STS Global Income & Growth Trust plc

(formerly Securities Trust of Scotland plc)

Annual Report

Year to 31 March 2023

TROY
ASSET MANAGEMENT

www.stsplc.co.uk

About STS Global Income & Growth Trust

What we do

STS Global Income & Growth Trust plc (the 'Company') is a UK-based investment trust, managed by Troy Asset Management Limited (the 'Manager' or 'Troy'), which invests in a portfolio of global equities. It aims to meet the needs of investors looking for a growing level of income and steady capital growth over the long term, whilst also wanting to preserve the value of their money.

A quality investment approach

The Company seeks to invest in a small number of companies (typically 30 – 50 companies) which the Manager deems to be high-quality and hold them for very long periods to capture the compounding power of those companies.

Dependable income

The Company aims to provide a steady, regular income with the intention of growing this consistently from year to year. Dividends are paid quarterly in April, July, October and January.

Experienced team

The Company is managed by James Harries at Troy, alongside Tomasz Boniek. James has more than 20 years experience of managing global equity income strategies, with an average annual total return of 9%.

Discount management

The Company introduced a discount control mechanism in November 2020 which aims to ensure, in normal market conditions, that the shares trade consistently close to their net asset value, providing liquidity for all shareholders. Under the discount control mechanism, the Company has committed to buying back shares when there is excess supply and issuing shares when there is excess demand.

Independent oversight

The Company is overseen by an independent Board. By engaging with and listening to shareholders, the Board ensures that the Company continues to offer a distinctive investment proposition that is relevant to investors' needs.

www.stsplc.co.uk

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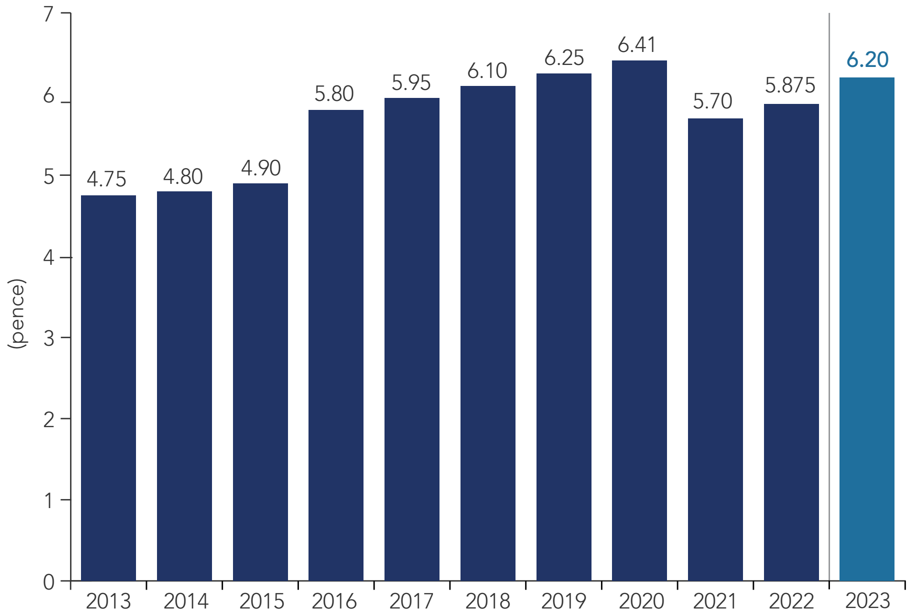
Financial highlights

The objective is to deliver rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities.

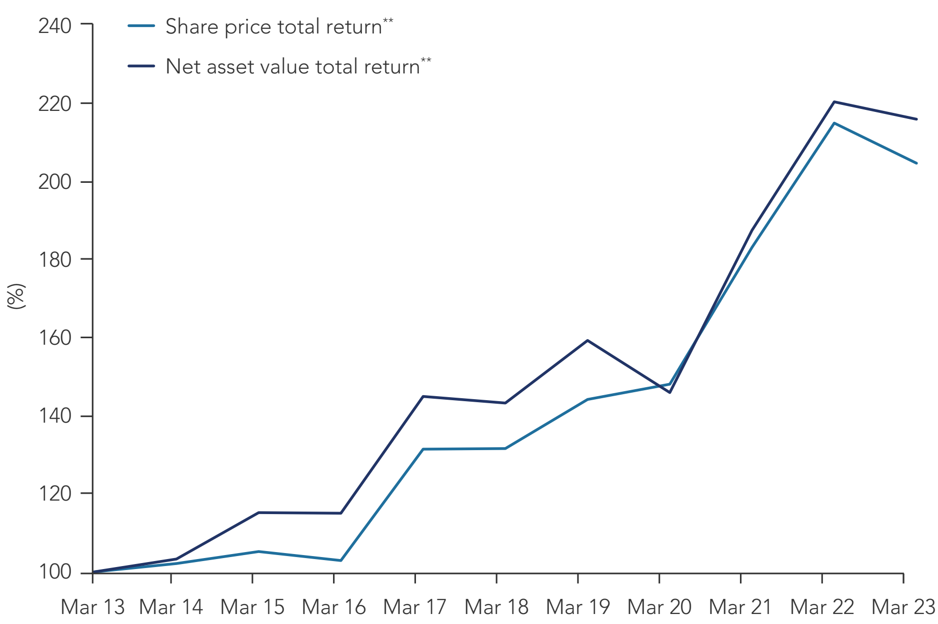
Dividend

Dividend per share (pence)



A total annual dividend of **6.20p**, an increase of **5.5%** from 2022 and **8.8%** from 2021, when the dividend was rebased following the change of manager.

Long-term capital growth



Source: Refinitiv Datastream.

**See Alternative Performance Measures on page 66 for definitions.

Over the last ten years, shareholders have enjoyed a **105.1%** increase in share price (total return).

The share price return has been positive **in eight out of the last ten years** even through some of the most turbulent market conditions.

Total returns^ (including reinvested dividends)

	Year ended 31 March 2023 %	Year ended 31 March 2022 %
Net asset value per share	(1.8)	16.8
Lipper Global – Equity Global Income Index	0.5	10.8
Share price	(4.8)	17.4

Key data

	As at 31 March 2023	As at 31 March 2022
Net asset value per share (cum income)^	220.37p	230.75p
Net asset value per share (ex income)^	218.37p	229.01p
Share price	214.00p	231.00p
(Discount)/premium^	(2.89)%	0.11%
Net assets	£219,235,000	£229,657,000

Income

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue return per share	6.34p	5.82p
Dividend per share	6.20p	5.875p

Ongoing charges^

	Year ended 31 March 2023	Year ended 31 March 2022
Ongoing charges	0.94%	0.93%

^ Alternative performance measures see pages 66 and 67 for further information.

Five-year record

Annual total returns (including dividends reinvested) over 12 month periods to 31 March

	2023	2022	2021	2020	2019
Net asset value per share	(1.8)%	16.8%	28.5%	(8.3)%	11.4%
Share price	(4.8)%	17.4%	23.7%	2.7%	9.6%

Source: Refinitiv Datastream.

Chairman's statement

A total dividend of 6.20 pence per ordinary share has been declared, representing a 5.5% increase over the previous financial year.

The year to 31 March 2023 proved to be eventful in terms of both geopolitical and economic developments. It was dominated by the immediate and longer term effects of the dreadful war in Ukraine precipitated by the invasion by Russian forces in February 2022. An immediate economic effect of the conflict was the increase in prices of oil & gas on wholesale markets and this increase added to the inflationary pressures already pushing through as economies recovered post pandemic.

The boost to inflation arrived at a time when Central Banks, virtually worldwide, were raising short term interest rates and reversing the very lax monetary policies that had been in place since the financial crisis in 2007/2008. As might be expected bond markets found this background to be challenging and were significantly lower over the year (the Investment Association Sterling Corporate Bond Sector Index, for example, returned -9.4%). Not surprisingly, equity markets struggled to generate positive returns against such a difficult background.

Over the 12 month period the net asset value total return for your Company was -1.8%, marginally behind the +0.5% total return for the comparator benchmark, Lipper Global – Equity Global Income Index.

The relative return for the year was consistent in the sense that when markets, and generally in the first half of the period, were in a "risk off" mode relative returns were good. However, later in the period as confidence rose and markets returned to sectors and stock that had driven the post pandemic bounce relative returns were poorer.

Your Manager's philosophy and portfolio positioning has remained consistent and returns have been likewise consistent against a frequently changing narrative in respect of markets. It is a feature of stock markets that rallies begin with a reversion to what had driven previous returns but often this effect fades and new drivers emerge as investors adapt to changing circumstances. This may well be what is happening currently as the rally in the second half of the financial year was led by sectors with higher valuations despite what is a fundamental change in the monetary background. The era of virtually free and abundant debt has ended to be replaced by a period in which capital has an economic cost and has to be allocated on a much more rational basis. Your Board and Manager believe that in such an environment the focus on investing in strong companies in terms of market positioning and financial robustness will produce good relative returns.

Revenue and dividends

Total revenue earned for the year was £8.2 million, an increase of 11.7% on the previous year. This is a meaningful rise in income and has two principal sources. First, the underlying dividend performance of the Company's investments has been robust and is a testament to the stock selection of the Manager. Second, with 47% of income arising from US dollar denominated dividends the weakness of sterling vs the US dollar over the year has been a boost to sterling revenues as dollar payments are translated at more favourable rates. (For your information the average £/$ rate for the year was 1.21 compared with 1.37 in the previous year).

In arriving at a dividend level for the year your Board has been realistic and cognisant of the fact that shareholders are expecting consistent dividend growth over the longer term. While most encouraged by the underlying dividend performance of our investment portfolio, the benefit of currency changes has been welcome but is likely to be volatile and may even be reversed.

The Board will therefore transfer to reserves some of the currency benefit in order that in the event of a period of less favourable currency movements there is flexibility to use reserves to smooth the long term progression in dividends paid to shareholders.

Consequently a total dividend of 6.20 pence per ordinary share has been declared representing a 5.5% increase over the 5.875 pence per share paid in respect of the previous financial year.

Change of name

The current and previous Boards have discussed the suitability of the name of your Company on several occasions. The Board now believes that it is appropriate to implement a new name for the Company which better explains the Company's aims and objectives. The investment mandate and strategy remain the same; providing defensive capital returns with growing income by investing in a concentrated portfolio of global companies.

The Board is also conscious of changes in its investor base, as well as changes in the ways in which investors hold their shares. The Company's shares are now held through a broad range of wealth managers and retail platforms and we believe the name change will make it easier for individual retail investors to find the Company on platforms when searching for global income and growth investment opportunities.

Consequently, it was decided to change the name of your Company to "STS Global Income & Growth Trust plc". In accordance with the Company's articles of association, this change of name has been actioned by a resolution of the directors and the name change took effect on 5 June 2023.

It is important to emphasise that nothing else will change, the ticker symbol (STS) will remain the same as will the SEDOL and ISIN. You will not need or receive new share certificates. The Board believes that this name change will enhance the marketability of the shares and bring the Company more easily to the attention of not only the retail investor but all potential buyers of the shares.

Board changes

The Board is aware of the need to have a succession process in place and this is particularly important as compliance with the best practice of corporate governance in respect of terms of appointment and diversity is a key objective of the Board.

Therefore and in line with its long term planning I am pleased to announce that Gillian Elcock will be appointed as a non-executive director on 21 September 2023. Gillian is a non-executive director of International Biotechnology Trust plc and a member of the Board of the CFA UK. I am delighted that Gillian is joining our Board. She has a wealth of investment experience and will bring a valuable perspective to Board discussions. My colleagues and I very much look forward to working with her.

Discount management

Your Company adopted and implements a formal discount control mechanism. It is the intention that the application of this policy will, in normal market conditions, see the shares consistently valued close to their net asset value, providing liquidity for all shareholders. Shares are bought by the Company should they trade at a discount to net asset value and if there are sellers in the market. Likewise shares will be issued at a premium to net asset value to meet demand should there be buyers.

In the year to 31 March 2023, 1,616,500 shares were purchased by the Company at an average discount of 1.9% and 1,575,000 shares were issued at an average premium of 1.2%.

Borrowing facilities

Your Company currently has debt facilities totalling £15.8 million. The use of these facilities is discussed regularly and also at every Board meeting. The £15 million multicurrency facility that the Company has had available since 2016 is due to expire in September of this year. Negotiations are underway to replace this facility with an appropriately flexible facility that will allow the Manager to utilise the debt in a cost effective manner with the objective of enhancing returns to shareholders over time.

