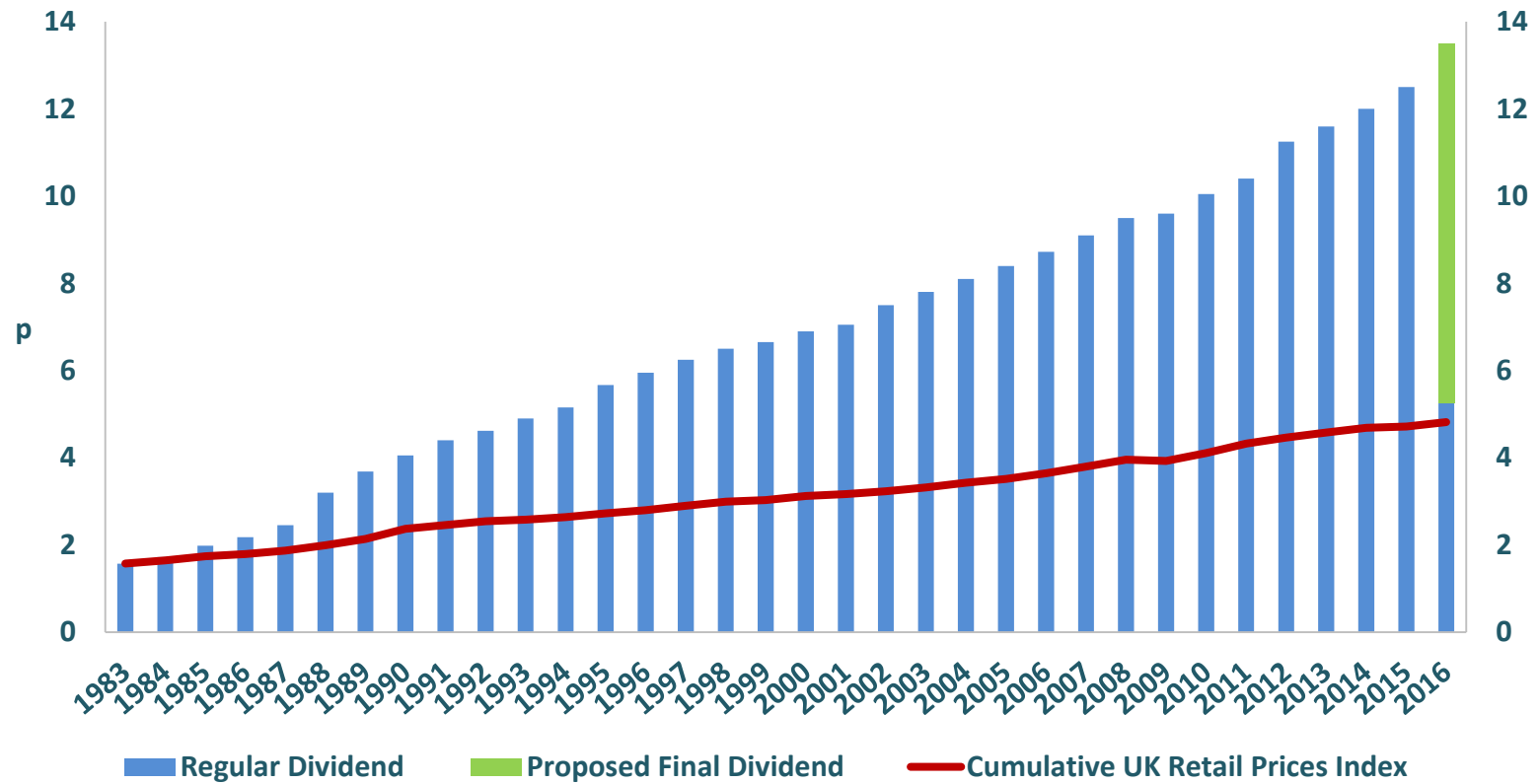
\*MSCI ACWI and MSCI UK All Cap Index

# The Scottish Investment Trust PLC

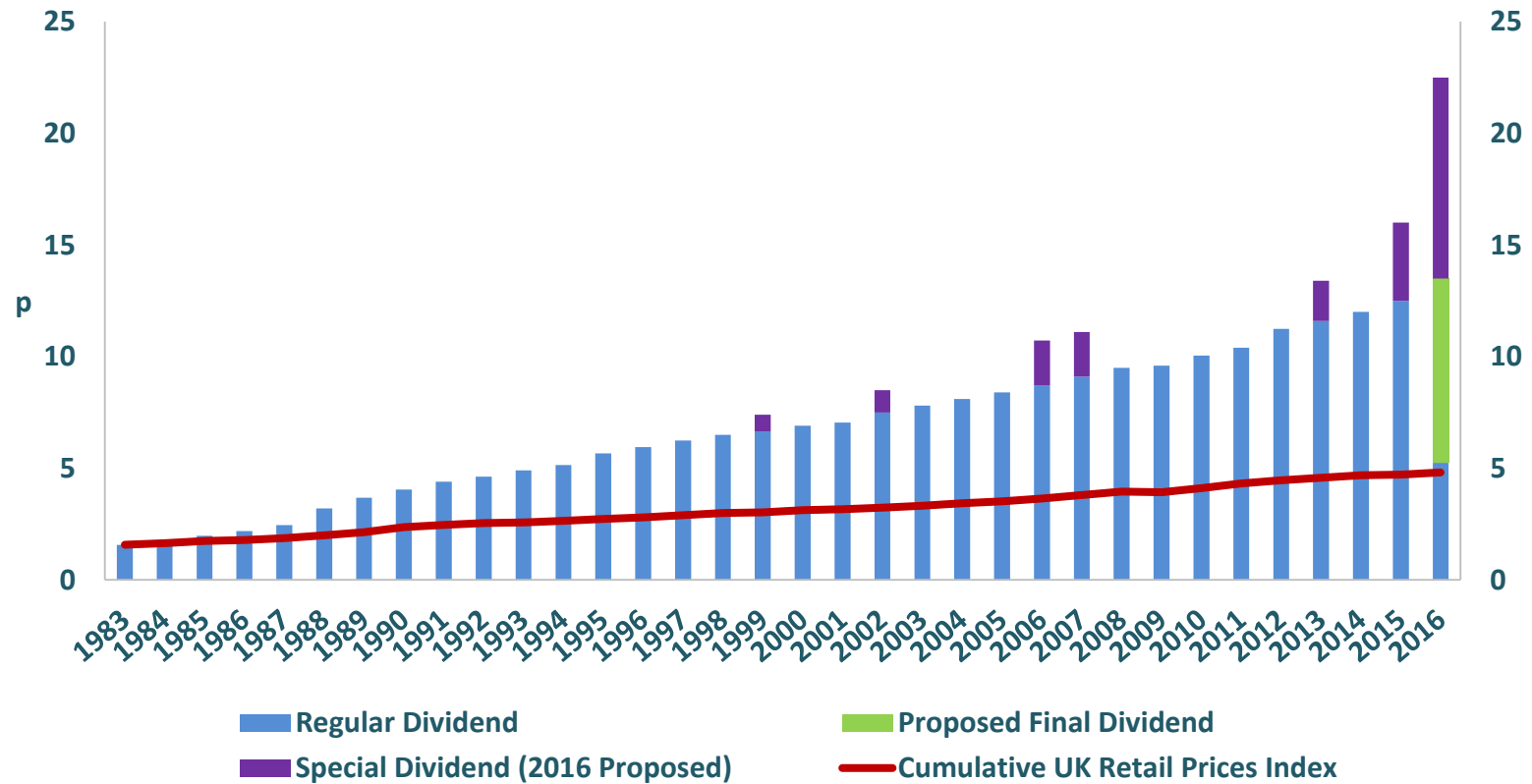
## Proposed dividend

- Regular dividend +8.0%
- 33rd consecutive year of regular dividend increase
- Special dividend of 9.0p
- Total dividend +40.6%

