NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART OUTSIDE THE UNITED KINGDOM

This document is issued by JPMorgan Funds Limited (the 'Manager' or 'the AIFM') solely in order to make certain particular information available to investors in The Scottish Investment Trust plc ('the Company') before they invest, in accordance with the requirements of the Financial Conduct Authority ('FCA') Rules implementing the Alternative Investment Fund Managers Regulations 2013 (the 'AIFMD') in the United Kingdom. It is made available to investors ('investors' or 'shareholders') in the Company by being made available at https://thescottish.co.uk/

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

The Scottish Investment Trust plc

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

The Scottish Investment Trust plc is an "alternative investment fund" ('AIF') for the purposes of the AIFM Directive.

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority ('UKLA') and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to the provisions of its Articles of Association, the UKLA Listing, Prospectus and Disclosure and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2006.

Implications of the contractual relationship entered into for the purpose of investment

While investors acquire an interest in the Company on subscribing for the Company's shares ('shares'), the Company is the sole legal and/or beneficial owner of its investments. Consequently, shareholders have no direct legal or beneficial interest in those investments. The liability of shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.

Shareholders' rights in respect of their investment in the Company are governed by the Company's Articles of Association and the Companies Act 2006. The provisions of the Company's articles of association are binding on the Company and its shareholders. The articles of association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association.

Jurisdiction and applicable law

The Company's articles of association are governed by Scots law.

Recognition and enforcement of foreign judgments

Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in Scotland. Depending on the nature and jurisdiction of the original judgment, the Hague Convention, the Civil Jurisdiction and Judgments Act 1982 (in respect of Scottish and Northern Irish judgments) the Administration of Justice Act 1920 or the Foreign Judgments (Reciprocal Enforcement) Act 1933 (which give effect to reciprocal arrangements with certain countries) may apply. Judgments which fall outside of those legal instruments may be enforceable at common law. The UK has applied to re-accede to the Lugano Convention, which would secure a reciprocal arrangement in the areas of jurisdiction and the recognition and enforcement of judgments of countries which are parties to the convention (i.e. EU Member States, Iceland, Norway and Switzerland). However, the unanimous agreement of the contracting states is required for the accession of new members and, as at the date of this document, it is not certain that this will be obtained.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and the Manager will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in or dispose of shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in or disposal of the Company's shares.

No advice

These materials may include statements or direct the reader to statements that are, or may be deemed to be, "forward-looking statements". In some cases, such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, returns, yields, financial condition, liquidity, distributions to investors and the development of its strategies may differ materially from any impression created by any forward-looking statement(s) contained in these materials. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions, constitute the authors' judgment and are subject to change without notice. Changes in exchange rates may cause the value of underlying investments to go down as well as up. The value of any investments and the income from them may fall as well as rise and investors may not get back the amount invested. Target yields or returns are targets only and there can be no guarantee that the Company will achieve such targets at the levels stated or at all. Prospective investors should not place any reliance on such targets in deciding whether to invest in the Company.

The Company and the Manager are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

This document is not for release, publication or distribution, directly or indirectly, in whole or in part outside the UK.

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreignexchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

THE COMPANY

Investment policy

The Company's annual report, which is available from its website, https://thescottish.co.uk/, sets out the Company's investment policy.

Investment restrictions and guidelines

The Company's annual report, which is available from its website, https://thescottish.co.uk/, sets out the investment restrictions and guidelines currently applied in managing the Company's portfolio.

Leverage

The Company may use gearing to increase potential returns to shareholders.

The Board currently limits gearing to 20%. While gearing will be employed in a typical range of 0% to 20%, the Company retains the ability to lower equity exposure to a net cash position if deemed appropriate.