ESG

The Board continues to recognise the importance of considering environmental, social, and governance ('ESG') factors when making investment decisions and in the ongoing stewardship of investee companies and is supportive of the Manager's approach to responsible investing, which fully integrates ESG analysis into the fundamental research and investment process. More information can be found on pages 12 and 13 and on the responsible investing section of the Company's website, www.stsplc.co.uk/responsible-investment.

Chairman's statement continued

AGM

The Annual General Meeting of your Company will be held on 20 September 2023 at the offices of Juniper Partners, 28 Walker Street, Edinburgh at 2.00 pm. The Board looks forward to meeting shareholders in person at that meeting.

Keeping in touch

I would encourage shareholders to visit the Company's website at www.stsplc.co.uk as it offers a wealth of information about the Company. It is regularly updated and has recently been redesigned. Through the website you can also subscribe to monthly email updates including the factsheet which provides portfolio and performance information. You can also contact the Manager or our Company Secretary, Juniper Partners, through the website or by using the email address on page 74 of this report.

Outlook

Much of the focus of financial markets is on the timing and scale of changes in short term interest rates. We may be near the peak of the current cycle – there are a myriad of views. However, whilst the cost of debt may change it is unlikely that Central Banks will relent on their liquidity policies as these have to address 14 years of largesse. Many of the well-publicised issues in the US and other banking systems recently owe more to the effects of the quantitative tightening than the higher cost of money.

The rate of inflation may be declining, or be forecast to do so, but prices are still rising at unfamiliar levels. Your Manager backs sound well established companies with managements and processes that have been tested in many economic circumstances and have stood the test of time. Whilst we would not make firm predictions as to what lies ahead we can be confident that we are invested in companies that have proved their ability to deliver throughout the cycle and have belief in their ability to continue to do so.

John Evans
7 June 2023

Manager's review

We remain confident that the Company will continue to deliver growing free cash flow to fund an attractive and growing income stream as well as long term capital growth.

As detailed in the Chairman's statement, in a tumultuous year for global equity markets the Company's NAV declined by 1.8% compared to a return of 0.5% for the Lipper Global –Equity Global Income Index comparator. Since the inception of Troy's management of the Company the NAV has risen by 15.3%.

After delivering strong returns in 2022, this year has been a year of consolidation for the Company and for equity markets. Rising interest rates to combat inflation as well as the ongoing war in Ukraine made for a challenging backdrop. The income account remains robust, however, with the dividend for the year increasing by 5.5%.

Performance

The last 12 months have demonstrated once again the power of branded consumer goods. At a time of rapidly rising interest rates driven by the re-emergence of inflation, our consumer staples portfolio companies have been able to raise prices to offset these headwinds. The combination of well-loved brands, the habit of repeat purchases and powerful distribution networks enables these companies to generate attractive and sustainable returns on capital employed. It is these same competitive advantages that gives these businesses pricing power. They also benefit from having limited capital requirements. This strength has been rewarded by investors over this period as four out of the top five contributors were consumer staples companies. These were Unilever, PepsiCo, Philip Morris and Hershey.

The fifth most significant contributor was Swiss healthcare company, Novartis. This is a high-quality franchise that remains excellent value. Recent results have been received well by investors as they re-appraise the steady if unspectacular growth of this company. The shares have begun to appreciate after a long spell of dull returns.

The key source of underperformance was our real estate investments. Of the three which we hold, two – Vonovia and Boston Properties – were the greatest detractors to performance over the year. The scale of the rise in interest rates and the pace that they have risen has been remarkable. The effect of this change is likely to be felt in the economy and markets with a lag. The impact on property has been far more immediate. For each of these businesses we believed there was a specific reason to invest.

Vonovia is the largest listed owner of German residential real estate (as well as having some exposure to Sweden and Austria). With property in Germany valued at a discount to replacement cost and bolstered by structural factors such as urbanisation and a trend towards smaller households we viewed this an attractive asset. This was further supported by an interest rate that was arguably too low for the German economy since it is set at the EU level. Unfortunately, these trends were overwhelmed by the shift in the structure of interest rates. As detailed on the next page, Vonovia was subsequently sold and was no longer part of the portfolio at the year end.

Similarly, we believed Boston Properties to be attractive owing to its ownership of A grade office property in the coastal cities of the US. It is our contention that the current post-COVID norm of hybrid working practices is unlikely to outlast a more difficult economic environment. However, this trend reversal is taking time and when combined with a rising cost of capital caused the shares to decline in value.

The next two holdings which detracted from performance were both in the healthcare sector, broadly defined. Roche, like Novartis (see previous page) is a high quality Swiss pharmaceutical company. It also has an excellent diagnostics business. The underperformance of the shares derives from a spike in the share price which coincided with the end of March 2022. It is the retreat from this precipitous high that is captured in the poor showing over the last 12 months rather than more worrying operational concerns. The shares remain excellent value.

Medtronic is a high-quality medical technology franchise covering a range of therapeutic and diagnostic medical products. The company suffered during COVID as many elective procedures were postponed. However, it has been rather slower to recover from this disruption than we would like. There have however been some encouraging signs recently including the approval of a new insulin management device for diabetics. The shares remain in the portfolio.

Finally, Domino's Pizza was weak during the year. We continue to believe this is an excellent business trading at a very attractive valuation. The last few years have been marred by friction between the company and the underlying franchisees as well as several management changes including the loss of the CEO, for whom they have yet to find a permanent replacement. Further, investors have worried about the health of the UK consumer. These concerns have weighed on the shares. We believe that these problems will ultimately be solved, and the strategic direction of the business is becoming clearer. We are patiently waiting for the improving operational momentum to be reflected in the share price and it remains a long term investment for the Company.

Portfolio activity

Consistent with Troy's long term investment approach, activity within the portfolio has been limited. We established two new investments, Admiral Group and Texas Instruments funded from the sale of GSK, Western Union and Vonovia. We also added to our investments in Nintendo, Reckitt Benckiser and Link REIT.

Admiral Group ('Admiral') is an excellent business. Dominated by its UK car insurance business, Admiral's market leadership is based on expertise in specialist insurance. 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 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. The company has limited capital requirements and is therefore able to pay a healthy dividend.

For a variety of reasons, the performance of GSK towards the beginning of this period had been strong. These included the spinning-off of the consumer business (named Haleon) following a failed bid by Unilever, a change in dividend policy and US dollar strength (GSK has substantial US dollar earnings). This provided an attractive time to sell.

Conversely Admiral had been a poor performer. During COVID, Admiral's customers had been paying premiums without being able to use their cars, giving a short-term lift 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.

Texas Instruments ('TI') is a leader in analog semiconductors. We have spent the last few years patiently building our semiconductor industry knowledge. TI designs and manufactures relatively low specification chips which don't require the latest manufacturing technology and have incredibly long shelf lives. While other semiconductor companies constantly design and manufacture new CPUs[1] to satisfy the insatiable need for greater computing power, TI chips work for decades. We believe that roughly half of TI's sales derive from chips designed more than ten years ago. The result is a business with little technological risk and relatively low capital intensity.

The semiconductor industry has a degree of cyclicality, however in the case of TI, we consider this risk to be mitigated by having a conservative balance sheet and capital allocation policy that rewards long-term shareholders. Indeed, we believe TI has one of the clearest frameworks for value creation, as described in the Investor Overview document on TI's website. The business is fantastically profitable, ranking in the 89th percentile of S&P500 companies in terms of free cash flow margins. We considered the valuation to be attractive at purchase including offering us a c.3% prospective dividend yield.

The investment was funded by the sale of Western Union and the reduction in our investment in ADP.

Finally, we sold Vonovia and re-invested the proceeds in Link REIT. Link REIT is the largest and, we believe, best managed real estate investment trust in Asia. The company used its scale and reputation to be first to raise equity via a rights issue to offset the problems being felt across the industry from rising interest rates. We participated in the issue and then subsequently added to the investment, funded from the sale of Vonovia. Link REIT now has a low debt profile and is well placed to acquire distressed assets.

[1] Central Processing Units

The overall shape of the portfolio is largely unchanged. Branded consumer goods, healthcare and enterprise software represent a material proportion of the Company. Conversely, we have very limited exposure to sectors that we consider to be more cyclical and require significant capital investment to operate.

On an underlying revenue basis[2] the Company has 48.5% invested in the US, 27.9% in Asia and Emerging Markets (EM), 15.7% in Europe and 7.0% in the UK.

We continue to view the US to be the best economy with the best companies which is reflected in the significant exposure we have to that country.

The proportion of revenue coming from Asia and EM may increase over time. These economies have attractive growth prospects, in part owing to having much younger populations (with the important exception of China). Consumer expenditure is likely to structurally increase over the long term. Our portfolio company management teams are likely to allocate further capital to these areas in the coming years to take advantage of this opportunity.

Our favoured way of gaining exposure to these dynamic economies is via developed market listed businesses. We find them to have superior corporate governance and to demonstrate better capital allocation.

Investment strategy

Equity markets have staged a remarkable recovery from the lows seen in October 2022. We would caution investors that this advance may not be markets sounding the economic "all-clear". We continue to think that the effect of rapidly rising rates and the absence of quantitative easing is working their way through the global economy, albeit with a lag. The notable inversion of the US yield curve (a situation where short-term interest rates are higher than longer term interest rates which usually presages a recession) combined with still elevated equity market valuations is a time for caution.

To us this optimism is being driven by the reasonable expectation that inflation and therefore interest rates are peaking. We fear however that this will simply be the opening scene of a drama that develops ultimately into recession. It may be therefore that while this year capital markets had to contend with rising rates, next year they may have to deal with declining earnings.

At the same time many of our portfolio companies, notably in the consumer staples sector, are beginning to benefit from softening input costs. We are beginning to see the first signs of expanding gross and operating margins as a result. When combined with still healthy demand for these repeat-purchase products we are confident our companies will weather a more difficult economic environment relatively well.

Further we continue to wait patiently to redeploy capital into favoured sectors, but which remain, for now, stubbornly too expensive. If events play out as we have suggested above, this may be about to change.

We remain confident that the Company will continue to deliver growing free cash flow to fund an attractive and growing income stream as well as long term capital growth. Further we are excited by the opportunities that may become available in the coming year.

James Harries
7 June 2023

[2] As at 31 March 2023

Portfolio summary

Portfolio distribution as at 31 March 2023

By region (excluding cash)

	31 March 2023 %	31 March 2022 %
North America	52.9	54.2
Europe	41.0	42.1
Asia	6.1	3.7
	100.0	100.0

By sector (excluding cash)

	31 March 2023 %	31 March 2022 %
Consumer staples	39.9	38.7
Information technology	20.2	20.2
Healthcare	12.9	16.9
Consumer discretionary	7.1	6.0
Financials	6.7	4.7
Industrials	6.2	5.7
Real estate	3.9	5.8
Communication services	3.1	2.0
	100.0	100.0

By asset class (including cash and borrowings)

	31 March 2023 %	31 March 2022 %
Equities	106.5	106.1
Cash	0.7	0.4
Borrowings	(7.2)	(6.5)
	100.0	100.0

Largest 10 holdings

	31 March 2023 Market value £000	31 March 2023 % of total portfolio	31 March 2022 Market value £000	31 March 2022 % of total portfolio
British American Tobacco	13,070	5.6	15,683	6.4
Paychex	12,274	5.3	13,724	5.6
Unilever	12,081	5.2	10,158	4.2
PepsiCo	11,984	5.1	10,740	4.4
Reckitt Benckiser	11,824	5.1	10,541	4.3
Philip Morris	10,402	4.4	12,079	4.9
CME Group	9,934	4.2	11,590	4.7
Diageo	9,417	4.0	10,799	4.4
Automatic Data Processing	9,294	4.0	11,348	4.7
Novartis	9,235	3.9	8,341	3.4

Portfolio holdings

As at 31 March 2023

	Sector	Country	Market value £000	% of total portfolio
North America			**124,002**	**52.9**
Paychex	Information technology	United States	12,274	5.3
PepsiCo	Consumer staples	United States	11,984	5.1
Philip Morris	Consumer staples	United States	10,402	4.4
CME Group	Financials	United States	9,934	4.2
ADP	Information technology	United States	9,294	4.0
Microsoft	Information technology	United States	9,104	3.9
Johnson & Johnson	Healthcare	United States	7,697	3.3
Cisco Systems	Information technology	United States	7,201	3.1
Procter & Gamble	Consumer staples	United States	6,652	2.8
Medtronic	Healthcare	United States	6,432	2.7
McDonald's	Consumer discretionary	United States	5,983	2.6
Fastenal	Industrials	United States	5,509	2.4
Texas Instruments	Information technology	United States	5,427	2.3
Hershey	Consumer staples	United States	4,294	1.8
Accenture	Information technology	United States	3,857	1.6
Coca-Cola	Consumer staples	United States	3,269	1.4
Clorox	Consumer staples	United States	2,694	1.1
Boston Properties	Real estate	United States	1,995	0.9
Europe			**96,267**	**41.0**
British American Tobacco	Consumer staples	United Kingdom	13,070	5.6
Unilever	Consumer staples	United Kingdom	12,081	5.2
Reckitt Benckiser	Consumer staples	United Kingdom	11,824	5.1
Diageo	Consumer staples	United Kingdom	9,417	4.0
Novartis	Healthcare	Switzerland	9,235	3.9
Relx	Industrials	United Kingdom	9,002	3.8
Roche	Healthcare	Switzerland	7,134	3.0
Admiral Group	Financials	United Kingdom	5,950	2.5
Domino's Pizza	Consumer discretionary	United Kingdom	5,407	2.3
Intercontinental Hotels	Consumer discretionary	United Kingdom	5,253	2.2
Nestle	Consumer staples	Switzerland	5,191	2.2
Imperial Brands	Consumer staples	United Kingdom	2,703	1.2
Asia			**14,093**	**6.1**
Nintendo	Communication services	Japan	7,075	3.1
Link REIT	Real estate	Hong Kong	7,018	3.0
Total portfolio			**234,362**	**100.0**

Strategic report

Business model

The Company, as an investment trust, is a UK closed-end public limited company which invests in a diversified portfolio of assets meeting certain tax conditions.

