



Securities Trust of Scotland plc

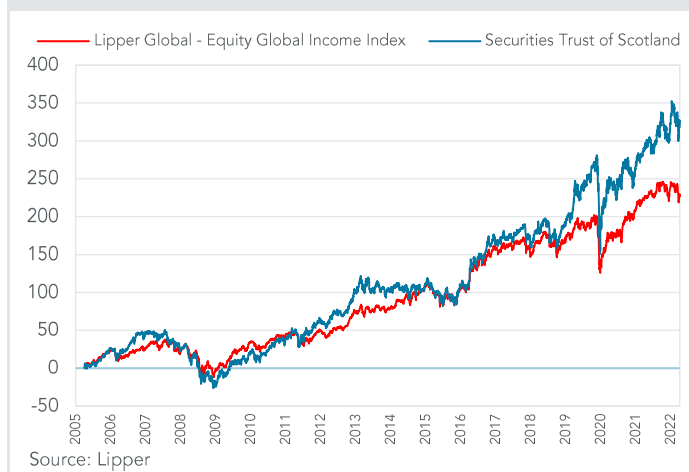
All data as at 30 June 2022

www.stsplc.co.uk

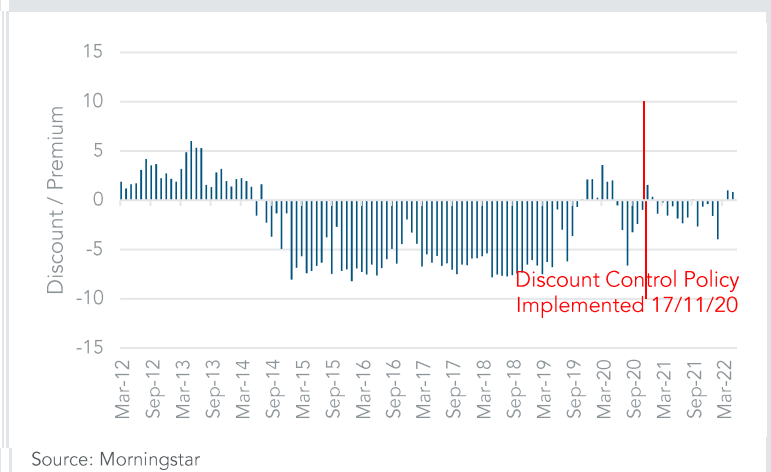
The investment objective of the Securities Trust of Scotland plc is to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

Price	NAV (ex Inc)	Historic Dividend Yield
220.00p	221.36p	2.67%
Premium (Discount) to NAV		Total Net/Gross Assets
-1.38%		£224m/£240m

Share Price Performance to 30 June 2022



Share Price Discount / Premium to NAV



Total Return to 30 June 2022	Since Troy Appt*	30/06/17 5 years	30/06/19 3 years	30/06/21 1 year	31/12/21 6 months
Securities Trust of Scotland Share Price	+15.3%	+53.8%	+25.4%	+7.5%	-3.8%
Securities Trust of Scotland NAV	+14.4%	+46.4%	+25.9%	+7.0%	-2.9%
Lipper Global - Equity Global Income Index	+13.2%	+26.5%	+14.6%	+0.3%	-5.4%

*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%	-3.8%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	-2.9%

Source: Lipper/Morningstar

Past performance is not a guide to future performance

June Commentary

The Trust produced a Net Asset Value total return of -2.2% during the month and a price total return of -4.3%, compared to a return of -4.7% for the Lipper Global - Equity Global Income Index.

We have established an investment in Admiral Group funded by the sale of GSK. Although a longstanding holding, GSK has never been the most exciting company in our opinion. Recent performance has been strong for a variety of reasons. These include the upcoming hiving off of the consumer business following the failed bid by Unilever, a change in dividend policy and the recent strength of the US dollar (GSK has substantial US dollar earnings). Having been attractively valued for a considerable period this rise in the share price offered an attractive time to sell.

Conversely Admiral has performed poorly recently. During COVID Admiral's

customers were paying premiums without being able to use their cars giving a short term bump to profits. This was reflected in a strong share price. As this effect faded so too did the company's valuation.

A reallocation of capital from GSK to Admiral was therefore timely.

Admiral Group is an excellent business. Dominated by the UK car insurance business, Admiral's market leadership is based on its expertise in underwriting a specific cohort of the population, that being young men in fast cars. This specialisation leads to an extensive data set affording accurate pricing of risk. As such, and unusually for an insurance business, the company makes an underwriting profit over the cycle. This historically persistent and consistent profitability allows Admiral to offload the insurance risk to Munich Re but to retain much of the profitability. Costs are

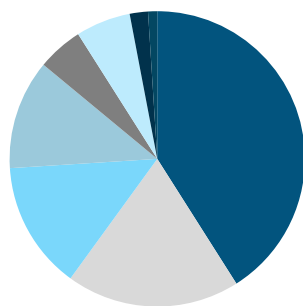
contained, giving the company a very attractive return profile. All of this together means the company has limited capital requirements and is therefore able to pay a healthy dividend.

Following the post-COVID decline we were able to invest in the company at an attractive valuation of 12.8x price to earnings ratio.

Strength in the US bond market has been a feature of the latter part of the month. Having been very weak as markets priced in a more inflationary backdrop, it is notable that the US 10 year Treasury bond has retraced from a 3.47% high to 2.88% at the beginning of July. Oil and other commodities have also been weak. Credit spreads continue to widen.

This is all indicative of a weaker economic tone and suggests we may have already seen the cyclical peak in inflation.

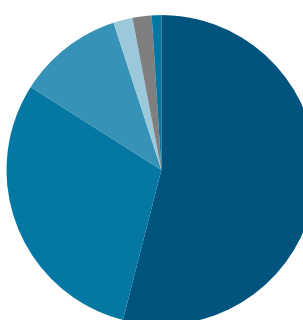
Asset Allocation by Sector



- Consumer Staples 41%
- Information Technology 19%
- Health Care 14%
- Financials & Real Estate 12%
- Industrials 5%
- 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	6.9
Philip Morris International	5.7
Paychex	5.2
PepsiCo	4.8
ADP	4.7
Unilever	4.6
CME Group	4.5
Reckitt Benckiser	4.4
Johnson & Johnson	3.9
Diageo	3.8
Total Top 10	48.5
23 other holdings	50.0
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 Angus Gordon Lennox Non-Executive Director Sarah Harvey Non-Executive Director Angus Cockburn Non-Executive Director Alexandra Innes	Net Assets £224m Gross Assets £240m Ongoing Charges Ordinary shares: 0.92% (31.03.21)	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) -1.38% 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