Under the Company's articles of association, the Directors control the borrowings of the Company and its subsidiaries to ensure that the aggregate amount of borrowings does not, unless approved by an ordinary resolution of shareholders, exceed the aggregate of the reserves excluding unrealised capital profits of the Company and its subsidiaries, as published in the latest accounts. In addition, the Directors are authorised to incur temporary borrowings in the ordinary course of business of up to 10% of the Company's issued share capital. Such temporary borrowings are to be for no longer than six months.

The AIFMD prescribes two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to contribute to gearing.

Without prejudice to the foregoing (on compliance with the investment policy and Articles of Association re gearing), the Company has set the following "leverage" limit: 2:1 (on both a "gross" and "commitment" basis).

The Company will disclose the following on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion:

- any changes to the maximum level of leverage that the AIFM may employ on behalf of the Company;
- any changes to the right of reuse of collateral or any guarantee granted under the leveraging arrangements; and
- the total amount of leverage employed by the Company.

Investment strategy and investment techniques

The Company's circular on Recommended proposals for the appointment of a new investment manager dated November 2021, and available at https://thescottish.co.uk/wp-content/uploads/2021/11/1870-Scottish-investment-Trust-Circular_WEB.pdf, sets out the investment strategy and techniques currently applied in managing the Company's portfolio.

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the UKLA Listing Rules, the Company is required to obtain the prior approval of its shareholders to any material change to its published investment policy. Accordingly, the Company will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service. The Company's published investment policy is set out in the section entitled 'Investment policy' above.

Any change in investment strategy or investment policy which does not amount to a material change to its published investment policy may be made by the Company without shareholder approval.

Risk in connection with derivatives

The Company may use various derivative instruments, including options, futures, forward contracts and swaps, as part of its investment strategy. Some of these derivative instruments may be volatile and speculative in nature, and may be subject to wide and sudden fluctuations in market value. Derivatives, especially over-the-counter derivatives in the form of a privately negotiated contractagainst a principal counterparty, may also be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of othermarket or exchange traded instruments. In addition, derivative instruments also may not be liquid in all circumstances, so that in volatile markets the Company may not be able to exit its position without incurring a loss. Investing in derivative instruments can result in large amounts of gearing, which may magnify the gains and losses experienced by the Company and could cause the Company's NAV to be subject to wider fluctuations than would otherwise be the case.

Any use of call and put options and futures by the Company will entail additional risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programmes and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required for investments in futures, a high degree of gearing is typical of a futures investment account, so that a relatively small price movement in a futures contract may result in substantial losses to the investor. Futures positions are marked to market each day and variation margin payments must be paid to or by the Company. Futures investments may also be illiquid and certain exchanges do not permit investing in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. Should prices fluctuate during a single day's trading beyond those limits (which might last for several days with respect to certain contracts), the Company could be prevented from promptly liquidating unfavourable positions and thus be subjected to substantial losses.

In addition, the Company would be exposed to the credit risk of the counterparty bank or other market maker writing any derivative instrument.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM

Identity of AIFM

The AIFM is JPMorgan Funds Limited, whose registered office is 3 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH. Its head office is 60 Victoria Embankment, London, EC4Y 0JP. The Manager is a private limited company with issued share capital of 250,000 ordinary shares of £1 each fully paid. The ultimate holding company of the AIFM is JPMorgan Chase & Co, which is incorporated in the United States of America.

The Manager has been authorised by the FCA to act as an alternative investment fund manager pursuant to the AIFMD and has been designated by the Company to perform the following functions:

- the investment management function in respect of the Company which includes portfolio management and risk management;
- the general administration of the Company, including:
  - (i) legal and fund management accounting services;
  - (ii) valuation and pricing of the assets of the Company, including tax returns;
  - (iii) regulatory compliance monitoring; and
  - (iv) record keeping;
- marketing functions.

Fees

The Manager's remuneration for the performance of its obligations under this Agreement shall be at the following annual rates:

- 0.55 per cent. on the first £750 million of the Company's Net Asset Value;
- 0.40 per cent. on the Company's Net Asset Value in excess of £750 million and up to £1.5 billion; and
- 0.30 per cent on the Company's Net Asset Value in excess of £1.5 billion.