The Company has no employees, and the Board outsources its entire operational infrastructure to third party organisations. In particular, the Board appoints and oversees Troy Asset Management Limited ('Troy' or the 'Manager') as independent manager to manage the investment portfolio and Juniper Partners Limited ('Juniper Partners' or the 'Company Secretary') to provide AIFM, company secretarial and administrative services and to operate the discount control mechanism. The Board sets the Company's strategy, decides the appropriate financial policies to manage the assets and liabilities of the Company, ensures compliance with tax, legal and regulatory requirements and reports regularly to shareholders on the Company's performance. The directors do not envisage any change to this model in the foreseeable future.

For more information on investment trusts please visit www.theaic.co.uk.

Purpose and values

Purpose

The Company's objective is to achieve rising income and long-term capital growth which it seeks to deliver for shareholders through investment in a balanced portfolio constructed from global equities.

Values

Independence: to act independently in the interests of shareholders.

Sustainability: to ensure that the companies in which the Company invests are supportive of good environmental, social and governance practices and that the Manager encourages continuous improvement in these areas.

Transparency: to report transparently and accurately to shareholders on the condition, performance and prospects of the Company.

Culture

The Board considers that its culture of open debate combined with strong governance and the benefits of a diverse Board is central to delivering its purpose, values and strategy. The Board monitors and reviews its culture as part of its annual evaluation process and monitors the culture within the Manager to ensure that it is closely aligned with that of the Company.

Environmental, social and governance (ESG)

The materiality of environmental and social factors has increased over recent years as individuals and regulators have sought to differentiate between companies acting in a responsible and sustainable way and those which are not. Companies with strong corporate governance and capable management teams will be better placed to navigate these changes and create long-term value for shareholders.

The availability of relevant non-financial information and data has improved, resulting in a commensurate increase in the Board and Manager's focus on ESG factors. As such, the Company's duty to investors necessitates that analysis of material ESG risks and opportunities is integrated into the investment process which includes engagement with companies and voting at their AGMs. This is particularly relevant in relation to climate risk which the Manager believes to be both material and systemic.

Both the Board and Manager support the principles of the 2020 UK Stewardship Code, issued by the Financial Reporting Council ('FRC'). These principles typify a high standard of responsible investment and stewardship practices. Troy is a signatory to the UK Stewardship Code; a copy of Troy's Stewardship Report can be viewed at www.taml.co.uk. Troy has also been a member of the United Nations' Principles for Responsible Investment since September 2016, further demonstrating its commitment to upholding responsible investment practices.

Research process

Troy's investment approach is conservative, with attention always paid to the downside risk of any investment. Troy's responsible investment approach aims to ensure alignment with its investment objectives. Central to this is an assessment of ESG-related risks and opportunities during the research process.

Troy may also seek to either mitigate the adverse impact or improve the positive impact of investments on the environment or society if doing so is aligned with improving those investments' risk and return profile. The Manager would only do so if this does not run contrary to the investment objectives of the Company.

Since materiality is dynamic, the Manager does not seek to limit the categories that ESG encompasses. Rather, the Manager's aim is to analyse the ESG factors that are material to each company. Troy does not employ a prescriptive checklist nor does it seek to score holdings on ESG grounds. Instead, the ESG risks and opportunities relevant to each company are qualitatively assessed. Some of the ESG factors considered are outlined below, though this is not an exhaustive list.

Climate change	Natural capital	Product safety & responsibility	Human capital	Corporate governance
Carbon pricing, energy mix, technological disruption, net zero alignment and physical risk.	Natural resource management, biodiversity, pollution, waste and circularity.	Product use and harm, chemical use, data privacy and cyber security.	Human rights, workplace culture and employee treatment and empowerment.	Board effectiveness, management capability, corporate behaviour and business ethics.

Climate change

The extreme weather-related events of 2022 reinforced the gravity with which climate-related calamities can impact entire economies, communities and the health and stability of financial markets.

Troy's long holding periods and the potential for a changing climate to impact physical assets, supply chains and cause wide-spread systemic disruptions, heightens the need for effective climate change mitigation today to minimise the physical risks at a future date. While the portfolio's exposure to high-impact sectors remains limited given the Manager's bias towards capital-light and non-cyclical businesses, the Manager assesses the transition strategies of all investee companies in order to limit exposure to unmanaged climate-related risks as we transition towards a lower carbon economy. For those interested in learning more, Troy recently published its first Climate Report aligned with the recommendations of the Task Force for Climate-Related Financial Disclosures ('TCFD').

Active ownership (engagement and voting)

Whilst the Manager seeks to invest in companies whose business strength and corporate governance mean they generally do not require significant shareholder intervention, the Manager recognises that engagement is an important aspect of its fiduciary duty. Engagement is generally conducted proactively but will occasionally be more reactive if a company takes a course of action that the Manager feels is counter to the creation of long-term shareholder value. The impetus to engage may stem from a breach by the company of generally accepted business practice norms, Troy's proxy voting process or integrated ESG analysis.

Any engagement would be expected to be constructive, have a clear objective and be material in nature.

As an example of such engagement, Troy's Investment Team carried out climate scoping analysis in early 2021. This analysis revealed that Fastenal, a global leader in the distribution of industrial and construction products, did not have a Paris-aligned carbon reduction target and lacked a comprehensive climate strategy. While Fastenal is not a very carbon intensive company itself, its industrial customers are under increased stakeholder pressure to reduce their carbon emissions which entails seeking ways to reduce their footprint along their entire value chain. This means they increasingly apply pressure on their suppliers, like Fastenal, to develop a decarbonisation strategy that is Paris-aligned. Troy engaged with the company, including meeting senior executives, to encourage Fastenal to provide better reporting and stronger governance on climate as well as to set decarbonisation goals that were supportive of a longer-term transition towards net zero. This engagement has since been closed as successful following Fastenal's publication of a net zero target and decarbonisation strategy in January 2023.

The Manager considers (proxy) voting an important part of its stewardship activities and investment process and aims to use its voting rights to both safeguard the interests of investors and encourage environmental and social sustainability (where these objectives are aligned). The Manager will seek to instruct votes, on behalf of investors, on all resolutions for which it has voting authority.

Strategy

Investment policy

The Company's policy is to invest primarily in global equities. The majority of the Company's portfolio is invested in large capitalisation companies (market capitalisations over £1 billion). The resulting diversified portfolio of international quoted companies is focused, typically containing between 30 and 50 high conviction stocks selected on the basis of detailed research analysis. The equity portfolio consists of listed shares and is diversified across a range of holdings.

The Manager has unconstrained discretion to select stocks except that:

- no more than 10% of the Company's gross assets may be invested in listed investment companies (including UK listed investment trusts);
- the Board must approve in advance all investments in investment schemes which are sponsored by the Manager;
- the sum of all holdings over 5% of the total portfolio must not exceed 40% of the portfolio;

Strategic report continued

- no more than 15% of the total portfolio can be invested in collective investment schemes, of which no holding can exceed 10% of the value of the collective investment scheme; and
- warrants cannot exceed 5% of the total portfolio.

The Company's exposure to listed equities is set within a range of 90% to 120% of shareholders' funds in normal circumstances.

The Company's active portfolio management strategy will inevitably involve separate periods where, at different times, the Company's portfolio outperforms and underperforms the market as a whole.

With effect from November 2020 the performance of the Company has been measured against the Lipper Global – Equity Global Income Index which delivered a total return for the year end 31 March 2023 of 0.5%.

As an investment trust, the Company is able to finance part of its operations through bank borrowings (gearing). The Board monitors such borrowings (gearing) closely and takes a prudent approach. Gearing levels are discussed by the Board and Manager regularly and reviewed at every Board meeting. Gearing is limited to 20% of shareholders' funds.

Risk management

Risk management is largely focused on managing investment risk in accordance with the investment policy guidelines set by the Board. The Board has established risk parameters for the Manager within which the portfolio will be managed. The Board reviews, at each board meeting, the relevant risk metrics and monitors investment risk on an ongoing basis.

The wider corporate risks relate mainly to the challenges of managing the Company in an increasingly regulated and competitive market place. These risks are each actively managed through mitigation measures which the Board has put in place and which are discussed on pages 16 and 17 of this report.

Marketing

The marketing strategy seeks to:

- increase demand for the Company's shares;
- obtain ratings and buy recommendations; and
- grow the profile of the Company across the investment space.

This is achieved through active promotion by the Manager and the public relations firm employed by the Company. The Manager maintains the Company's website to provide relevant information relating to performance, outlook and significant developments as they occur. The Company regularly produces other engaging materials for shareholders and potential investors. The Manager also meets regularly with existing and potential institutional shareholders.

Financial

The main financial focus is on the management of shareholder capital; the use of gearing; and the management of the risks to assets and liabilities of the Company.

The Board's principal goal for the management of shareholder capital is to achieve rising income and long-term capital growth.

Dividend policy

The Company's dividend policy is to provide shareholders with a regular income paid quarterly in April, July, October and January.

Gearing and bank facilities

From time to time the Company finances its operations through bank borrowings. The Board monitors such borrowings (gearing) closely and takes a prudent approach.

The Company currently has a multi-currency fixed credit facility with the Royal Bank of Scotland International, which expires on 19 September 2023, for £15,795,000 million drawn in three tranches (£1,500,000, €4,500,000 and US$12,750,000). The facilities are fully drawn down in sterling, euros and US dollars with the intention of increasing income and of improving future investment returns.

The facility also offers a £10 million revolving credit loan which expires on 30 September 2023. This was unutilised at 31 March 2023. Further information on the Company's covenants can be found in note 12 on page 58.

As noted in the Chairman's statement on page 5, the Board is currently discussing renewal terms to replace this facility with an appropriately flexible facility which it expects to be in place when the current facility expires in September 2023.

Duty to promote the success of the Company

The Company is required to provide a statement which describes how the directors have had regard to the matters set out in section 172 of the Companies Act 2006 when performing their duty to promote the success of the Company, including:

- the likely consequence of any decision in the long-term;
- the need to foster the Company's business relationships with suppliers, customers, and others;
- the impact of the Company's operations on the community and the environment;

- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board is focused on promoting the long-term success of the Company and regularly reviews the Company's long-term strategic objectives, including consideration of the impact of the Manager's actions on the marketability and reputation of the Company and the likely impact on the Company's stakeholders of the Company's principal strategies.

The main stakeholders in the Company are its shareholders, the Manager, service providers and debt provider, along with the wider community in which the Company operates. The Manager also engages with the investee companies where appropriate, particularly on performance and ESG issues.

