



# Securities Trust of Scotland plc

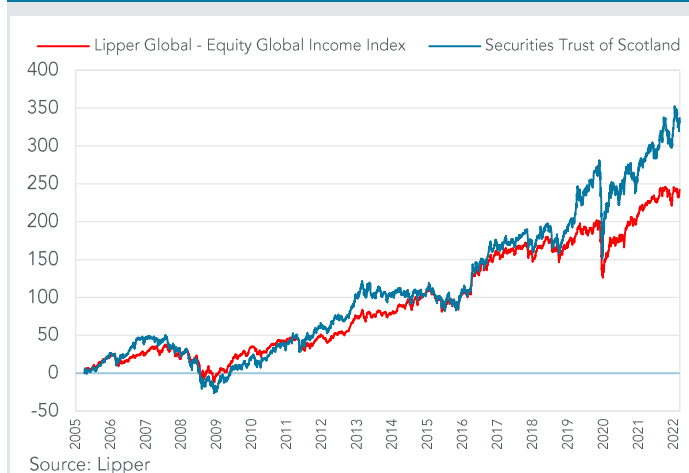
All data as at 31 May 2022

www.stsplc.co.uk

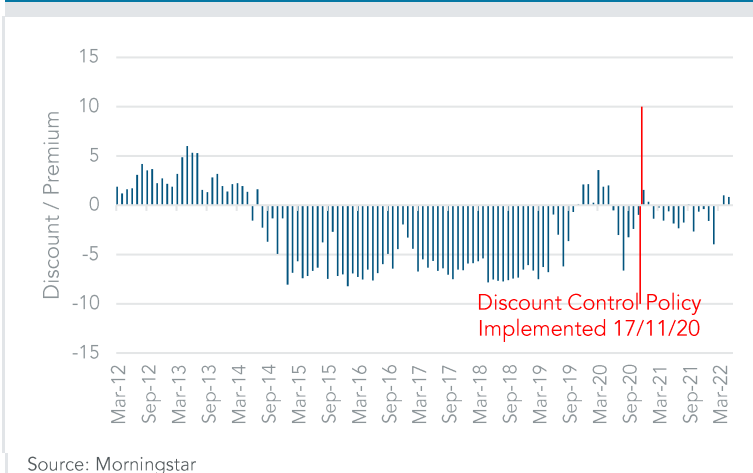
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

<b>Price</b>	<b>NAV (ex Inc)</b>	<b>Historic Dividend Yield</b>
<b>230.00p</b>	<b>226.71p</b>	<b>2.48%</b>
<b>Premium (Discount) to NAV</b>	<b>Total Net/Gross Assets</b>	
<b>+0.84%</b>	<b>£228m/£246m</b>	

## Share Price Performance to 31 May 2022



## Share Price Discount / Premium to NAV



Total Return to 31 May 2022	Since Troy Appt*	31/05/17 5 years	31/05/19 3 years	31/05/21 1 year	30/11/21 6 months
Securities Trust of Scotland Share Price	+20.6%	+61.1%	+47.0%	+14.6%	+7.1%
Securities Trust of Scotland NAV	+17.0%	+48.8%	+35.8%	+12.9%	+5.5%
Lipper Global - Equity Global Income Index	+18.7%	+32.2%	+25.5%	+7.3%	+2.3%

\*Troy appointed Investment Manager 12 November 2020

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	+15.4%	+0.5%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-0.7%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

## May Commentary

The Trust produced a Net Asset Value total return of -2.2% during the month and a price total return of -2.4%, compared to a return of +0.5% for the Lipper Global - Equity Global Income Index.

We have recently returned from an investment conference in the US. After 2 years of minimal travel it was terrific to be in New York again and to meet companies in person. It is a great way of assessing the US investment landscape and this year was no exception.

Ideally, in our view, all global fund managers should go to the US once a year at least to gain global perspective. The sheer scale of the economy, the energy of the people and the quality of the companies reminds one of the relentless compounding of capital that a capitalist economy inevitably achieves over time.

While this generally remains true the mood this year was noticeably less

optimistic than the last time we attended the same event in 2017.

We saw a number of portfolio companies including Coca Cola, Johnson & Johnson and Clorox, as well as a number of companies in our investment universe, which are not in the fund. We also attended a few presentations to round out our overall view of the backdrop.

With the notable exception of Canadian National Railway, "everything is booming", the mood was cautious. Companies are seeing inflation at every level of their operations and are wary of the capital market backdrop as the apparently never-ending era of free money comes to an end.

This is creating an existential recessionary angst perhaps best articulated by Jamie Dimon, the CEO of JP Morgan, with his forecast of a "hurricane". Balanced against this was a view that the US

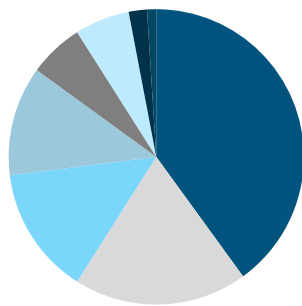
consumer remains strong with money from the COVID stimulus still bolstering demand. With real incomes falling rapidly (currently) this may not last.