There shall be excluded from the value of the Net Asset Value for the purpose of calculating the Manager's remuneration the value of any holdings in investment trusts, unit trusts, funds and similar schemes, both closed and open-ended, from which the Manager or any associate receives a management or advisory fee based wholly or partly on assets or income.

The fee shall be calculated and paid monthly in arrears on the last business day of each month based on the Company's Net Asset Value at the last business day of the previous month.

In addition to the above remuneration the Company shall reimburse the Manager for any professional fees or other costs incurred at the request of the Board on behalf of the Company for services or advice not covered by the management fee.

The Depositary

Identity of the Depositary

The Depositary is The Bank of New York Mellon (International) Limited. The Depositary is incorporated in England and Wales as a private limited company and is regulated by the FCA. Its registered and head office is at 1 Canada Square, London E14 5AL. The ultimate holding company of the Depositary is The Bank of New York Mellon Corporation which is incorporated in the United States of America.

The principal business activity of the Depositary is the provision of depositary services.

The Depositary has been appointed by the Company to act as the Company's depositary and shall assume its functions and responsibilities in accordance with the AIFMD. The principal duties of the Depositary are as follows:

a) safe-keeping of the assets of the Company that can be held in custody (including book entry securities);

b) record-keeping of assets that cannot be held in custody in which case the Depositary must verify their ownership;

c) ensure that the Company's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of investors upon the issue or buy-back of shares in the Company have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;

d) ensure that any issue or buy-back of the Company's shares are carried out in accordance with English law and the Articles of Association;

e) ensure that the value of the Shares of the Company is calculated in accordance with English law, the Articles of Association and the valuation procedures;

f) carry out the instructions of the AIFM and the Board of the Company, unless they conflict with English law;

g) ensure that in transactions involving a Company's assets any consideration is remitted to the Company within the usual time limits; and

h) ensure that a Company's income is applied in accordance with English law and the Articles of Association.

In relation to the duties of the Depositary regarding custody as referred to at paragraph (a) above, in respect of financial instruments which can be held in custody, (except to the extent that the Depositary has contractually transferred liability to a delegate in accordance with AIFMD) the Depositary is liable to the Company or the shareholders for any loss of such financial instruments held by the Depositary or any delegate.

In relation to all the other duties of the Depositary as referred to at paragraphs (b) - (h), the Depositary is liable to the Company or the shareholders for all other losses suffered by it or them as a result of negligent or intentional failure to properly fulfil such obligations.

The Depositary may delegate its safekeeping function to a custodian who in turn may delegate to sub-custodians. The Depositary currently delegates custody to JPMorgan Chase Bank NA.

Depositary Conflicts of interest

The Depositary (or any affiliates of the Depositary) may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the Manager and the Company (its 'Services'). Conflicts of interest may also arise between the Depositary's different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the 'Conflicts Policy'). The Conflicts Policy (in conjunction with associated policies):

(a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

(b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

(c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

(d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;

(e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

(f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

(g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented. The Depositary must assess and periodically review the Conflicts Policy at least once per annum and take all appropriate measures to address any deficiencies. The Depositary undertakes that it shall make available to its competent authorities, on request, all information which it has obtained while performing its Services and which may be required by the competent authorities of the Company.

Liability of the Depositary

The Depositary has entered into an arrangement to contractually discharge itself of liability in accordance with Articles 21(13) and 21 (14) of the AIFMD.

Fees

The fees for the Depositary are on a tiered basis (or a minimum of £10,000 per annum) based on the value of assets held by the Depositary. The tiers are as follows: £0-100m: 1.25 bps, £100m - £500m: 1.15 bps, £500m - £1bn: 1.05 bps, £1bn – 1.5 bn: 0.7 bps, > 1.5 bn: 0.5 bps. The fees for the delegated custody component of the Depositary's role are dependent on the value of assets under management and the number and nature of transactions undertaken by the Company.

