THE SCOTTISH Investment Trust

Monthly Factsheet
April 2021

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Helped by the partial reopening of the economy and some robust first-quarter earnings, the world's stockmarkets delivered strong returns in April.

Investors had cause for optimism as lockdowns gradually eased in some countries, reflecting progress with vaccine campaigns and receding levels of infections. The picture was considerably less positive in some regions, however. The situation in India escalated rapidly, and Japan declared a state of emergency in several prefectures. In general, though, the month's data provided more evidence that the reopening of the economy is progressing well. This was particularly true in the US, where labour statistics and retail data pointed to a robust recovery.

As the world continued to reopen for business, first-quarter earnings reflected the improving economic outlook. Many of the most economically exposed companies reported encouraging updates: the banks, for example, factored in healthier credit conditions. Meanwhile, Netflix posted subscriber growth that was significantly lower than many had hoped. This suggests that 'stay-at-home' stocks have already reaped the benefits of lockdown and may now face leaner times.

> "the world continued to reopen"

The US Federal Reserve and the European Central Bank kept interest rates on hold and also pledged to maintain their pandemic stimulus measures until there are more compelling signs that the economy is fully recovered. We believe that policymakers' willingness to let economies 'run hot' is likely to stoke inflation – a scenario for which many investors are not prepared, in our view.

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Loose monetary policy has already significantly influenced some asset prices, and Fed Chair Jay Powell acknowledged 'froth' in equity markets in his press conference. The cost of paying for the pandemic response also became clearer as President Biden set out a proposal to raise taxes on higher earners.

All market sectors rose in April. The best performers were communication services, materials and information technology. These were helped by upbeat results from some of their largest constituents. Gains in energy, consumer staples and utilities were more modest.

North America was the strongest region, followed by Europe (ex UK) and the UK. The only region to record negative returns was Japan, where the rollout of the vaccine programme is lagging behind many other developed countries, with the result that lockdown restrictions have been tightened.

One of our largest gainers over the month was Wells Fargo. The company is one of the four biggest banks in the US, and we added it to the portfolio earlier this year. Following missteps by the previous management team, which focused too heavily on growth, we see an opportunity for renewed leadership to put in place a first-class governance and operating structure. In our view, that improving outlook is not yet reflected in Wells Fargo's valuation.

As the fight against the pandemic makes headway, the economic risks for banks are diminishing, and that has been reflected in their strong first-quarter results. Wells Fargo is an example of the type of businesses in our portfolio that can capitalise on the recovery, but also has positive prospects that do not rely on any particular macroeconomic environment.

Performance

Total return on £100 to 30 April 2021	6 months	1 year	3 years	5 years	10 years
Share price (1)	116.4	107.1	103.7	148.1	200.6
NAV per share (2)	114.4	108.5	102.1	143.5	191.9
MSCI All Countries World Index	119.8	132.8	144.8	202.4	289.8
MSCI UK All Cap Index	129.8	125.0	105.2	136.9	175.3

Summary balance sheet

	30/04/2021	31/03/2021	Total return
Market capitalisation	£519m	£499m	
Total assets	£677m	£665m	
Borrowings at amortised cost	£84m	£84m	
Net assets (3)	£593m	£581m	
NAV (2) per share	851.6p	831.0p	3.2%
NAV (3) per share	891.2p	869.1p	3.2%
Share price	780.0p	746.0p	5.3%

(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.

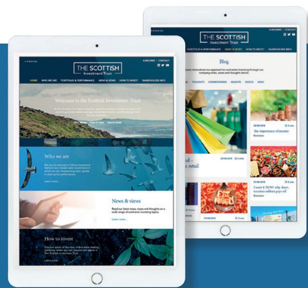
Company information

Company founded	1887
Manager	Alasdair McKinnon
Ongoing charges figure (OCF) *	0.52%
Dividend yield	3.0%
Number of listed holdings	52
Gearing/(net cash) (2)	7%
Discount to NAV (2)	8.4%

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

*Calculated as at 31/10/20.

Link to our **Annual and Interim Reports**



Contact US

...to get in touch and find out more

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@ScotInvTrust **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 April 2021)

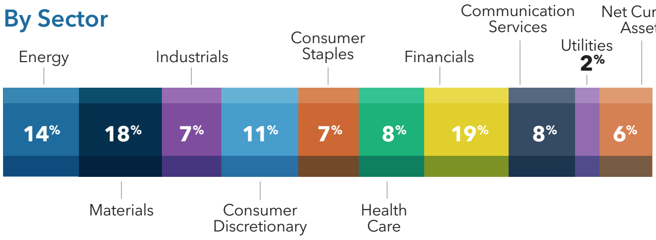
Holding	Sector	Country	£m	%[4]
Newmont	Materials	US	32.5	4.8
Newcrest Mining	Materials	Australia	32.4	4.8
Barrick Gold	Materials	Canada	29.3	4.3
BT	Communication Services	UK	24.7	3.6
Wells Fargo & Co	Financials	US	23.3	3.4
Cheesecake Factory	Consumer Discretionary	US	21.7	3.2
Banco Santander	Financials	Spain	20.0	3.0
Exxon Mobil	Energy	US	19.7	2.9
East Japan Railway	Industrials	Japan	18.7	2.8
Total	Energy	France	16.4	2.4
Aggregate of top 10 holdings			**238.7**	**35.2**

Link to a full list of holdings

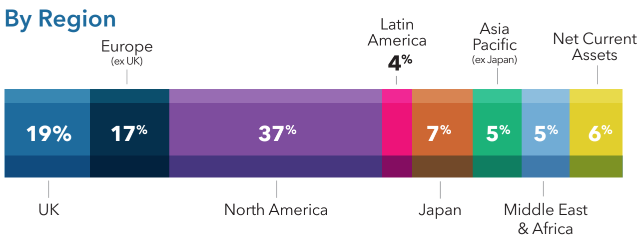
[4] Percentage of total assets

Distribution of total assets (30 April 2021)

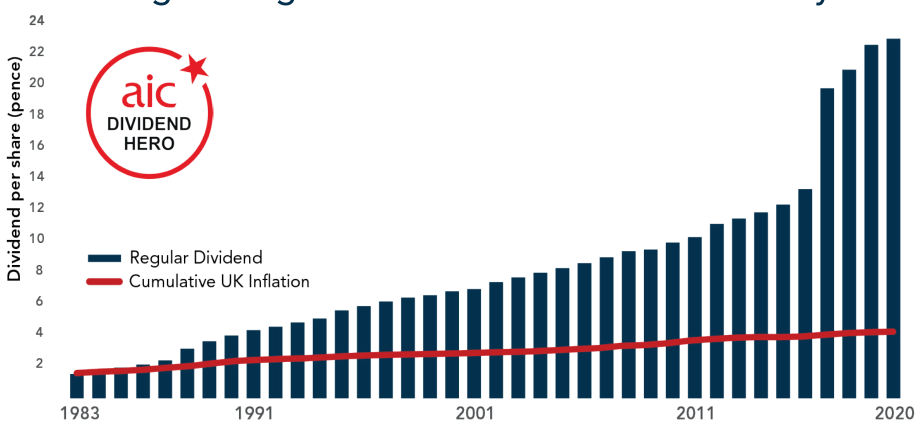
By Sector



By Region



Increasing our regular dividend for 37 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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