Overall the company presentations, while as informative and interesting as ever, did not materially change our view. An investment environment characterised by a less supportive monetary and fiscal policy at a time when commodity prices are rising would be consistent with the above.

Time will tell if we are approaching a slowdown or something more serious.

Overall we think the quality of our companies leaves them well placed to continue to operate in a robust manner in a range of scenarios.

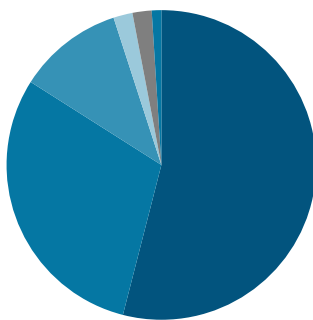
## Asset Allocation by Sector



- Consumer Staples 40%
- Information Technology 19%
- Health Care 14%
- Financials & Real Estate 12%
- Industrials 6%
- Consumer Discretionary 6%
- Communication Services 2%
- Cash 1%

Source: Factset. Asset Allocation subject to change

## Asset Class by Geography



- North America 54%
- United Kingdom 30%
- Europe ex UK 11%
- Asia Pacific ex Japan 2%
- Japan 2%
- Cash 1%

Source: Factset. Asset Allocation subject to change

## Top 10 holdings

Top 10 holdings	% Trust
British American Tobacco	6.7
Philip Morris International	5.8
Paychex	5.3
ADP	4.7
Unilever	4.6
PepsiCo	4.6
Reckitt Benckiser Group	4.3
CME Group	4.1
Diageo	3.9
Johnson & Johnson	3.7
<b>Total Top 10</b>	<b>47.9</b>
23 other holdings	50.8
Cash	1.3
<b>TOTAL</b>	<b>100.0</b>

Source: Factset. Holdings subject to change

## Trust information

<b>Structure</b> London Listed Investment Trust	<b>Capital Structure</b> Shares with voting rights 100,215,075 Shares held in treasury 22,084,073	<b>Historic Dividend Yield (trailing 12 months)</b> 2.55% Q2 2022 1.375p Q1 2022 1.375p Q4 2021 1.375p Q3 2021 1.375p
<b>Board</b> <b>Chairman</b> John Evans <b>Non-Executive Director</b> Mark Little <b>Non-Executive Director</b> Angus Gordon Lennox <b>Non-Executive Director</b> Sarah Harvey <b>Non-Executive Director</b> Angus Cockburn <b>Non-Executive Director</b> Alexandra Innes	<b>Net Assets</b> £228m <b>Gross Assets</b> £246m <b>Ongoing Charges</b> Ordinary shares: 0.92% (31.03.21)	<b>Dividend Payments</b> January, April, July, October <b>Market Makers:</b> JPMORGAN, NUMIS, WINTERFLOOD, INVESTEC, PANMURE, PEEL HUNT
<b>Investment Manager</b> Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: info@taml.co.uk	<b>Management Fee</b> 0.65% <b>Allocation of Expense and Interest</b> Capital 65% Revenue 35%	<b>Bloomberg/Epic/Reuters Code</b> STS <b>Sedol</b> B09G3N2 <b>AIFM</b> Juniper Partners Limited
<b>Manager</b> James Harries <b>Benchmark</b> Lipper Global Equity Global Income Index	<b>Mandate Established</b> 2005 <b>Year End</b> 31 March <b>Premium (Discount)</b> +0.84% <b>Gearing</b> 7% <b>Currency</b> £ Sterling	<b>Pricing</b> Share price is listed daily in the FT <b>Auditor</b> Ernst & Young LLP

## Important Information

Please refer to Troy's Glossary of Investment terms [here](#). The Trust can use gearing to purchase assets for the Trust; the use of this facility will have the effect of magnifying any gains or losses made. Asset allocation and holdings information is based on the gross assets. All performance data is calculated net of fees, unless otherwise stated. The Trust is registered for distribution to the public in the UK and to professional investors only in Ireland. All references to benchmarks are for comparative purposes only. The views expressed in this document are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The information contained within this document does not constitute investment advice or an offer to invest or to provide discretionary investment management services and should not be used as the sole basis of any investment decision. Should you wish to obtain financial advice, please contact a professional advisor. The historic dividend yield reflects distributions declared over the past twelve months as a percentage of the Trust's price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The historic dividend yield is not guaranteed and will fluctuate. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Although Troy Asset Management Limited ("Troy") considers the information included in this document to be reliable, no warranty is given as to its accuracy or completeness. The opinions expressed are expressed at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. Past performance is not a guide to future performance. The investments discussed may fluctuate in value and investors may get back less than they invested. Overseas investments may be affected by movements in currency exchange rates. The investment policy and process of the Trust may not be suitable for all investors. Third party data is provided without warranty or liability and may belong to a third party. Issued by Troy Asset Management Limited, 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Registered office: Hill House, 1 Little New Street, London EC4A 3TR. Authorised and regulated by the Financial Conduct Authority (FRN: 195764).