The Auditor

Identity of the Auditor

The auditors to the Company are PricewaterhouseCoopers LLP, whose registered office is at 1 Embankment Place, London WC2N 6RH**.** The Auditor is incorporated in England and Wales as a limited liability partnership and is regulated by the FCA.

Duties Description of the duties of the Auditor and investors rights

The Auditor carries out its duties in accordance with applicable laws, rules and regulations, including the audit of the accounting information contained in the annual report of the Company. The Auditors' work has been undertaken so that they might state to the Company's members those matters they are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, the Auditors do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for their audit work, for their audit report, or for the opinions they formed.

Fees

The fees payable to the auditors shall be determined by the Directors. The Company's annual report, which is available from its website, https://thescottish.co.uk/, details the fees paid to the Company's auditor in the last financial year.

The Registrar

Description of the duties of the Registrar and investors rights

The registrar to the Company is Computershare Investor Services PLC, whose registered office is at The Pavilions, Bridgwater Road, Bristol, BS13 8AE. The Registrar is incorporated in England and Wales as a private limited company.

The duties of the Registrar include the maintenance of the register of shareholders, payment of dividends, processing of shareholder legal documentation, certifying and registering transfers and general meeting services.

Fees

The Registrar receives an annual fee for each open and closed account. This fee includes services in connection with share register activity, dividend payments and annual general meetings. Additional fees may be payable for services in connection with ad hoc requests and corporate activities.

Certain additional Company Secretarial and Administration functions

Description of duties

Maitland Administration Services Limited, whose registered office is at Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY, provides certain additional company secretarial and administration functions. Maitland is incorporated in England and Wales as a private limited company.

Their duties include assistance with meetings, the making of certain announcements and filings and certain tax monitoring functions.

Fees

Maitland served notice of termination on 24 December 2021 and will receive a fee of approximately £70,000 before such time as the agreement terminates.

Investors' Rights and further fees information

The Company is reliant on the performance of third party service providers, including the Investment Manager, the Depository, the Auditor, the Administrator and the Registrar.

Without prejudice to any potential right of action in tort that a shareholder may have to bring a claim against a service provider, each shareholder's contractual relationship in respect of its investment in shares is with the Company only. Accordingly, no shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a shareholder considers that it may have a claim against a third party service provider in connection with such shareholder's investment in the Company, such shareholder should consult its own legal advisers.

The above is without prejudice to any right a shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Manager to the Financial Ombudsman Service ('FOS') (further details of which are available at www.financial-ombudsman.org.uk). Additionally, shareholders may be eligible for compensation under the Financial Services Compensation Scheme ('FSCS') if they have claims against an FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, shareholders should consult the respective websites above and speak to their legal advisers.

The Company's management expenses and ongoing charges figure are detailed in the annual report and accounts which can be accessed at https://thescottish.co.uk/. Expenses of the Company include: (a) Fees, charges and expenses to service providers including the depositary, auditor, registrar and professional advisers. (b) Interest on borrowings. (c) Employee related costs. (d) Insurance. (e) Periodic fees such as listings fees and other fees to the Financial Conduct Authority. (f) Taxation. (g) Cost of shareholder communication, including annual and interim report printing and postage.

Delegation of functions by the AIFM

The AIFM has been permitted by the Company to delegate the following functions in carrying out its role:

- Portfolio Management

  Portfolio management functions have been delegated to JPMorgan Asset Management (UK) Limited ('the Investment Adviser'), which is authorised and regulated in the UK by the FCA. Portfolio management of certain of the Company's investments has been sub-delegated to JPMorgan Investment Management Inc. Sub delegations are subject to prior approval of the Board and the AIFM, such consent not to be unnecessarily withheld or delayed.

- Fund Accounting

  Fund accounting, including the calculation of net asset values, has been delegated to JPMorgan Chase Bank, NA, which is authorised and regulated in the UK by the FCA.

