



ALASDAIR MCKINNON

In a volatile November, equity markets eked out a small gain overall. They were helped in this by announcements from major central banks that were interpreted as dovish and by corporate earnings reports that were generally more robust than expected. But as a new Covid variant emerged, markets began to erase some of their earlier gains towards the end of the month.

The US Federal Reserve announced plans to taper its programme of quantitative easing, with bond purchases to be reduced by \$15 billion per month. However, the door was left open to accelerate this process if conditions warranted it. The modest pace of tightening appeared to reassure investors, with a particular boost for the shares that have been most reliant on low yields, such as technology stocks.

In the UK, the Bank of England unexpectedly opted to forego a rate hike, despite what seemed to be a clear steer from Andrew Bailey, its Governor, in the run-up to its policy meeting. Meanwhile, the European Central Bank played down the prospect of raising rates in 2022, arguing that inflation will, eventually, prove to be transitory. The modest policy response from central banks came despite inflation data released during the month that showed prices rising at the fastest pace in several decades, on some measures.

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“a new Covid variant emerged”

With Covid infections soaring in many regions, several European countries began reimposing restrictions to halt the spread. Later in the month, the discovery of the more transmissible Omicron variant compounded the concerns. This prompted various countries to further ramp up their containment measures, particularly around international travel.

North America was again the strongest region, helped by strength in the information technology sector. Japan also made gains as its new prime minister, Fumio Kishida, pushed ahead with plans for additional fiscal stimulus.

The worst performing regions were the UK, Europe (ex UK) and Asia Pacific (ex Japan). In Asia, the debt crisis facing Chinese property developers continued to weigh on sentiment.

Energy was the weakest sector in November. Crude oil prices slumped as President Biden moved to release supplies from strategic reserves. Financials were also among the laggards as yields looked set to remain depressed.

The best returns came from information technology and consumer discretionary. Although, notably, shares in Tesla briefly plunged on founder Elon Musk's plan to sell a large chunk of his personal investment.

## Performance

Total return on £100 to 30 November 2021	6 months	1 year	3 years	5 years	10 years
Share price <sup>(1)</sup>	102.7	119.4	110.6	128.8	240.4
NAV per share <sup>(2)</sup>	95.3	111.0	103.5	117.4	216.6
MSCI All Countries World Index	110.5	120.4	150.4	181.7	349.7

Summary balance sheet	30/11/2021	31/10/2021	Total return
Market capitalisation	£536m	£543m	
Total assets	£666m	£671m	
Borrowings at amortised cost	£84m	£84m	
Net assets <sup>(3)</sup>	£582m	£587m	
NAV <sup>(2)</sup> per share	842.4p	851.1p	-1.0%
NAV <sup>(3)</sup> per share	879.3p	886.3p	-0.8%
Share price	810.0p	820.0p	-1.2%

<sup>(1)</sup> Net income reinvested and before expenses are deducted.

<sup>(2)</sup> With borrowings at market value <sup>(3)</sup> 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	3.0%
Number of listed holdings	51
Gearing/(net cash) <sup>(2)</sup>	6%
Discount to NAV <sup>(2)</sup>	3.8%

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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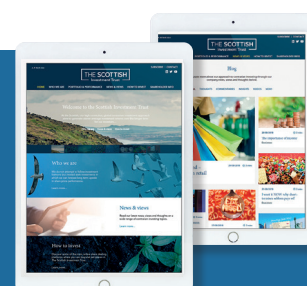
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The Scottish Investment Trust PLC



## 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 (30 November 2021)

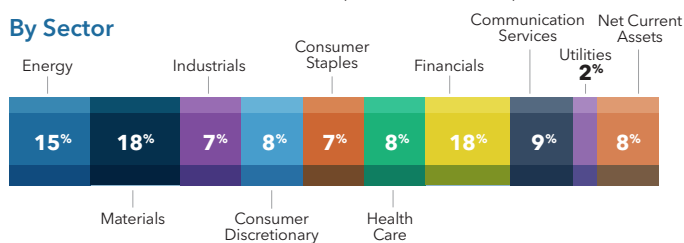
Holding	Sector	Country	£m	% <sup>(4)</sup>
Newmont	Materials	US	30.0	4.5
Newcrest Mining	Materials	Australia	27.7	4.2
Barrick Gold	Materials	Canada	27.4	4.1
Wells Fargo	Financials	US	23.8	3.6
BT	Communication Services	UK	23.7	3.6
Exxon Mobil	Energy	US	21.5	3.2
Royal Dutch Shell	Energy	UK	19.4	2.9
Halliburton	Energy	US	18.4	2.8
TotalEnergies	Energy	France	17.7	2.7
Gilead Sciences	Health Care	US	17.6	2.6
Aggregate of top 10 holdings			227.2	34.2

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

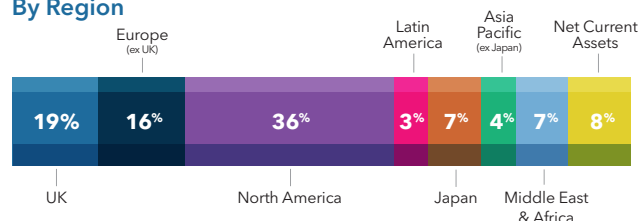
<sup>(4)</sup> Percentage of total assets

### Distribution of total assets (30 November 2021)

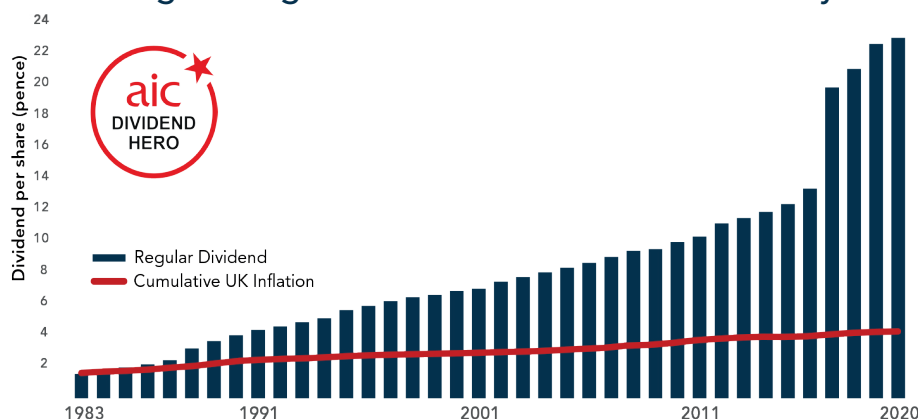
#### By Sector



#### 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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Authorised and regulated by the Financial Conduct Authority.

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