



Securities Trust of Scotland plc

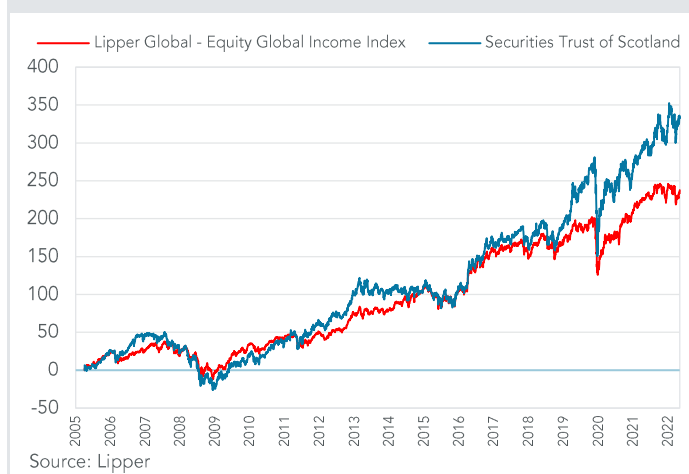
All data as at 31 July 2022

www.stsplc.co.uk

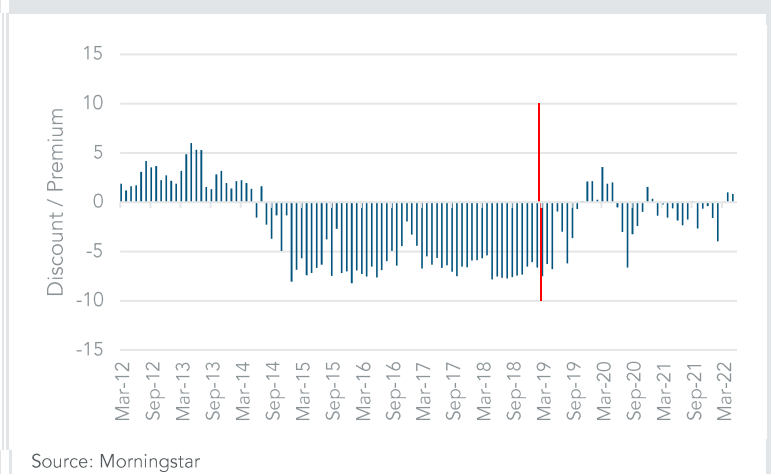
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

Price	NAV (ex Inc)	Historic Dividend Yield
228.00p	229.52p	2.58%
Premium (Discount) to NAV	Total Net/Gross Assets	
-1.50%	£232m/£248m	

Share Price Performance to 31 July 2022



Share Price Discount / Premium to NAV



Total Return to 31 July 2022	Since Troy Appt*	31/07/17 5 years	31/07/19 3 years	31/07/21 1 year	31/01/22 6 months
Securities Trust of Scotland Share Price	+19.5%	+60.8%	+27.4%	+10.4%	+4.1%
Securities Trust of Scotland NAV	+18.7%	+51.7%	+25.4%	+9.4%	+4.0%
Lipper Global - Equity Global Income Index	+17.2%	+30.2%	+14.5%	+3.7%	+0.0%

*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%	-0.4%
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

July Commentary

The Trust produced a Net Asset Value total return of +3.8% during the month and a price total return of +3.6%, compared to a return of +3.5% for the Lipper Global - Equity Global Income Index.

Results season is in full swing and has generally been reassuring with a couple of inevitable exceptions. Many of our companies are demonstrating their resilience and competitive advantages as they manage to defend their profitability in the context of heightened inflation and potentially slowing demand. It is in such difficult times that the sort of businesses we favour come to the fore.

A good example is McDonald's. This is a long term holding in the portfolio and an excellent business. Recent results were sparkling with sales up close to 12% in Q1 as the twin revenue streams of rent and royalties lends predictability to the company. Some 40,000 stores in over 100 countries delivered the core offering of

value and consistency for which the brand is known. Especially in these more straitened times the company represents an affordable treat which consumers love. As the CEO said in the recent results presentation "we're in a share taking mode".