Consistent with the Manager, the delegates, including the Depositary's delegated custodian responsibilities which were delegated to JPMorgan Chase Bank, NA, are subsidiaries of JPMorgan Chase & Co. are in the same group of companies as the AIFM.

Conflicts of Interest

JPMorgan Chase & Co., is a multi-service banking group, providing its clients all forms of banking and investment services. As a result, there may be conflicts of interest between the various activities of these companies and their duties and obligations to the Company.

The AIFM, under the rules of conduct applicable to it, must try to avoid conflicts of interest and, when they cannot be avoided, ensure that its clients (including the Company) are fairly treated.

The AIFM and other delegates may from time to time act as manager, authorised corporate director, investment adviser, administrator, registrar, custodian, trustee or sales agent in relation to other funds or other clients. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interest with the Company. In such event, each will at all times have regard to its obligations in relation to the Company. In particular where conflicts of interest may arise, each will endeavour to ensure that clients are fairly treated.

The portfolio management and advisory services provided by the investment adviser are not exclusive. The investment adviser is free to and does provide similar portfolio management and/or advisory services to others. This may result in the Company being unable to make a desired investment or having to pay a higher price for such investment.

Furthermore, JPMorgan Chase & Co. may give advice, and take action, with respect to any of its clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature of action taken, with respect to the Company with the result that the Company receives different returns than other investors may receive on the same investment.

In addition, there are no specific contractual obligations concerning the allocation of investment opportunities to the Company or any restrictions on the nature or timing of investments for the account of the Company.

Employees of the Manager and investment adviser will work for other clients and conflicts of interest may arise in allocating management time, services, or functions among such clients.

The Manager and JPMorgan Chase & Co. may enter into transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the AIFM's duty to the Company. Neither the AIFM nor JPMorgan Chase & Co. shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the AIFM’s fees, unless otherwise stated or agreed, be reduced as a result. The AIFM will ensure that such transactions are effected on terms that are at least as favourable to the Company as if the potential conflict had not existed.

The AIFM and the investment adviser may come into possession of material, non-public information concerning one or more of the companies in which an investment has been or may be made. The AIFM and the investment adviser have implemented compliance procedures that seek to ensure that material, non-public information is not used for making investment decisions on the Company's behalf. Under these procedures, if the AIFM or the investment adviser possess material, non-public information concerning a company, there may be restrictions on their ability to make, dispose of, increase the amount of, or otherwise take action with respect to, an investment in that company. Such restrictions could limit the Company's ability to make potentially profitable investments or to liquidate an investment when it would be in its best interests to do so. Due to the foregoing, the Company's relationship with the Manager and the investment adviser could create a conflict of interest to the extent that the Manager and the investment adviser become aware of material, non-public information concerning a company in the course of its other business activities.

There is no prohibition on the Company entering into any transactions with the Manager, the investment adviser, the Custodian, where applicable, the sales agents, or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the fees the Manager or the investment advisers earn for managing the Company, they may also have an arrangement with the issuer, dealer and/or distributor of any products entitling them to a share in the revenue from such products that they purchase on behalf of the Company.In addition, there is no prohibition on the Manager or the investment adviser purchasing any products on behalf of the Company where the issuer, dealer and/or distributor of such products are their affiliates provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and on terms that are at least as favourable to the Company than if the potential conflict had not existed.

JPMorgan Chase & Co. may make substantial investments in the Company for various purposes including, but not limited to, facilitating the growth of a company, for facilitating the portfolio management or tax reporting of a Fund or Share Class, or for meeting future remuneration payment obligations to certain employees. As a result potential conflicts of interests may arise. JPMorgan Chase & Co. is under no obligation to make or maintain its investments and may reduce or dispose of any of these in a company at any time. As part of its financial planning, JPMorgan Chase & Co. may also hedge the risk of its investments in any company with the intention of reducing all or part of its exposure to such investments. JPMorgan Chase & Co. acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell shares of the Company. If a client defaults on its obligation to repay indebtedness to JPMorgan Chase & Co. that is secured by shares in the Company, and JPMorgan Chase & Co. forecloses on such interest, JPMorgan Chase & Co. would become a shareholder of the Company.