The Board regularly considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

- **Shareholders** – The Board receives regular reports from the Manager on shareholder engagement, with the Manager tasked with maintaining regular and open dialogue with major shareholders. Directors, primarily through the Chairman, also meet regularly with major shareholders to understand their views and to help inform the Board's decision-making process. The Company maintains a website which hosts copies of the annual and interim reports along with factsheets and other relevant materials. Shareholders are also invited to attend the AGM and the annual investment trust seminar run by the Manager at which they have the opportunity to speak directly with directors.
- **Manager** – The Manager's review on pages 7 to 9 details the key investment decisions taken during the year. The Board works closely with the Manager to develop and monitor its investment strategy and activities, not just to achieve its investment objective, but also to deliver the Company's values of independence, sustainability, and transparency. The Board receives presentations from the Manager at every Board meeting to help it exercise effective oversight of the Manager and the Company's strategy. The Management Engagement Committee is tasked with reviewing the performance of the Manager at least annually.
- **Service providers** – The Board seeks to maintain constructive relationships with the Company's key suppliers, either directly or through the Manager or the Company Secretary, with regular communications and meetings. A key relationship is with Juniper Partners, who provide AIFM, company secretarial and fund administration services, as well as operating the discount control mechanism. The Company Secretary is tasked with maintaining a constructive relationship with other third-party suppliers, on behalf of the Company. The Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money.
- **Debt provider** – On behalf of the Board, the Manager and Juniper Partners maintain a positive working relationship with The Royal Bank of Scotland International, the provider of the Company's loan facilities, and provides regular updates on business activities and compliance with its loan covenants.
- **Communities and the environment** – The Board expects good governance standards to be maintained at the companies in which the Company is invested and reviews the engagement and voting activities which are undertaken by the Manager. Further details of the Company's purpose, values and strategy are outlined on page 12. The ESG strategy followed by the Manager is also detailed on pages 12 and 13.

The Board is always mindful of its responsibilities to the stakeholders of the Company and this forms part of every Board decision. Specific examples of stakeholder considerations during the year were:

- **Dividends** – In line with the Board's ambition to provide consistent and sustainably rising dividends over time, the Company has continued to pay quarterly dividends, which have increased by 5.5% from 2022 and by 8.8% since the dividend was rebased in 2021.
- **Discount control mechanism** – The Board continued the formal discount control mechanism ('DCM') to monitor the discount/premium levels at which the Company's shares are traded. The DCM operates under a policy whereby shares can only be issued at a premium and bought at a discount to net asset value. The Board believes the continued operation of the DCM is very important for shareholders as it provides liquidity and reduced discount volatility. Details of shares bought back/issued can be found in note 13 on page 58.
- **Succession planning** – In line with the Company's tenure policy, Angus Gordon Lennox retired at the AGM on 4 July 2022. The Board regularly reviews its composition and succession planning ensuring that there remains an appropriate level of skills and experience on the Board to provide an effective oversight structure for the Company's operations. As a result of these considerations, Alexandra Innes was appointed as a director on 4 April 2022. In addition, Sarah Harvey assumed the role of Senior Independent Director and the Board commenced a search for an additional director. Following a rigorous recruitment process, Gillian Elcock will be appointed to the Board on 21 September 2023.

Strategic report continued

- **Communication** – The Board are aware of the changing nature of the way in which investors hold their shares and that the majority of investors now hold through online platforms. The Board are keen to ensure that the Company remains as accessible as possible to existing and future investors.

  During the year the Company undertook a detailed marketing review, with the assistance of external consultants, to better understand investors views of the Company and the information they wish to receive. As a result of this review a number of marketing initiatives have been implemented including a refreshed website and a wider distribution plan to ensure all investors have access to the relevant information on the Company regardless of how they hold their shares.
- **Name change** – As part of the wider marketing project and the aim to improve the marketability of the shares the Board also undertook a detailed review of the Company's name. The conclusion of this review was that the name be changed to STS Global Income & Growth Trust. Further explanation of the rationale for the name change can be found on page 5.

Principal developments and future prospects

The principal business developments over the course of the year and an update on the future prospects for the Company are set out in the Chairman's statement on pages 4 to 6 and the Manager's review on pages 7 to 9. The future performance of the Company depends upon the success of the Company's investment strategy in the light of economic factors and equity markets developments.

Principal risks and uncertainties

Risk and mitigation

The Company's business model is longstanding and resilient to most of the short-term uncertainties that it faces, which the Board believes are effectively mitigated by its internal controls and the oversight of the Manager, as described in the table below. The principal and emerging risks and uncertainties are therefore largely longer term and driven by the inherent uncertainties of investing in global equity markets.

The Board believes that it is able to respond to these longer-term risks and uncertainties with effective mitigation so that both the potential impact and the likelihood of these seriously affecting shareholders' interests are materially reduced.

Operational and management risks along with a review of potential emerging risks, are regularly monitored at Board meetings and the Board's planned mitigation measures for the principal and emerging risks are described in the table below. As part of its annual strategy meeting, the Board carries out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

The Board maintains a risk register and also carries out a detailed risk analysis as part of its annual strategy meeting. The Board has identified the following principal and emerging risks to the Company:

Principal risks	Mitigation and management
Investment strategy and objectives – Pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate may lead to reduced returns for shareholders and, as a result, the Company may become unattractive to investors, leading to decreased demand for its shares and a widening discount.	The Board formally reviews the Company's objective and strategy on an annual basis, or more regularly if appropriate. The Board also receives updates at each Board meeting from the Manager with regards to the portfolio and its performance; receives broker updates on the market; and is updated on the make-up and movements in the shareholder register. In addition, the Company operates a discount control mechanism; the marketing and distribution activity is actively reviewed; and the Board and Manager proactively engage with shareholders on an ongoing basis.
Investment management – If the longer-term performance of the investment portfolio does not deliver income and capital returns in line with the investment objective and/or consistently underperforms market expectations, the Company may become unattractive to investors.	The Board manages the risk of investment underperformance by relying on the Manager's stock selection skills within a framework of diversification and other investment restrictions and guidelines. The Board monitors the implementation and results of the investment process with the Manager (who attends all Board meetings) and reviews data that shows statistical measures of the Company's risk profile. Should investment underperformance be sustained despite the mitigation measures taken by the Manager, the Board would assess the cause and be able to take appropriate action to manage this risk.

Principal risks	Mitigation and management
Macro-economic and market risk – The Company's portfolio is invested in listed equities and is therefore exposed to events or developments which can affect the general level of share prices, including inflation or deflation, economic recessions and movement in interest rates and currencies which could cause losses within the portfolio and increasing finance and operational costs of the Company.	The Board receives regular updates on the Company's portfolio and the investment environment in which the Manager is operating. An explanation of the different components of market risk and how they are individually managed is contained in note 18 to the financial statements on pages 60 to 63.
Gearing and leverage risk – The Company may borrow money for investment purposes. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings.	The Company's gearing is maintained at a conservative and manageable level. All borrowing facilities require prior approval of the Board and actual borrowing levels are discussed by the Board and Manager at every meeting. Details of the Company's current borrowings and unused facilities can be found in note 12 to the financial statements on page 58. The Company's investments are in quoted securities that are readily realisable and the Board regularly reviews the liquidity level of the portfolio in order to assess how quickly, if necessary, the borrowings could be repaid. The Board, through the Company Secretary, maintains an open and constructive dialogue with the Company's lenders to ensure that any renewal of the facilities is co-ordinated well in advance of the expiration of any existing facilities.
Discount risk – The discount/premium at which the Company's shares trade relative to its net asset value can fluctuate. The risk of a widening discount is that it may undermine investor confidence in the Company.	The Company operates a discount control mechanism which aims to ensure, in normal market conditions, the Company's shares trade, on a consistent basis, at or very close to net asset value. The Board reviews the operation of the discount control mechanism at each Board meeting and maintains a regular dialogue with Juniper Partners (which manages the policy on behalf of the Board) in respect of any issues or buybacks under the policy.
Operational risk – The Company is dependent on third parties for the provision of all services and systems. Any fraud, control failures, cyber threats, business continuity issues at, or poor service from, these third parties could result in financial loss or reputational damage to the Company.	The Board carries out an annual evaluation of its service providers and gives regular feedback to the Manager and Company Secretary through the Management Engagement Committee. The Board receives and reviews control reports from all service providers where appropriate. Periodically, the Board requests representatives from third party service providers to attend Board meetings to give the Board the opportunity to discuss the controls that are in place directly with the third-party providers.
Accounting, legal and regulatory – In order to continue to qualify as an investment trust, the Company must comply with the requirements of section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.	The Board considers that, given the regular oversight of this risk carried out by the Company Secretary and reviewed by the Board, the likelihood of this risk occurring is minimal. The Audit and Risk Committee regularly reviews the eligibility conditions and the Company's compliance against each, including the minimum dividend requirements and shareholder composition for close company status. The Board receives reports from the Manager and Juniper Partners in its capacity as AIFM and Company Secretary to enable it to ensure compliance with all applicable rules.
Climate change risk – There is increasing awareness of the challenges and emerging risks posed by climate change.	The investment process is focused on ESG issues and, as set out on pages 12 and 13, this includes an assessment of the potential impact of climate change. Overall the specific potential effects of climate change are difficult, if not impossible to predict and the Board and Manager continue to monitor material physical and transition risks and opportunities as part of the investment process.

Strategic report continued

Principal risks	Mitigation and management
Geopolitical risk (emerging risk) – The impact of geopolitical events could result in losses to the Company.	Geopolitical risks have always been an input into the investment process. This risk area is now highlighted as a result of the Russian invasion of Ukraine, with the resultant effects on global trade and volatility in asset prices. Further information on this risk and its potential impact on the Company is set out in the Chairman's statement and the Manager's review. The Board seeks to mitigate this risk through maintaining a broadly diversified global equity portfolio with appropriate asset and geographical exposure. The Board and the Manager continue to monitor the ongoing heightened geopolitical risk and are in regular communication on emerging matters which may impact on the portfolio.

Following the ongoing assessment of the principal and emerging risks facing the Company, and its current position, the Board is confident that the company will be able to continue in operation and that the processes of internal control that the Company has adopted and oversight by the Manager and the Company Secretary continues to be effective.

Key performance indicators

The Board provides certain key performance indicators ('KPIs') to monitor and assess the performance of the Company. The principal KPIs are:

1. Performance comparison

The NAV total return to 31 March 2023 was (1.8)% against the Lipper Global-Equity Global Income Index total return of 0.5%, resulting in an underperformance of 2.3% (2022: overperformance of 6.0%).

2. Growth in net assets

The growth in net assets is measured by the growth in the cum income NAV per share during the financial year. The Company's cum income NAV per share fell to 220.37p at 31 March 2023, from 230.75p as at 31 March 2022, a decrease of 4.5% (2022: increase of 13.8%).

The Chairman's statement, on pages 4 to 6, and the Manager's review, on pages 7 to 9, provide more information on performance.

3. Ongoing charges

The Board monitors the ongoing charges to ensure it stays at or below 1.0%. The ongoing charges for the year ended 31 March 2023 were 0.94% (2022: 0.93%) and therefore the KPI was achieved.

4. Discount

In November 2020, the Board introduced the discount control mechanism with the aim to ensure, that in normal market conditions, the Company's shares trade, on a consistent basis, at or very close to NAV. At 31 March 2023, the share price was at a discount of 2.89% (31 March 2022 – premium of 0.11%). The average premium for the year was 0.5% (2022: discount of 1.6%).

The successful implementation of this policy sees shares being purchased and issued by the Company on a consistent basis and the intention is to grow the Company in real terms through share issuances over time.

5. Rising income

The Board aims to achieve rising income through investment in a balanced portfolio constructed from global equities.

The annual dividend for the year ended 31 March 2023 was 6.20p, an increase of 5.5% on the annual dividend for the year ended 31 March 2022 of 5.875p.

Summary of KPIs	Target	Actual	Achieved
1. Performance comparison	Total return to exceed the Lipper Global – Equity Global Income Index	(2.3)%	✘
2. Growth in net assets	Growth in cum income NAV	(4.5)%	✘
3. Ongoing charges	Below 1.0%	0.94%	✔
4. Average premium/(discount)	At or very close to NAV	0.5%	✔
5. Rising income	Dividend per share growth	5.5%	✔

Approved by the Board

John Evans
7 June 2023

Board of directors

John Evans

Independent Non-Executive Director – Chairman

John has over 40 years of experience in the investment trust sector as both a manager and subsequently as a non-executive director. In 1990 John was one of the founders of Aberforth Partners, a specialist investment management firm that invests in UK smaller quoted companies, generally on behalf of institutional investors. Following his retirement from Aberforth, John has been a director and Chair of a number of investment trusts. In addition to being Chair of STS Global Income & Growth Trust he is currently Chair of JP Morgan Mid Cap Investment Trust. He joined the Board of STS Global Income & Growth Trust in February 2016 and was appointed Chairman in November 2019.

