

- Earnings growth is expected to remain strong over the medium term, though profit margins could come under pressure in the short run. Fixing of supply chain issues, a shift in spending from goods back to services, and strong household balance sheets and savings rates mean developed world consumers are in a better shape to support the economic expansion.
- Even though the pandemic has dislodged us from an environment of low inflation, we believe that headline inflation may have peaked – or will do so over spring – and from there, base effects from higher energy prices will allow inflation to moderate.
- Uncertainty around new Covid-19 variants, escalating geopolitical tensions and heightened market volatility are likely to keep central banks flexible in the path towards a tighter policy.
- The outlook remains positive and strong economic growth should provide support to equity markets.
- Stock selection in pharm/medtech and banks contributed to returns.
- Stock selection in media and telecommunications detracted from returns.
- At the stock level, an overweight position in Mastercard, the American multinational financial services company, contributed to returns over the month. Despite some Omicron-related impact, revenue for the fourth quarter came in ahead of expectations at 28% growth year-on-year, while margins continued to recover to 54%, reaching about half from the peak of 58-59% pre Covid-19.
- On the other hand, not holding Apple, the global consumer electronics company, detracted from performance over the month. The company reported better-than-expected results and increased guidance driven by better sales of iPhones and Macs, and higher gross margins than expected. We continue to remain underweight, finding better opportunities elsewhere in the sector.
- At the regional level, stock selection in US and Europe & Middle East ex UK contributed to relative returns, while an underweight position and stock selection in emerging markets and holding no position in Canada detracted from relative returns.

Performance

Total return on £100 to 31 January 2022	6 months	1 year	3 years	5 years	10 years
Share price ⁽¹⁾	117.5	130.6	123.4	131.1	239.5
NAV per share ⁽²⁾	108.4	120.6	115.3	121.8	218.4
MSCI All Countries World Index	97.2	112.3	144.6	159.4	304.2

Summary balance sheet	31/01/2022	31/12/2021	Total return
Market capitalisation	£583m	£553m	
Total assets	£718m	£684m	
Borrowings at amortised cost	£84m	£84m	
Net assets ⁽³⁾	£633m	£600m	
NAV ⁽²⁾ per share	924.2p	872.8p	6.7%
NAV ⁽³⁾ per share	957.0p	907.0p	6.3%
Share price	881.0p	835.0p	6.3%

⁽¹⁾ Net income reinvested and before expenses are deducted.

⁽²⁾ With borrowings at market value ⁽³⁾ With borrowings at amortised cost

Source: J.P. Morgan Asset Management/Morningstar. Net asset value performance data has been calculated on a NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. NAV is the cum income NAV with debt at fair value, diluted for treasury, with any income reinvested. Share price performance figures are calculated on a mid-market basis in GBP with income reinvested on the ex-dividend date. The performance of the company's portfolio, or NAV performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance. Indices do not include fees or operating expenses and you cannot invest in them.

Company information

Company founded	1887
Manager	JP Morgan Asset Management Helge Skibeli Rajesh Tanna Timothy Woodhouse
Ongoing charges figure (OCF)	0.56%
Dividend yield	2.8%
Number of listed holdings	58
Gearing/(net cash) ⁽²⁾	0%
Discount to NAV ⁽²⁾	4.7%

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

info@thescottish.co.uk 0131 225 7781

The Scottish Investment Trust PLC, 6 Albyn Place, Edinburgh, EH2 4NL

www.thescottish.co.uk

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.

The manager focuses on investing in the best ideas from across the world's stock market:

- Expertise** - Tapping into the local proprietary analysis of JPMorgan's award winning and experienced global research team.
- Portfolio** - A global best ideas - go anywhere - portfolio, with the manager focused on identifying companies that will provide the best total returns
- Results** - Provides the best of both worlds - predictable quarterly income and long-term growth from the best global ideas.

Top 10 holdings (31 January 2022)

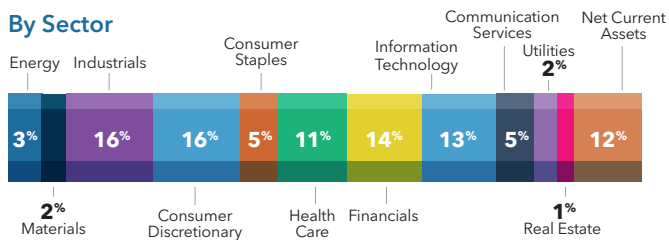
Holding	Country	£m	% ⁽⁴⁾
AMAZON.COM	US	34.3	4.8
MICROSOFT	US	32.3	4.5
ALPHABET	US	20.7	2.9
MASTERCARD	US	18.9	2.6
AMERICAN EXPRESS	US	18.5	2.6
COCA-COLA	US	16.6	2.3
NXP SEMICONDUCTORS	US	15.8	2.2
MCDONALD'S	US	15.5	2.2
VINCI	France	15.3	2.1
MUENCHENER RE	Germany	14.0	2.0
Aggregate of top 10 holdings		201.9	28.1

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

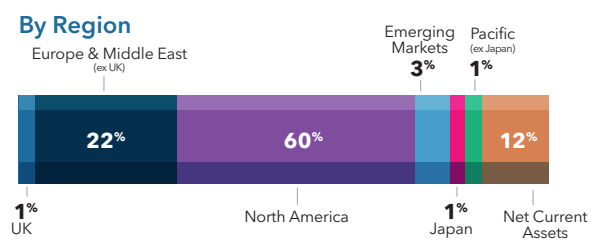
⁽⁴⁾ Percentage of total assets

Distribution of total assets (31 January 2022)

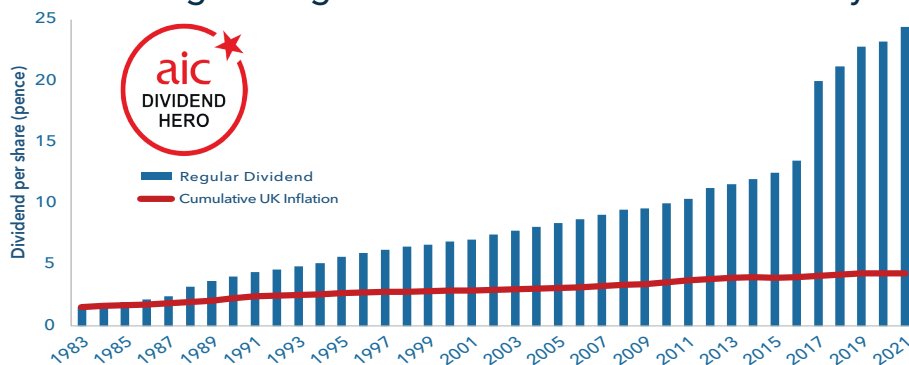
By Sector



By Region



Increasing our regular dividend for 37 consecutive years



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. 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.

This material should not be considered as advice or an investment recommendation. Company holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy Risk indicator Based on the Company volatility for the past 5 years. See the Key Information Document (KID) for details.

Issuer: JPMorgan Asset Management (UK) Limited Registered address: 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom
 Authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446.
 Telephone: 0131 225 7781 | Email: info@thescottish.co.uk | Website: www.thescottish.co.uk