Employees (including but not limited to portfolio managers) and Directors of JPMorgan Chase & Co. and Directors of the Company may hold shares in the Company. Employees of JPMorgan Chase & Co. are bound by the terms of JPMorgan Chase & Co. policy on personal account dealings and remuneration, which manage conflicts of interest.

SHAREHOLDER INFORMATION

Reports and accounts

Copies of the Company's latest annual and half year reports may be accessed at: https://thescottish.co.uk/

Publication of net asset values

The latest net asset value of the Company may be accessed at https://thescottish.co.uk/. The Company also publishes its net asset values on a daily basis via a Regulatory Information Service.

Valuation policy

The valuation function is performed by the AIFM. The valuation function is performed independently from the portfolio management function.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors.

Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off in the capital column of the income statement at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets.

For investments which are not traded in active markets, unlisted and restricted investments, the Manager takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's annual reports and accounts, which are available at https://thescottish.co.uk/.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange.

New shares may be issued only at a premium to net asset value, at the Board's discretion and providing relevant shareholder issuance authorities are in place. Shareholders do not have the right to redeem their shares. While the Company will typically have shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Company.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The UKLA Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

The Company's ordinary shares rank *pari passu* with each other.

Securities Financing Transactions Regulation ('SFTR') Disclosures

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 31st December 2017.

RISK MANAGEMENT

Key risks

The key risks facing the Company and the mechanisms in place to monitor and measure these risks are set out in the Company's annual report, a copy of which is available from its website, https://thescottish.co.uk/

Risks in connection with leverage

The Company may employ leverage, that is to seek to enhance returns to shareholders by borrowing funds for investment or entering into derivative transactions (see below). Where the Company is levered, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the value of the portfolio as a result of price changes of the investments contained therein. Shareholders should be aware that, whilst the use of leverage should enhance the returns to shareholders where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

A fall in the value of the Company's investments may cause the Company to sell investments in order to reduce leverage, which in turn may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Risk management systems

The AIFM employs a risk management process in accordance with FUND 3.7.5R and Articles 38 to 45 of Level II AIFMD. This process enables the AIFM to identify, measure, manage and monitor at any time the relevant risks of the positions to which a Fund is or may be exposed and their contribution to the overall risk profile of the Fund and which includes the use of appropriate stress testing procedures. Further details regarding the risk management process can be found in the Supplementary Information on the Risk Management Process which is available upon request from the AIFM. The address of the AIFM is Client Administration Centre, J.P. Morgan Asset Management, 60 Victoria Embankment, London,EC4Y 0JP. The Company will periodically disclose to investors the risk management systems which itemploys to manage the risks which are most relevant to it. The Company will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

Liquidity risk management

The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations. This policy involves an assessment by the AIFM of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors.

Shareholders do not have the right to redeem their shares or to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the Company's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Company's investments; and
- the possible need to repay borrowings at short notice, which would require to be met by the sale of assets.

The liquidity management policy requires the AIFM to identify and monitor its investment in asset classes which are considered to be relatively illiquid. Illiquid assets of the Company are likely to include investments in smaller companies. The majority of the Company's investment portfolio is invested directly in liquid equities and this equity portfolio is monitored on an ongoing basis to ensure that it is adequately diversified.

The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Investors will be notified, by way of a disclosure on its website, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.

Professional negligence liability risks

The AIFM covers its potential liability risks arising from professional liability by holding the appropriate additional 'own funds' within the meaning of the AIFMD.

Amendment of this document

When there is a material change to the information contained in this document, it shall be updated.