Sarah Harvey

Senior Independent Director – Chair of the Marketing and Communications Committee

Sarah has extensive experience in corporate strategy, product and technology, marketing and operations. Sarah has worked in general management roles for a variety of fast growing, international scale up businesses including Prodigy Finance Ltd, Square Inc and Tough Mudder Inc and now advises a number of mid-cap and scale up firms. Her career began with Bain & Company before working in strategy on a range of international projects for businesses and not for-profit organisations. She was appointed to the Board of STS Global Income & Growth Trust in October 2018.

Mark Little

Independent Non-Executive Director – Chairman of the Audit and Risk Committee

Mark has an extensive knowledge of the investment industry, as the former Managing Director of Barclays Wealth Scotland and Northern Ireland. Mark held this position for eight years until 2013 when he retired. Prior to this, Mark held the position of Global Head of Automotive Research at Deutsche Bank where he managed and coordinated its global automotive research product. He is currently a non-executive director of Majedie Investments plc, BlackRock Smaller Companies Trust plc, abrdn Equity Income Trust plc and acts as a consultant to Lindsays LLP. He was appointed to the Board of STS Global Income & Growth Trust in October 2014.

Angus Cockburn

Independent Non-Executive Director – Chairman of the Management Engagement Committee

After six years as Group Chief Financial Officer of Serco Group plc, Angus stepped down from the Serco Board in April 2021. Angus is a chartered accountant with considerable experience gained in a variety of sectors. He has an MBA from the IMD Business School in Switzerland, is an Honorary Professor at the University of Edinburgh and a member of the Institute of Chartered Accountants of Scotland. Prior to joining Serco Group plc in 2014 Angus held roles as Chief Financial Officer and Interim Chief Executive of Aggreko plc, Managing Director of Pringle of Scotland and held senior finance positions at PepsiCo Inc including Regional Finance Director for Central Europe. Angus is currently Senior Independent Director and Chair of the Audit Committee of Ashtead Group plc, a non-executive director of The Edrington Group Limited and Chairman of James Fisher and Sons Limited. He was appointed to the Board of STS Global Income & Growth Trust in May 2021.

Board of directors continued

Alexandra Innes

Independent Non-Executive Director – Chair of the Nomination and Remuneration Committee

Alexandra is a non-executive Committee Member at the Bank of England, a non-executive adviser and member of the Group Executive Board at Knight Frank LLP, and a non-executive director of Dowlais Group Plc, Waverton Investment Management Group Ltd, Schroder Real Estate Investment Trust Ltd, and the UCI Cycling World Championships Ltd, as well as being the Senior Independent Director at Facilities by ADF plc. Alexandra's international executive career spanned investment banking, global capital markets, and investment management, most latterly as Managing Director at Barclays plc, and prior to that as Director of Global Markets at Bank of America Merrill Lynch. She is a Fellow of Chapter Zero, holds an MA Hons Economics from Cambridge University, is a Chartered Member of the CISI (MCSI), a Green and Sustainable Finance Professional, Chartered Banker Institute (CCBI GSFP), and holds the CFA Certificate in ESG Investing. She was appointed to the Board of STS Global Income & Growth Trust in April 2022.

Gillian Elcock

Gillian will be appointed to the Board of STS Global Income & Growth Trust on 21 September 2023

Gillian is the founder of Denny Ellison, an independent investment research and training company, and was its Managing Director for ten years. Prior to this, she worked as an equity research analyst for several years at Putnam Investments and Insight Investment. She was named a finalist in the 'Investment Analyst of the Year' category of the Women in Investment Awards 2018. She started her career as a management consultant at The Boston Consulting Group. Gillian is a Non-Executive Director of International Biotechnology Trust plc. She is also a member of the Board of the CFA UK and was previously Chair of its Networks Steering Committee and a member of its Nominating Committee. Gillian holds an MBA from the Harvard Business School and MEng and BSc degrees from the Massachusetts Institute of Technology.

Report of the directors

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2023

Status

The Company carries on business as an investment trust and its shares have a premium listing on the London Stock Exchange. The Company has been approved by the HM Revenue & Customs as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company will continue to conduct its affairs in a manner which will enable it to retain this status. The Company is domiciled in the UK and is an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company for taxation purposes.

Revenue and dividends

The net revenue return for the year after expenses, interest and taxation was £6,341,000 (2022: £5,854,000), equivalent to a return of 6.34p per share (2022: 5.82p). Interim dividends totalling 4.35p have been paid during the year. The directors recommend a fourth interim dividend of 1.85p per share to be paid on 14 July 2023 to holders on the register at the close of business on 16 June 2023, making a total for the year of 6.20p (2022: 5.875p).

Share capital

As at 31 March 2023, the Company had 99,483,575 ordinary shares of one pence each in issue (2022: 99,525,075) and 22,815,573 ordinary shares held in treasury (2022: 22,774,073). The Company repurchased 1,616,500 shares into treasury at a cost of £3,586,000 during the year. This represented 1.6% of the issued share capital at the year end and had a nominal value of £16,165. During the year 1,575,000 shares held in treasury were reissued for net proceeds of £3,631,000.

A special resolution to renew the authorities to issue and repurchase shares will be put to shareholders for approval at the AGM.

Directors

The Board currently consists of five non-executive directors. The names and biographies of the current directors are set out on pages 19 and 20, indicating their range of experience as well as length of service. All held office throughout the year and up to the date of this report, except for Alexandra Innes who was appointed on 4 April 2022. As noted in the Chairman's statement on page 5, Gillian Elcock will be appointed as a non-executive director on 21 September 2023.

In line with best practice all directors stand annually for either election or re-election at the AGM. New directors automatically offer themselves for election at the AGM immediately following their appointment.

The Board considers that it has a balance of skills and experience relevant to the leadership and direction of the Company and that all directors contribute effectively. The role of the Board and its governance arrangements are set out in the Company's corporate governance statement on pages 28 to 34 which forms part of this report of the directors.

Management arrangements

The Manager

The Company appointed Troy Asset Management Limited as investment manager on 12 November 2020. The Board closely monitors investment performance and the Manager attends each Board meeting to present a detailed update to the Board. The Board uses this opportunity to challenge the Manager on any aspect of the portfolio's management.

AIFM

The Company appointed Juniper Partners Limited as its alternative investment fund manager with effect from 12 November 2020. For its services as AIFM, Juniper Partners receive a fee of 0.015% of the net assets per annum, subject to a minimum fee of £64,000.

The AIFM has formally delegated the portfolio management to Troy as detailed below.

Investment management delegation agreement

As Manager, Troy receives an annual management fee of 0.65% of the net assets of the Company up to £750 million, 0.55% of net assets between £750 million and £1 billion and 0.50% above £1 billion. Troy also made an ongoing annual contribution to the cost of the company secretarial and administration services provided by Juniper Partners. The full investment management fee payable under the investment management delegation agreement has been payable since 12 November 2021.

Following an initial term of three years, the investment management delegation agreement shall be terminable by either party serving six months' notice. No compensation is payable to the Manager in the event of termination of the contract over and above payment in respect of the required minimum notice.

Report of the directors continued

Continued appointment of the Manager

The Board, through the work of the Management Engagement Committee, conducts an annual performance appraisal of the Manager against a number of criteria, including operational performance, investment performance, investment management fees and other contractual considerations.

Following the review by the Management Engagement Committee outlined on page 32, the Board considers the continuing appointment of the Manager to be in the best interests of the shareholders at this time.

As at 31 March 2023 James Harries had an interest in 100,000 shares of the Company. Tomasz Boniek, Assistant Manager, had an interest in 15,974 shares of the Company.

Company secretarial, accounting and administration

Juniper Partners provides company secretarial, accounting and administration services to the Company. Juniper Partners also operates the Company's discount control mechanism.

Depositary and custodian

JP Morgan Europe Limited is the Company's depositary and the custodian is JP Morgan Chase Bank N.A. The depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements. The depositary has delegated the safe keeping function to the custodian.

Shareholder analysis

	% of issued share capital at 31 March 2023	% of issued share capital at 31 March 2022
Wealth managers	**55.1**	55.0
D2C Platform	**26.9**	26.8
Institution	**5.0**	5.1
IFA Platform	**1.3**	1.1
Other	**11.7**	12.0
	100.0	100.0

Source: RDIR

Substantial interests

During the year to 31 March 2023 the Company received notification in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R of the following interests in the voting rights attaching to the Company's issued share capital:

As at 31 March 2023	No. of shares	% issued share capital
Rathbone Investment Management	12,964,585	13.0

Since the year end and up to the date of this report, the Company has been notified of the following:

	No. of shares	% issued share capital
Rathbone Investment Management	12,884,803	13.0

As at 6 June 2023, the last practicable date prior to the printing of this report, the Company has 98,508,575 ordinary shares in issue (excluding treasury shares).

Shareholder and voting rights

Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. The ordinary shares carry a right to receive dividends which are declared from time to time by the Company. On a winding-up, after meeting the liabilities of the Company, any surplus assets would be paid to ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law) and there are no special rights attached to any of the ordinary shares. The Company is not aware of any agreements between shareholders which may result in restrictions on the transfer of ordinary shares or the voting rights attached to them.

Corporate governance statement

The Company's corporate governance statement is set out on pages 28 to 34 and forms part of this report of the directors.

Voting policy

The Company has given discretionary voting powers to Troy. With respect to voting on behalf of clients, Troy's policy is to:

- vote at all general meetings of companies in which its clients are invested;
- ensure in all situations that the economic interests of its clients are paramount; and
- vote consistently on behalf of all clients who are invested in the particular company.

The directors are aware that Troy gives consideration to operational performance, corporate social responsibility and corporate governance issues, among many other factors, when investment decisions are taken.

The Board has noted Troy's adoption of the 2020 FRC Stewardship Code, and a copy of the Manager's policies and voting records can be found at www.taml.co.uk.

Disclosure of information to the auditor

As required by section 418 of the Companies Act 2006 each of the directors of the Company at the time when this report was approved, confirms:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The directors confirm that there are no disclosures to be made in this regard.

Greenhouse gas emissions

As an externally managed investment company with no employees, the Company's greenhouse gas emissions are negligible. Streamlined Energy and Carbon Reporting applies to all large companies. However, as the Company has not consumed more than 40,000 kWh of energy during the past year, it qualifies as a low energy user and is exempt from reporting under these regulations.

Going concern status

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement, Manager's review, Strategic report and the Report of the directors.

The financial position of the Company as at 31 March 2023 is shown on the statement of financial position on page 49. The statement of cash flow of the Company is set out on page 51. Note 18 on pages 60 to 63 sets out the Company's risk management policies, including those covering market price risk, liquidity risk and credit risk.

The Company has a one year revolving credit facility for £10,000,000 which expires in September 2023, which was undrawn at 31 March 2023. In addition, the Company has a multi-currency fixed facility, which expires in September 2023, in three tranches of £1,500,000, €4,500,000 and US$12,750,000, all of which were fully drawn down at the year-end date. Discussions are ongoing in relation to the renewal of the borrowing facilities. Should they not be renewed then the Company has adequate financial resources in the form of readily realisable listed securities and as a result the directors assess that the Company is able to continue in operational existence without the facilities.

In accordance with the 2019 AIC Code of Corporate Governance, the directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale. The directors are mindful of the principal and emerging risks and uncertainties disclosed on pages 16 and 17. They have reviewed revenue forecasts (adjusted for various sensitivities) and they believe that the Company has adequate financial resources and a suitably liquid investment portfolio to continue its operational existence for the foreseeable future, and at least for the period to 31 March 2025, which is at least 12 months from the date the financial statements are authorised for issue.

Report of the directors continued

Viability statement

The Company's business model is designed to achieve rising income and long-term capital growth through investment in a balanced portfolio constructed from global equities unconstrained by geography, sector, stock or market capitalisation. The business model is based on having no fixed or limited life provided global equity markets continue to operate normally. The Board has assessed its viability over a five year period as it believes this is an appropriate period over which it does not expect there to be any significant change to the principal risks and adequacy of the mitigating controls in place. The Board considers that this reflects the minimum period which should be considered in the context of its long-term objective but one which is limited by the inherent and increasing uncertainties involved in assessment over a longer period.

In making this assessment the directors took comfort from the results of a series of stress tests that considered the impact of severe market downturn scenarios on the Company's financial position. The directors also considered the following risks to its ongoing viability:

- the principal and emerging risks and uncertainties and the mitigating actions set out on pages 16 and 17;
- the mitigation measures which key service providers including the Manager have in place to maintain operational resilience;
- the challenges posed by climate change;
- the ongoing relevance of the Company's investment objective in the current environment;
- the level of income forecast to be generated by the Company and the liquidity of the Company's portfolio;
- the level of fixed costs and debt relative to its liquid assets; and
- the expectation is that the current portfolio could be liquidated to the extent of 97.6% within three trading days.