# Regular Dividend v UK Inflation



## Total Dividend v UK Inflation



# The Scottish Investment Trust PLC

## Repurchase from Aviva

- Aviva exiting investment trusts
- Repurchase of 11.4m shares
- Represents 11.9% of issued share capital
- Discount of 10.75% to NAV\*
- Results in an uplift of 1.3% to the NAV\*

\* Cum-income NAV (with borrowings at market)

# The Scottish Investment Trust PLC

## Low charges

- Continued reduction in costs
- Ongoing charges figure of 0.49%
- One of the lowest in our peer group
- Costs should remain competitive



# The Scottish Investment Trust PLC

## Gearing

- Gearing maintained at 5%
- Repurchased c. 20% of outstanding debt
- Gross gearing at an appropriate level

# The Scottish Investment Trust PLC

## Discount policy

- Policy to maintain the discount at or below 9% to the ex-income NAV in normal market conditions\*
- Discount policy unaffected by Aviva repurchase

\*Ex-income NAV (with borrowings at market)

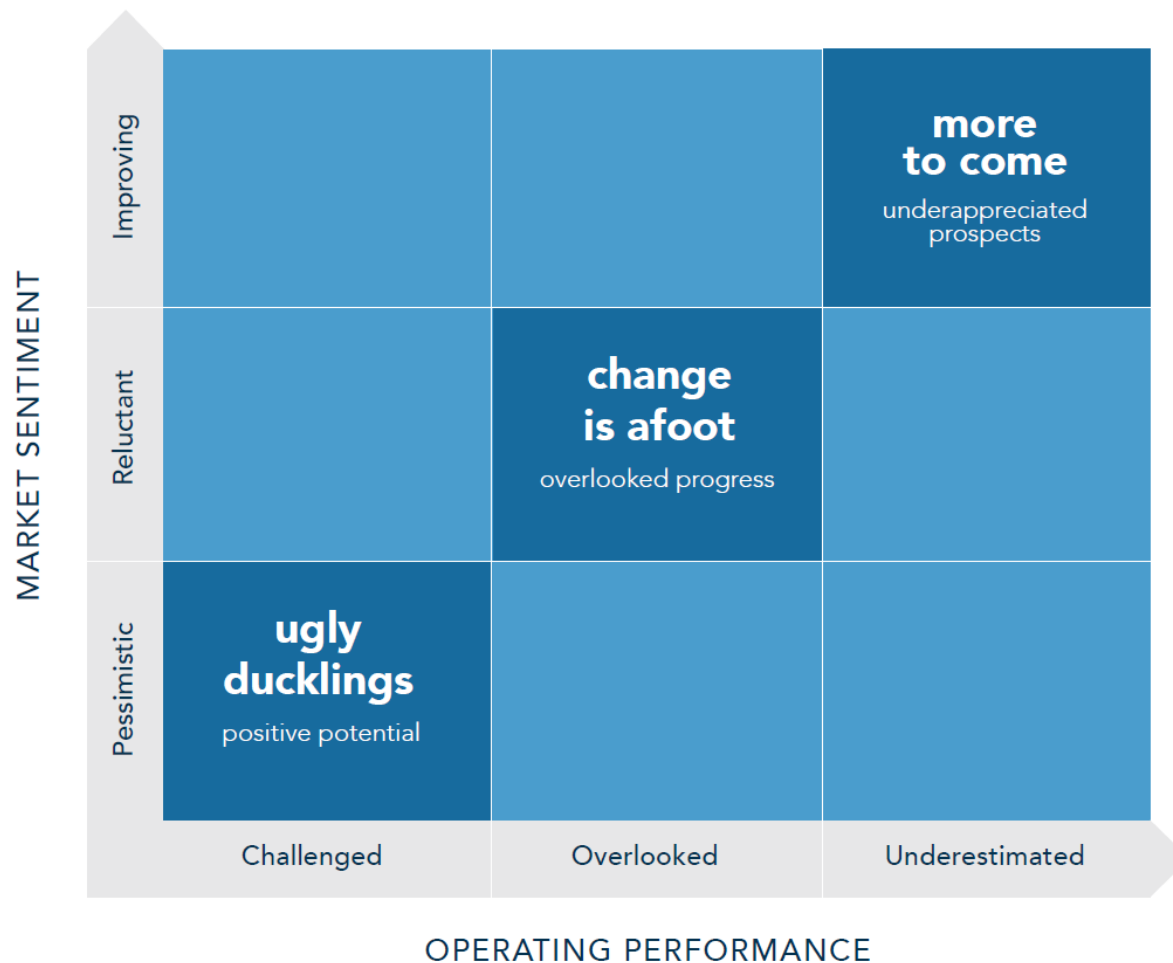
# The Scottish Investment Trust PLC

## Contrarian investing

- High conviction, global contrarian investment approach

# The Scottish Investment Trust PLC

## Categorisation of investments



# Treasury Wine Estates

## *Share Price Total Return*



- Our largest holding
- Value: £42.7m
- Invested September 2015

# Marks & Spencer

## *Share Price Total Return*



- Our 21<sup>st</sup> largest holding
- Value: £16.2m
- Invested April 2016

# Tesco

## *Share Price Total Return*



- Our 7<sup>th</sup> largest holding
- Value: £25.7m
- Invested October 2016

# Rentokil Initial

## *Share Price Total Return*



- Our 4<sup>th</sup> largest holding
- Value: £30.2m
- Invested June 2015



# Microsoft

## *Share Price Total Return*



- Our 2<sup>nd</sup> largest holding
- Value £34.4m
- Invested April 2014

# Pandora

## *Share Price Total Return*



- Our 4<sup>th</sup> largest holding (October 2015)
- Invested January 2014
- Sold May 2016

# The Scottish Investment Trust PLC

## Change achieved

- New high conviction, global contrarian investment approach
- Investment team has been reorganised
- Most back office operations outsourced
- New approach to marketing

# The Scottish Investment Trust PLC

## The investment team



Alasdair McKinnon  