Not only is McDonald's a durably compounding business but there are reasons to be optimistic in the near term. The company has been renovating the US store base and expanding the international footprint. Capital intensity has been reduced as the exit from Russia increases the proportion of franchised stores to the benefit of margins.

Digital initiatives centred around marketing (including celebrity menus from rapper Travis Scott and Mariah Carey), ordering and customer loyalty are driving both engagement and improved customer preference data on the 60m people that

enter the stores each day. This in turn should allow for greater efficiency.

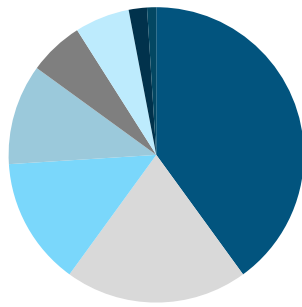
The combination of resilient growth and improving returns should underpin consistent free cash flow and income growth for years to come.

Equity markets have enjoyed a strong month as the hope of peaking cyclical inflation in the context of widespread pessimism has led to what may be a counter-trend move. Even as equity investors become more buoyant the US treasury market remains resolutely downbeat. The 2-10 spread¹ has moved from +5bp to -24 bp over the month (and has declined further post month end).

We remain cautious and wait patiently for better value to appear to redeploy capital in the portfolio.

¹The difference between the 10 year treasury rate and the 2 year treasury rate.

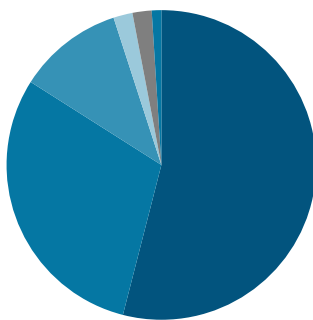
Asset Allocation by Sector



- Consumer Staples 40%
- Information Technology 20%
- Health Care 14%
- Financials & Real Estate 11%
- 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	6.1
Paychex	5.6
Philip Morris International	5.4
ADP	5.2
PepsiCo	4.9
Unilever	4.7
Reckitt Benckiser	4.6
CME Group	4.2
Diageo	4.1
Johnson & Johnson	3.7
Total Top 10	48.6
23 other holdings	49.9
Cash	1.5
TOTAL	100.0

Source: Factset. Holdings subject to change

Trust information

Structure London Listed Investment Trust	Capital Structure Shares with voting rights 100,265,075 Shares held in treasury 22,034,073	Historic Dividend Yield (trailing 12 months) 2.55% Q2 2022 1.75p Q1 2022 1.375p Q4 2021 1.375p Q3 2021 1.375p
Board Chairman John Evans Non-Executive Director Mark Little Non-Executive Director Sarah Harvey Non-Executive Director Angus Cockburn Non-Executive Director Alexandra Innes	Net Assets £232m Gross Assets £248m Ongoing Charges Ordinary shares: 0.93% (31.03.22)	Dividend Payments January, April, July, October Market Makers: JPMORGAN, NUMIS, WINTERFLOOD, INVESTEC, PANMURE, PEEL HUNT
Investment Manager Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: info@taml.co.uk	Management Fee 0.65% Allocation of Expense and Interest Capital 65% Revenue 35%	Bloomberg/Epic/Reuters Code STS Sedol B09G3N2 AIFM Juniper Partners Limited
Manager James Harries Benchmark Lipper Global Equity Global Income Index	Mandate Established 2005 Year End 31 March Premium (Discount) -1.50% Gearing 7% Currency £ Sterling	Pricing Share price is listed daily in the FT Auditor 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) and registered with the U.S. Securities and Exchange Commission ("SEC") as an Investment Adviser (CRD: 319174). Registration with the SEC does not imply a certain level of skill or training. The trust described in this document is neither available nor offered in the USA or to U.S. Persons. Copyright Troy Asset Management Ltd 2022