Based on this assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Post balance sheet events

Since 31 March 2023, there are no commitments/ contingent liabilities and post balance sheet events which would require the adjustment of or disclosure in the financial statements.

Performance, outlook and trends likely to affect future performance

Please refer to the Chairman's statement on pages 4 to 6 and the Manager's review on pages 7 to 9 for an update on the performance of the Company over the year and outlook for 2023, together with information on the trends likely to affect the future performance of the Company.

AGM

The AGM of the Company will be held at 2.00pm on 20 September 2023, at 28 Walker Street, Edinburgh EH3 7HR.

Shareholders are encouraged to vote by proxy. If shares are not held directly, for example either through a platform or a wealth manager, investors are encouraged to arrange for their nominee to vote on their behalf. Questions to the AGM may be written on the form of proxy in the space provided, and a written response will be posted on the Company's website following the meeting. The Notice of AGM is included on pages 70 to 73. Resolutions relating to the following items of business will be proposed:

Remuneration report – ordinary resolution

In accordance with the provisions of the Companies Act 2006 the directors' remuneration report will be put to an annual shareholder vote by ordinary resolution. The vote is advisory in nature and is in respect of the overall remuneration package which is in place for directors of the Company, and not specific to individual levels of remuneration.

Remuneration policy – ordinary resolution

The Company seeks approval of the directors' remuneration policy every three years. The policy was last approved at the annual general meeting held in 2020 and is therefore due for approval again at the upcoming AGM. Resolution 3, which is an ordinary resolution, seeks approval of the policy which is set out in detail on page 35.

Dividend policy – ordinary resolution

As a result of the timing of the payment of the Company's quarterly dividends in January, April, July and October, the Company's shareholders are unable to approve a final dividend each year. As an alternative the Board intend to put the Company's dividend policy to shareholders for approval on an annual basis.

Resolution 4, which is an ordinary resolution, relates to the approval of the Company's dividend policy which is as follows:

Dividends on the ordinary shares are payable quarterly in January, April, July and October. The payment of dividends in accordance with this dividend policy is subject always to market conditions and the Company's financial position and outlook.

Election and re-election of directors – ordinary resolutions

Biographical detail of the directors can be found on pages 19 and 20. In accordance with the principles of good governance set out in the UK Corporate Governance Code all directors who will continue following the AGM will seek re-election. In proposing the election and re-election of the directors, the Chairman has confirmed that, following the most recent evaluation, each director continues to make an effective and valuable contribution to the Board and demonstrates commitment to their role.

Aggregate directors' remuneration – ordinary resolution

The articles of association provide that directors' fees shall not, in aggregate, exceed £200,000 per annum. Although there are currently no plans to make any further changes to the levels of fees paid to the non-executive directors, save for those increases disclosed in the remuneration report, the Board wish to propose an increase to the fee limit contained in the articles of association to reflect the increased size of the Board and to allow for the recruitment of additional non-executive directors as part of the continued refreshment of the Board. It is proposed that the fee limit be increased to £250,000 per annum in aggregate. Directors' remuneration will continue to be paid in accordance with the approved directors' remuneration policy.

Allotment of shares – ordinary resolution

Section 551 of the Companies Act 2006 provides that the directors may not allot new shares without shareholder approval. Resolution 13 seeks to renew the directors' authority to allot shares up to a maximum aggregate nominal amount of £328,362 (being an amount equal to one third of the issued share capital of the Company (excluding treasury shares) as at 6 June 2023, being the last practicable date before the date of this document). The Board intends to exercise this power only once the number of shares held by the Company in treasury is not sufficient to support share issuance by the Company. As at 6 June 2023, being the last practicable date prior to the publication of this document, the Company held 23,790,573 ordinary shares in treasury, representing approximately 24.2% of the Company's issued share capital (excluding treasury shares).

The authority will expire on 30 September 2024 or, if earlier, at the AGM of the Company to be held in 2024, unless previously cancelled or varied by the Company in general meeting.

Disapplication of statutory pre-emption rights – special resolution

Resolution 14 proposes as a special resolution to continue the directors' authority under sections 570 and 573 of the Companies Act 2006 to allot shares for cash in certain circumstances otherwise than pro rata to all the shareholders up to an aggregate nominal amount of £244,598 (representing 20% of the Company's issued share capital, including treasury shares as at 6 June 2023, the latest practicable date before publication of the accounts). Any issue of shares would be made in accordance with the Company's articles of association. The directors issue new ordinary shares or re-issue shares from treasury only when they believe it is advantageous to the Company's shareholders to do so and for the purposes of operating the Company's discount control mechanism. Any such issue of shares would only be undertaken at a premium to the NAV at the time of dealing. In no circumstances would such issue of new ordinary shares or re-issue of shares from treasury result in a dilution of the net asset value per share.

For the purposes of this resolution, allotment of shares includes the sale of treasury shares. As at 6 June 2023, being the last practicable date prior to the publication of this document, the Company held 23,790,573 ordinary shares in treasury, representing approximately 24.2% of the Company's issued share capital (excluding treasury shares).

Purchase of own shares – special resolution

Each year the directors seek authority from shareholders to purchase the Company's own shares. The directors recommend that shareholders renew this authority by passing resolution 15.

Any shares purchased pursuant to this authority may be automatically cancelled or held in treasury pursuant to the Companies (Acquisition of own shares) (Treasury shares) Regulations 2003. Resolution 15 specifies the maximum number of shares that may be acquired being 14.99% of the issued share capital as at 6 June 2023, being the last practicable date prior to the publication of this document, and the maximum and minimum prices at which they may be bought and, if passed, would lapse at the Company's AGM in 2024.

Report of the directors continued

The main effect of any share buybacks (whether for cancellation or to be held in treasury) will be to enhance the net asset value of the remaining ordinary shares, as the shares will only be acquired at a cost that is less than their net asset value.

Purchases can provide liquidity for shareholders wishing to sell their ordinary shares and may have a beneficial effect on the discount to their net asset value at which the ordinary shares currently trade. The purpose of holding some shares in treasury is to allow the Company to re-issue those shares quickly and cost-effectively, thus providing the Company with greater flexibility in the management of its capital base. Whilst in treasury no dividends are payable on or voting rights attached to the shares.

Purchase by the Company of its own shares will be funded either by using available cash resources, by selling investments in the portfolio or through borrowings. During the year ended 31 March 2023, the Company bought back 1,616,500 ordinary shares to be held in treasury. As at 31 March 2023, the Company holds 22,815,573 shares in treasury representing 22.9% of the issued share capital of the Company. As at 6 June 2023 being the last practicable date before publication of the accounts, the Company holds 23,790,573 shares in the treasury representing 24.2% of the issued share capital of the Company (excluding treasury shares).

Notice period for general meetings – special resolution

The Company's articles of association enable the Company to call general meetings (other than an AGM) on 14 clear days' notice. In order for this to be effective, shareholders must also approve annually the calling of meetings other than AGMs on 14 days' notice. Resolution 16 will be proposed at the AGM to seek such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The Company meets the requirements for electronic voting under the Companies Act 2006, offering facilities for all shareholders to vote by electronic means. The Board believes it is in the best interests of shareholders for the shorter notice period to be available to the Company, although it is intended that this flexibility will be used only for early renewals of the Board's authority to issue new shares or re-issue shares from treasury and only where merited in the interests of shareholders as a whole.

Recommendation

The directors believe all the resolutions proposed are in the best interests of the Company and the shareholders as a whole and recommend all shareholders to vote in favour of all the resolutions.

The results of the votes on the resolutions at the AGM will be published on the Company's website www.stsplc.co.uk.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102"). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with section 10 of FRS102, and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in FRS102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The financial statements are published on the Company's website, www.stsplc.co.uk, which is maintained by the Manager. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of the Manager.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of directors on 7 June 2023 and is signed on its behalf by:

John Evans
7 June 2023

Corporate governance statement

Corporate governance

Corporate governance is the process by which the Board seeks to look after shareholders' interests and protect and enhance shareholder value. Shareholders hold the directors responsible for the stewardship of the Company, delegating authority and responsibility to the directors to manage the Company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. It aims to run the Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing our business well and engaging effectively with investors. The Board consider the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

This report, which is part of the Report of the directors, explains how the Board addresses its responsibility, authority and accountability.

Compliance with the AIC Code

The Board of the Company has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance ('AIC Code'). The AIC Code addresses the principles and provisions set out in the 2018 UK Corporate Governance Code (the 'UK Code'), as well as setting out additional provisions on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to Shareholders than if it had adopted the UK Code. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Role of the Board

Investment companies have a board of directors whose duty it is to govern the Company to secure the best possible return for shareholders within the framework set out in the Company's articles of association – in other words, to look after the interests of shareholders. The Board met five times during the year on a formal basis and on an ad-hoc basis when required, to consider the Company's strategy and monitor the Company's performance (see table on the next page). The directors are directly answerable to shareholders.

An investment trust Board provides a very specific and proactive form of direct oversight of the investment of the shareholders' funds.

The Board takes this responsibility extremely seriously and serves shareholders by ensuring that the interests of the Manager are aligned as closely as possible with those of shareholders.

The Board consists of a Chairman and four non-executive directors, all of whom are considered under the AIC Code to be independent of the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct. Biographies for all of the directors are on pages 19 and 20, which demonstrate a breadth of investment knowledge, business and financial skills which enable them to provide effective strategic leadership and proper governance of the Company.

The number of routine Board and committee meetings attended by each director during the year compared to the total number of meetings that each director was eligible to attend is detailed in the table on page 29. The Board meets formally at least five times a year, and more frequently where business needs require. In addition, the Board maintains regular contact with the Manager and Company Secretary.

The primary focus at regular Board meetings is a review of investment performance and associated matters including asset allocation, promotion and investor relations, peer group information and industry issues. To enable the Board to function effectively and allow directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the portfolio manager's review, performance reports and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. The Board undertakes an annual review of culture, policies and practices to ensure that they are aligned with the Company's values and objectives.

The role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates effective contribution, and encourages active engagement, by each director. The Chairman also ensures that directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all directors understand shareholder views.

The Senior Independent Director acts as a sounding Board for the Chairman and acts as an intermediary for other directors, when necessary. Working closely with the Nomination and Remuneration Committee, the Senior Independent Director takes responsibility for the annual appraisal of the Chairman's performance and is available to shareholders to discuss any concerns they may have. As noted in the Chairman's statement, Sarah Harvey assumed the role of Senior Independent Director following Angus Gordon Lennox's retirement at the 2022 AGM.

Committee structure

There are four Board committees: Audit and Risk, Marketing and Communications, Management Engagement and Nomination and Remuneration. Terms of reference for each of the committees are available via the Company Secretary. Directors who are not members of committees may attend at the invitation of the committee chairman. Further details of the work of each committee and their members is set out on page 33.

Directors' meetings

The following table shows the number of formal Board and Board Committee meetings held during the year and the number attended by each director.

	Board (5 meetings)	Management Engagement Committee (1 meeting)	Audit and Risk Committee (3 meetings)	Nomination and Remuneration Committee (1 meeting)	Marketing and Communications Committee (2 meetings)
John Evans	5/5	1/1	N/A	1/1	2/2
Angus Cockburn	5/5	1/1	3/3	1/1	2/2
Angus Gordon Lennox	2/2	0/0	1/1	0/0	0/0
Sarah Harvey	5/5	1/1	3/3	1/1	2/2
Alexandra Innes	5/5	1/1	3/3	1/1	2/2
Mark Little	5/5	1/1	3/3	1/1	2/2

Notes:

1. John Evans, as Chairman, does not sit on the Audit and Risk Committee but attended each of the meetings.
2. Angus Gordon Lennox retired on 4 July 2022.

Corporate governance statement continued

Directors' independence and succession planning

The Board consists of five non-executive directors, each of whom is considered independent. Directors are initially appointed until the following annual general meeting when, under the Company's articles of association, it is required that they be elected by shareholders. The Board has decided that all directors will stand for annual re-election in line with best practice under the AIC Code.

The Board does not believe that length of service in itself necessarily disqualifies a director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the AIC Code, including the need to refresh the Board and its committees.

In accordance with the AIC Code, all directors are considered to be independent of the Manager. They are free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct and demonstrate a breadth of investment knowledge, business and financial skills which enable them to provide effective strategic leadership and proper governance of the Company.

The Board plans for its own succession with the assistance of the Nomination and Remuneration Committee. This process involves the identification of the need for a new appointment, and the preparation of a brief including a description of the role and specification of the capabilities required.

