THE SCOTTISH Investment Trust

Monthly Factsheet
November 2019

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The world's stockmarkets performed well in November, helped by optimism about a 'phase one' trade deal between China and the US. China pledged to strengthen its laws on intellectual property, thus satisfying one of the US's key demands. Optimism was tempered by President Trump's decision to sign a bill supporting democratic freedoms in Hong Kong, which China perceived as an inflammatory gesture.

> "optimism about 'phase one' trade deal"

The prospect of progress on trade helped North American equities to produce the month's best returns. The UK market also performed well as investors absorbed the potential for December's general election to bring clarity after the years of political wrangling over Brexit. We believe that a number of depressed UK stocks are well positioned to benefit from the relief that any Brexit resolution would bring.

The only region to deliver negative returns was Latin America. Brazil's currency, the real, continued its recent slump in the wake of severe interest rate cuts. Meanwhile, large scale protests against economic inequality continued to depress the Colombian and Chilean markets.

By sector, the strongest returns came from information technology and health care. The latter received a boost when Elizabeth Warren, one of the leading candidates for the Democratic nomination for the presidential election, diluted her plans for health care reform. Just two sectors declined during the month: real estate and utilities. Both were affected by a rebound in bond yields, which made these 'bond proxies' relatively less attractive.

In the commodity markets, the improved tone to the US-China trade talks helped the oil price to rise. The growing likelihood of an agreement on Sino-US trade allayed recession fears.

The month was characterised by a spike in corporate activity. Most notably, LVMH announced the takeover of Tiffany & Co. But we also saw Charles Schwab agree to buy TD Ameritrade and Novartis commit to buying The Medicines Company. The robust appetite for deal making is perhaps a symptom of the surfeit of 'cheap money' that has propped up the more speculative areas of the market in recent years.

In the US, retail stocks were boosted by hopes that sales would be robust in the run-up to Thanksgiving. Macy's, which we hold in the portfolio, has struggled to rebuild traction with its turnaround plan, but another of our US retailers, Target, was a standout over the month.

After Target announced strong third quarter results and raised its full year profit forecast, its shares rose by 15%. Although many investors are alarmed at the impact that online shopping is having on retailers, we take a contrarian view. We think that certain bricks-and-mortar retailers can thrive in this new environment. Target is a prime example of such a successful transformation. The company is adapting its business to take advantage of both online and offline sales. As shopping habits continue to evolve, we think that this model will allow Target to prosper. The market is now beginning to reassess the company's prospects in this light.

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Performance

Total return on £100 to 30 November 2019	6 months	1 year	3 years	5 years	10 years
Share price [1]	106.8	103.9	121.1	153.3	249.5
NAV per share [2]	104.3	102.0	115.6	148.0	234.6
MSCI All Countries World Index	109.2	112.1	135.5	171.7	290.4
MSCI UK All Cap Index	105.1	110.3	122.9	134.8	215.8

Summary balance sheet

	30/11/2019	30/10/2019	Total return
Market capitalisation	£605m	£596m	
Total assets	£767m	£762m	
Borrowings at amortised cost	£84m	£84m	
Net assets [3]	£682m	£677m	
NAV [2] per share	887.0p	878.8p	0.9%
NAV [3] per share	923.4p	916.2p	0.8%
Share price	819.0p	807.0p	1.5%

[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
Dividend yield	2.6%
Number of listed holdings	51
Gearing/(net cash) [2]	1%
Discount to NAV [2]	7.7%

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

Link to our **Annual and Interim Reports**

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

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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 (30 November 2019)

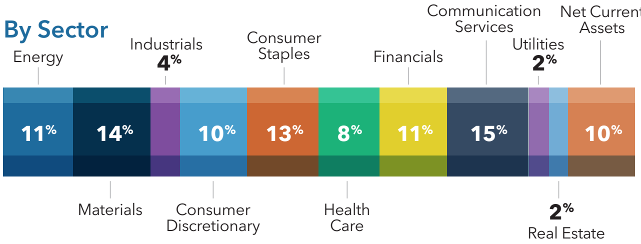
Holding	Sector	Country	£m	%[4]
Target	Consumer Discretionary	US	39.4	5.1
Newcrest Mining	Materials	Australia	36.4	4.7
Tesco	Consumer Staples	UK	34.7	4.5
Newmont Goldcorp	Materials	US	30.2	3.9
Barrick Gold	Materials	Canada	29.6	3.9
BT	Communication Services	UK	26.7	3.5
Pfizer	Health Care	US	24.2	3.1
Royal Dutch Shell	Energy	UK	22.1	2.9
Roche	Health Care	Switzerland	20.2	2.6
ING	Financials	Netherlands	19.0	2.5
Aggregate of top 10 holdings			**282.5**	**36.7**

Link to a full list of holdings

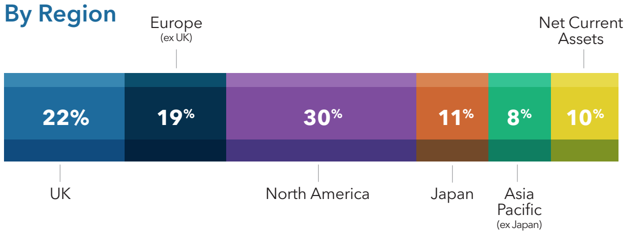
[4] Percentage of total assets

Distribution of total assets (30 November 2019)

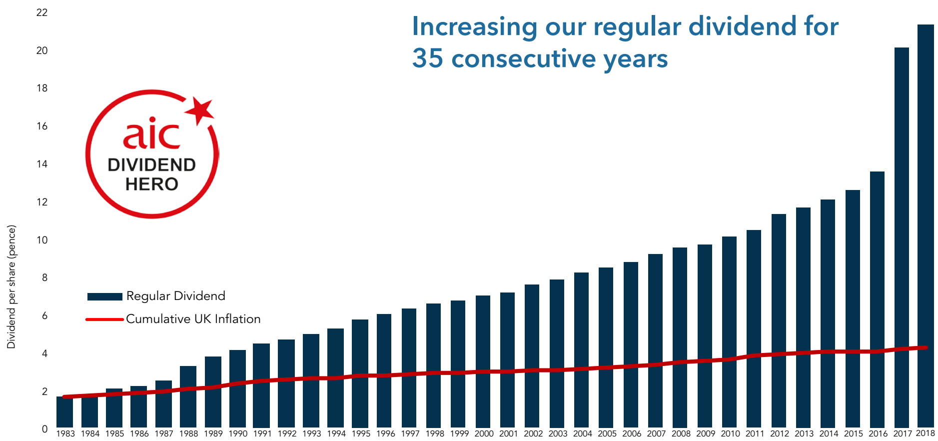
By Sector



By Region



Increasing our regular dividend for 35 consecutive years



QUARTERLY DIVIDEND PAYMENT

FIRST INTERIM	May
SECOND INTERIM	August
THIRD INTERIM	November
FINAL	February

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.

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