Manager



Martin Robertson  
Deputy Manager



Sarah Monaco  
Investment  
Manager



Mark Dobbie  
Investment Manager

# The Scottish Investment Trust PLC



Alan Jamieson  
Compliance & Office  
Manager



Neill Wood  
Operations & Support  
Manager



Malcolm Dodds  
Marketing Manager

# The Scottish Investment Trust PLC

## Summary

- Strong year for returns
- Increase in dividend & special dividend
- Low cost
- New approach to marketing
- High conviction, global contrarian approach

# Risk Statement

- Past performance may not be repeated and is not a guide to future performance. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and you may not get back the amount you invest. Investments in overseas markets might be affected by variations in exchange rates, dealing impediments, settlement difficulties and varying custody practices in those markets. The Scottish Investment Trust PLC has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns. However, should stockmarkets fall, such borrowings would magnify any losses. The Scottish Investment Trust PLC can buy back and cancel its own shares. All other things being equal, this would have the effect of increasing gearing.
- SIT Savings Ltd, the plan manager for The SIT ISA, STOCKPLAN and STOCKPLAN: A Flying Start, is a wholly-owned subsidiary of The Scottish Investment Trust PLC and is authorised and regulated by the Financial Conduct Authority.
- To ensure compliance with the Alternative Investment Fund Managers Directive (AIFMD), the board of The Scottish Investment Trust PLC (the Company) has approved the appointment of SIT Savings Ltd as the Company's alternative investment fund manager (AIFM) under the terms of, and subject to the conditions of, an agreement between the Company and SIT Savings Ltd.
- This presentation has been prepared by The Scottish Investment Trust PLC, is for information only and does not constitute investment advice. This information should not be considered an offer or solicitation to deal in investments.
- All sources The Scottish Investment Trust PLC unless otherwise stated.
- The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P").



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