The Nomination and Remuneration Committee may seek assistance in identifying suitable candidates by appointing an external recruitment firm. During the year the Company engaged Stonehaven Search Limited as its external recruitment firm as part of the recruitment of Gillian Elcock, who will be appointed to the Board on 21 September 2023. Stonehaven does not have any other connections with the Company. It would typically consider candidates from a wide range of backgrounds, having consideration for the diversity of the Board as a whole, including but not limited to gender and ethnicity.

Tenure

The Board has adopted a tenure policy for all directors, including the Chairman, which states that the Board believes that it is an advantage to have the continuous contribution of directors over a period of time during which they are able to develop awareness and insight of the Company and thereby be able to make a valuable contribution to the Board as a whole. The Board believes that it is appropriate for a director to serve for up to nine years following their initial election at their first AGM, and it is expected that directors will stand down from the Board after that time. However, a flexible approach to tenure has been adopted and that period may be extended for a limited time to facilitate effective succession planning whilst still ensuring regular refreshment and diversity on the Board.

Board diversity

The Nomination and Remuneration Committee considers diversity, including balance of skills, knowledge, gender, social and ethnic backgrounds, cognitive and personal strengths and experience , amongst other factors when reviewing the composition of the Board.

The Nomination and Remuneration Committee does not consider it appropriate to establish diversity targets or quotas at this time. However, it is conscious of the diversity targets set out in the FCA Listing Rules and the AIC Code of Corporate Governance in appointing appropriately diverse, independent non-executive directors who set the operational and moral standards of the Company and aims to have an appropriate level of diversity on the Board.

In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has provided the following information in relation to its diversity as at 31 March 2023, being the financial year-end of the Company. The information included in the tables below has been obtained following confirmation from the individual directors. As shown in the tables, the Company did not meet the FCA ethnic diversity target as at 31 March 2023, however, with effect from 21 September 2023 and the appointment of Gillian Elcock, the Company will meet the new target. The Board will continue to take all matters of diversity into account as part of its succession planning and aims to have an appropriate level of diversity on the Board.

Board gender as at 31 March 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[4]	Number in executive management[1]	Percentage of executive management[1]
Men	3	60%	1	n/a	n/a
Woman	2	40%[2]	1[3]	n/a	n/a
Not specified/prefer not to say	–	–	–	n/a	n/a

Board ethnic background as at 31 March 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[4]	Number in executive management[1]	Percentage of executive management[1]
White British or other white (including minority-white groups)	5	100%[5]	2	n/a	n/a
Mixed/multiple ethnic groups	–	–	–	n/a	n/a
Asian/Asian British	–	–	–	n/a	n/a
Black/African/Caribbean/ Black British	–	–	–	n/a	n/a
Other ethnic group, including Arab	–	–	–	n/a	n/a
Not specified/prefer not to say	–	–	–	n/a	n/a

1. The number of Directors in executive management is not applicable for an investment trust.
2. This meets the Listing Rules target of 40%.
3. This meets the Listing Rules target of at least one senior position on the Board to be held by a woman.
4. For the purposes of the Listing Rule disclosures only the positions of Chairman and Senior Independent Director are relevant for an investment trust.
5. With effect from 21 September 2023, following the appointment of Gillian Elcock, the Company will meet the Listing Rules target on ethnic diversity of one ethnic individual.

Induction and training

The Company Secretary provides all directors with induction training on appointment, tailored to the needs of individual appointees. The induction programme includes one-to-one meetings with representatives of the Manager and the Company Secretary. Regular briefings are provided on changes in regulatory requirements that affect the Company and directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. Board meetings regularly include agenda items on recent developments in governance and investment trust issues.

Directors' indemnity

The Company provides a deed of indemnity to each director to the extent permitted by United Kingdom law whereby the Company is able to indemnify such a director against any defence costs incurred in proceedings brought by the Company against a director in which the director successfully defends. The Company also has in place a director and officer liability insurance policy that is renewed annually.

Performance evaluation

A formal, annual, appraisal system has been agreed for the evaluation of the Board, its committees and the individual directors, including the Chairman. The Board and Committee evaluation questionnaires are drawn up by the Company Secretary and completed by each Director. The responses are collated and discussed. The Chairman leads the evaluation of the Board, committee and individual directors, including consideration of the time commitment, skills and experience of the directors, while the Senior Independent Director leads the evaluation of the Chairman's performance. The Board has given consideration to appointing an external Board evaluator, however, it does not believe it is necessary at this time. The results of the evaluation process were presented to and considered by the Board. There were no significant actions arising from the evaluation process and it was agreed that the current composition of the Board and its committees reflected a suitable mix of skills and experience. It concluded that the Board as a whole, the individual directors and its committees were functioning effectively.

Corporate governance statement continued

As a result of the Board's evaluation process the Chairman confirms that all directors continue to be effective and their election/re-election is recommended.

The Board also regularly reviews the performance of the Manager. The Management Engagement Committee meets to review the continuing appointment of the Manager and reviews the terms of the investment management agreement, to ensure that it remains competitive and in the best interest of shareholders along with the continuing appointment of other key service providers.

Company secretary

The Board has direct access to company secretarial advice and services of Juniper Partners which, through its nominated representatives, is responsible for ensuring that Board and committee procedures are followed, and that applicable regulations are complied with.

Conflicts of interest

Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval. The Board may impose restrictions or refuse to authorise such conflicts if deemed appropriate. The Board regularly monitors the interests of each director and a register of directors' interests, including potential conflicts of interest, is maintained by the Company. Directors who have potential conflicts of interest will not take part in any discussions which relate to that particular conflict. The Board considers that the framework has worked effectively throughout the year under review.

Anti-bribery

The Board has a zero tolerance policy towards bribery and ensures that its service providers and associated persons have adequate anti-bribery policies and procedures in place which are high level, proportionate and risk based.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Modern slavery statement

The Modern Slavery Act 2015 requires certain companies to prepare a slavery and human trafficking statement. As the Company has no employees and does not supply goods and services, it does not fall within the scope of the Modern Slavery Act and therefore no slavery or human trafficking statement is included in the annual report. Whilst the Company is not within the scope of the Modern Slavery Act 2015, it has considered its supply chains to be of low risk. The Company's supply chain is limited, and its suppliers include Troy as Manager, Juniper Partners as AIFM, Company Secretary and administrator and a number of other professional firms and advisers. The Company takes a zero-tolerance approach to slavery and human trafficking and expects all those it deals with to demonstrate the same attitude.

Relations with shareholders

The Company places great importance on communication with shareholders. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders twice a year by way of the annual report and the half-yearly report. The net asset value of the Company's shares is available daily through the London Stock Exchange and the Company's monthly updates are available on the website. In addition, the Chairman meets major shareholders annually or as necessary without the Manager present.

The Board monitors the shareholder base of the Company at every Board meeting. All shareholders have the opportunity to attend the Company's AGM and the Manager's annual investment trust seminar at which the directors and representatives of the Manager are available to meet shareholders and answer questions. The Manager also presents a review of the Company's performance and invites questions from shareholders at both events.

The Manager's business development team also maintains regular contact with the Company's shareholders and reports regularly to the Board. Shareholders can also contact the directors throughout the year, through the Company Secretary.

Board committees

Management Engagement Committee

The Committee, chaired by Angus Cockburn and comprising of all directors, met once during the year and its responsibilities include:

- reviewing the continuing appointment of the Manager;
- reviewing the performance of the Manager in terms of investment performance, marketing and administration services provided;
- reviewing the terms of the investment management agreement, to ensure that it remains competitive and in the best interests of Shareholders; and
- reviewing the performance of other service providers to the Company including the Company Secretary, depositary, registrar and broker.

Nomination and Remuneration Committee

The Committee, chaired by Alexandra Innes and comprising of all directors, met once during the year and its responsibilities include:

- assessing the skills, knowledge, experience and diversity required on the Board and the extent to which each are represented;
- establishing processes for the review of the performance of the the Board and its committees as a whole;
- establishing processes for the identification of suitable candidates for appointment to the Board;
- overseeing succession planning for the Board;
- reviewing the performance of each director during the period in which they have been a member of the Board and considering the recommendation to shareholders to approve their re-appointment; and
- to consider the directors' remuneration policy and approve any changes to directors' remuneration arising as a result of such policy.

Marketing and Communications Committee

The Committee, chaired by Sarah Harvey and comprising of all directors, met twice during the year and its responsibilities include:

- considering the marketing strategy for the Company and associated key performance indicators;
- reviewing the Company's communications with its shareholders; and
- understanding the shareholder register and agreeing the distribution strategy with the Manager.

The Committee has also reviewed the preparations that both Juniper Partners as AIFM and Troy as Manager have undertaken in preparation for the new FCA Consumer Duty (the 'Duty'). The Duty introduces a new standard of care that firms are expected to provide to consumers and creates a variety of obligations that are designed to deliver better outcomes for retail customers. The Duty does not apply directly to the Company as it is not a regulated entity, however it does apply to the key external service providers who manage the portfolio and distribute the Company's shares, including Juniper Partners and the Manager. The Committee has therefore undertaken a detailed review of the plans in place in relation to the implementation of the Duty and the additional systems and controls and proposed reporting obligations to ensure they are comfortable with the proposed arrangements. Sarah Harvey, as Chair of the Committee, will be responsible for the continued oversight of the service provider's compliance with the Duty and any exception reporting to the Board from Juniper Partners and the Manager going forward.

Audit and Risk Committee

The Committee, chaired by Mark Little, comprises all the directors save for John Evans, the Company's Chairman, who in line with best practice does not formally sit on the Committee but attends each of the meetings. The Committee met three times during the year. Further information may be found in the Audit and Risk Committee's report on pages 38 to 40.

Internal control

The AIC Code and the FCA's Disclosure Guidance and Transparency Rules require directors, at least annually, to review the effectiveness of the Company's system of internal control and include a description of the main features relating to the financial reporting process.

Investment management and all administrative services are provided to the Company by Troy and Juniper Partners, respectively, the company's system of internal control mainly comprises monitoring the services provided by them, including the operating controls established by them, to ensure that they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the risk and compliance department of both firms. This arrangement is kept under review. Juniper Partners also carries out a review of the custodial activities carried out by J.P. Morgan Chase Bank N.A.

Corporate governance statement continued

The Board, either directly or through its Committees, reviews the effectiveness of the Company's system of internal control by monitoring the operation of the key controls of main service providers and:

- reviews an internal control report as provided to the Board annually by the Manager. This report details significant risks, regulatory issues, error management and complaint handling;
- reviews the terms of the management agreement;
- reviews reports on the internal controls and the operations of the Manager and of the custodian; and
- reviews the risk profile of the Company and considers investment risk at every Board meeting.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company including the principal and emerging risks as outlined on pages 16 and 17. This process accords with the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

During the course of its review of internal controls, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant, and is satisfied with the arrangements.

Internal control and risk management systems in relation to the financial reporting process

The directors are responsible for the Company's system of internal control, designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable.

Juniper Partners, in its capacity as administrator, has in place stringent controls that monitor the following activities within the financial reporting process:

- investment and related cash transactions are completely and accurately recorded and settled in a timely manner;
- corporate actions are identified and generated respectively, and then processed and recorded accurately and in a timely manner;
- investment income is accurately recorded in the proper period;
- investments are valued using current prices obtained from independent external pricing sources;
- cash and securities positions are completely and accurately recorded and reconciled to third party data; and
- investment management fees are accurately calculated and recorded.

The system of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's systems of internal control for the year ended 31 March 2023, and to the date of approval of this annual report.

John Evans
Chairman

7 June 2023

Directors’ remuneration statement

Nomination and Remuneration Committee

The Committee has responsibility for setting the remuneration policy for all directors, taking into account factors such as time commitment and responsibilities of the role, with the objective to attract and retain directors of the quality required to run the Company successfully, without paying more than is necessary. The Committee is also responsible for reviewing and setting directors’ remuneration levels.

Remuneration statement

The Board has prepared this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution to approve this report will be put to the members at the AGM.

Company law requires the Company’s auditor to audit certain disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The auditor’s opinion is included in their report on pages 41 to 47.

Directors’ remuneration policy

The Board’s policy is that the remuneration of non-executive directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure (ordinary shares and borrowings) and have similar investment objectives (principally global growth and income). It is intended that this policy will continue for the year ending 31 March 2024 and subsequent periods. The fees for the non-executive directors are determined within the limits set out in the Company’s articles of association.

Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties. The Company pays any UK tax and National Insurance due on the reimbursed expenses. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors do not have a service contract but are provided with letters of appointment. All directors are appointed for an initial term covering the period from the date of appointment until the first AGM at which they are required to stand for election in accordance with the Company’s articles of association. Thereafter the directors have chosen to be re-elected annually. There is no notice period and no provision for compensation upon early termination of appointment. The directors’ remuneration policy will be put to shareholders at least once every three years and was last approved by shareholders at the AGM in 2020. It will therefore be put again to shareholders at the upcoming AGM this year.

Annual report on remuneration

The Nomination and Remuneration Committee considered the directors’ fees in the context of the benchmark data from its peer group. To reflect the increasing regulatory and compliance requirements on the Board and recognising the importance of an appropriate level of fees for the recruitment process, with effect from 1 April 2023, it was agreed that directors’ fees would increase to £30,000 per annum (2022/2023: £26,500), the Chairman of the Audit and Risk Committee’s fee would increase to £35,000 per annum (2022/2023: £31,500) and the Chairman’s fee would increase to £45,000 (2022/2023: £40,500). In recognition of the additional work and responsibility of the role, it was also agreed that an additional fee of £3,000 per annum would be paid to the Senior Independent Director.

Directors’ shareholdings (audited)

The directors in office at 31 March 2023 and the number of shares in the Company over which they held an interest (including those of connected persons) are listed below.

As at 31 March	2023	2022
John Evans	50,000	50,000
Angus Cockburn	100,000	100,000
Sarah Harvey	503	503
Alexandra Innes	–	–
Mark Little	16,213	16,213

As at 7 June 2023 there have been no changes to the above table.

Approval

An ordinary resolution for the approval of the directors’ annual report on remuneration will be put to shareholders at the upcoming AGM. At the previous AGM held on 4 July 2022, the Shareholders voted in favour of the directors’ remuneration report for the year ended 31 March 2022.

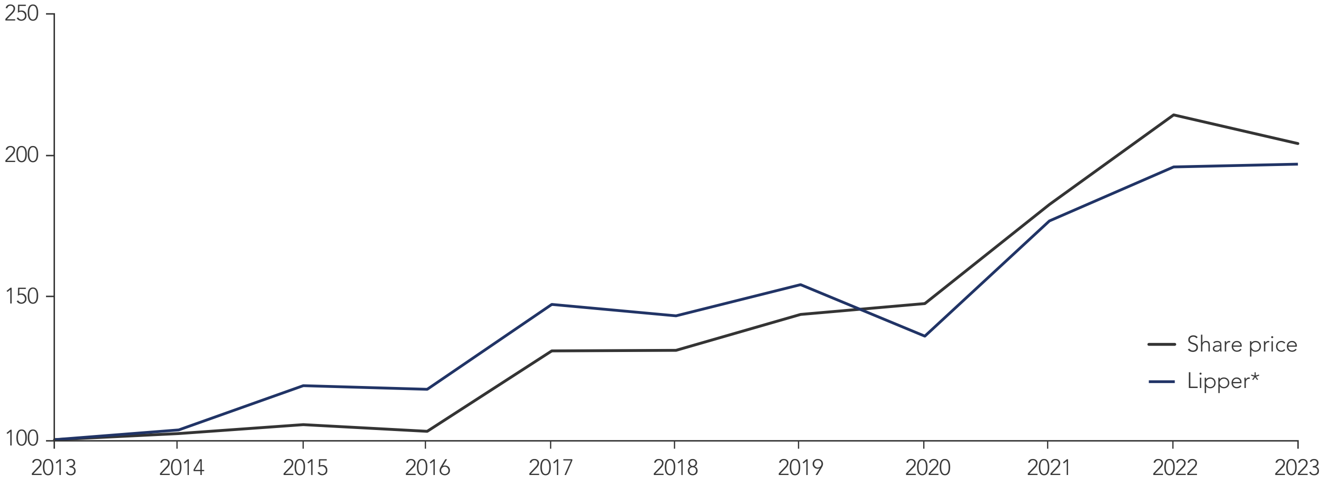
Of the proxy votes received, 99.83% of votes were cast in favour of the directors’ remuneration report (56,824 proxy votes were cast against the report and 3,647,820 proxy votes were withheld).

Directors' remuneration statement continued

Company performance

A graph showing the Company's share price total return compared to the Lipper Global-Equity Global Income Index, over the last 10 years is shown below. This index is deemed to be the most appropriate one against which to measure the Company's long-term performance.

Total return (% change over 10 years)



Source: Troy Asset Management Limited.

* The Lipper Global – Equity Global Income Index is used as a proxy for the market.

Directors' emoluments for the year (audited)

	2022/2023 £	2021/2022 £	2020/2021 £
John Evans (Chairman of the Board)	40,500	39,000	38,500
Mark Little (Chairman of the Audit and Risk Committee)	31,500	30,500	30,000
Angus Cockburn (appointed on 1 May 2021)	26,500	23,458	–
Angus Gordon Lennox (retired on 4 July 2022)	6,829	25,500	25,000
Sarah Harvey (Senior Independent Director)	26,500	25,500	25,000
Alexandra Innes (appointed 4 April 2022)	26,330	–	–
	158,159	143,958	118,500

Annual percentage change in remuneration of directors

The table below is a disclosure requirement under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and sets out the annual percentage change in each director's remuneration received in the financial year ended 31 March 2023 compared to the financial years ended 31 March 2022 and 31 March 2021. The percentage change reflects changes in role and less than full year appointment.

Director	2023 Total fees % change	2022 Total fees % change	2021 Total fees % change
John Evans[1]	3.8%	1.3%	21.1%
Mark Little	3.3%	1.7%	1.7%
Angus Cockburn[2]	13.0%	n/a	n/a
Angus Gordon Lennox[3]	(73.2%)	2.0%	2.0%
Sarah Harvey	3.9%	2.0%	2.0%
Alexandra Innes[4]	–	–	–

1 John Evans assumed the role of chairman on 17 September 2019.

2 Angus Cockburn appointed on 1 May 2021.

3 Angus Gordon Lennox retired on 4 July 2022.

4 Alexandra Innes appointed on 4 April 2022.

Relative importance of spend on directors' remuneration

To enable shareholders to assess the relative importance of spend on remuneration, the directors' total remuneration has been shown in a table below compared with the company's dividend distributions.

	2022/2023 £000's	2021/2022 £000's	Change £000's
Directors' total remuneration	158	144	14
Dividends paid and payable	6,170	5,872	298

On behalf of the board

Alexandra Innes
Chairman of the Nomination and Remuneration Committee

7 June 2023

Audit and Risk Committee report

I am pleased to present the Committee's report to shareholders for the year ended 31 March 2023. This report describes the range of work undertaken by the Committee.

The Audit and Risk Committee is chaired by Mark Little and comprises all of the directors with the exception of John Evans, Chairman of the Company. The Company Chairman attended each of the meetings by invitation from the Committee. The Board reviews the relevant skills and experience of the Audit and Risk Committee as part of the annual Board review and believes that the members of the Committee have the appropriate skills and experience. Biographies of the members of the Committee are on pages 19 and 20.

Role and responsibilities

The Committee has continued to support the Board in fulfilling its oversight responsibilities, reviewing the financial reporting process, the systems of internal control and management of risk, the audit process and the Company's process for monitoring compliance with laws and regulations.

The Audit and Risk Committee's responsibilities include:

- monitoring and reviewing the integrity of financial statements and ensuring in particular that, taken as a whole, they are fair, balanced and understandable;
- review of the internal financial controls;
- making recommendations to the Board in relation to the appointment, evaluation and dismissal of the external auditors, their remuneration, terms of their engagement and reviewing their independence and objectivity, effectiveness, and overall effectiveness of the audit process;
- reviewing the external auditor's audit plan and year end report;
- developing and implementing policy on the engagement of the external auditors to supply non-audit services;
- reporting to the Board, identifying any matter in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; and
- assessing the need for an internal audit function.

Activities during the year

The Committee met three times during the year where it reviewed the Company's risk register, internal controls and risk and compliance reports from third party service providers and considered the half yearly and annual financial reports to shareholders. The Committee also considered and approved the external auditors' plan and scope for the audit of the financial statements for the year ended 31 March 2023.

The Audit and Risk Committee takes account of the most significant issues and risks, both operational and financial, that are likely to impact the Company's financial statements.

The following significant areas were considered by the Audit and Risk Committee in relation to the financial statements:

Matter	Action
Accuracy of portfolio valuation and ownership of investments	Controls are in place to ensure that valuations are appropriate and existence is verified through custodian reconciliations. All listed investments are valued at bid prices provided by third party service providers in accordance with the price source agreement in place. The AIFM carries out testing of the prices and reports regularly to the Board. The appointed custodian is responsible for the custody and controlling of all assets of the Company entrusted for safekeeping. The Audit and Risk Committee reviews a summary of the SOC 1 report from JP Morgan Chase Bank N.A. on key controls over the assets of the Company and any significant issues are reported to the Committee. The AIFM regularly reconciles the portfolio holdings to confirmations from the Company's custodian. The Manager has procedures in place to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.

Matter	Action
Strength of processes and internal controls at outsourced providers	The Committee together with the Board have established clear lines of responsibility between the Manager, Custodian, Company Secretary and receive appropriate reports from each of them regarding the operation of their internal controls and reviews. The Directors, having carried out due diligence at the time of appointment and subsequently, are satisfied with the third party service providers, their business resilience and continuity arrangements.
Mis-statement of revenue returns	The Board reviews income forecasts (including special dividends) and receives explanations from the Manager for any variations or significant movements from previous forecasts. The Board, together with the Manager, has reviewed the impact that significant external events that could give rise to market volatility, including the Russian invasion of Ukraine, may have on the portfolio and income forecasts. The allocation of expenses is reviewed by the Audit and Risk Committee annually taking into account the long-term split of returns from the portfolio, both historic and projected and the objectives of the Company. The management fee is calculated in accordance with the contractual terms in the investment management agreement and is reviewed in detail by the Company Secretary and is also subject to analytical review by the Board.

Auditors' report

At the conclusion of the audit, Ernst & Young LLP ('EY') did not highlight any issues to the Audit and Risk Committee which would cause it to qualify its audit report, nor did it highlight any fundamental internal control weaknesses. Their audit report is included on pages 41 to 47.

Conclusions in respect of the annual report

The production and audit of the Company's annual report is a comprehensive process which requires input from a number of different contributors. One of the key governance requirements of the Company's annual report is that it is fair, balanced and understandable. The Board requested that the Audit and Risk Committee confirm whether it considered that the annual report, when taken as a whole, fulfils this requirement.

As part of its review of the annual report, the Committee noted that:

- comprehensive reviews had been undertaken at different levels in the production process of the annual report by the Company Secretary, Manager, auditor and the Committee to ensure consistency and overall balance; and
- the controls that are in place at the Company Secretary and other third-party service providers ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets.

Effectiveness of the external audit process

The Committee also evaluated the effectiveness of the external audit process. This evaluation involved an assessment of the effectiveness of the auditor's performance against criteria including qualification, expertise and resources, independence and effectiveness of the audit process. Having reviewed the performance of the external auditor as described above, the Committee is satisfied with the external audit process undertaken by EY in relation to this annual report and its financial statements.

Auditor's independence

The Company has in place a policy governing the provision of non-audit services by the external auditor, so as to safeguard its independence and objectivity. This is achieved by prohibiting non-audit work where independence may be compromised or conflicts arise. Any non-audit work requires specific approval of the audit and risk committee in each case. The audit fee was £47,500 plus VAT for the year ended 31 March 2023 (2022: £40,000 plus VAT). There were no non audit fees for the year ended 31 March 2023 (2022: nil). Following its review, the Committee is satisfied that the Company's auditor, EY, remains independent.

Audit and Risk Committee report continued

Auditor rotation

A competitive tender for the audit of the Company was held in January 2018, following which EY was appointed as the Company's auditor with effect from the conclusion of the 2018 AGM. In accordance with the FRC ethical standard, the Company's audit engagement partner will rotate every five years. Sue Dawe originally served as audit engagement partner since the appointment of EY. The audit partner, with effect from November 2022, is Denise Davidson. There is currently no intention to put the audit out to tender. A resolution to re-appoint EY as the Company's auditor will be proposed at the AGM.

Having completed its review of the annual report and financial statements, the Committee recommended to the Board that the annual report and financial statements when taken as a whole, are fair, balanced and understandable.

Mark Little
Chairman of the Audit and Risk Committee

7 June 2023

Independent auditor's report

Independent auditor's report to the members of STS Global Income & Growth Trust plc

Opinion

We have audited the financial statements of STS Global Income & Growth Trust plc ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors that we have become aware of during our audit were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 March 2025 which is at least twelve months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We calculated the Company's compliance with debt covenants, and we performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Consideration of the mitigating factors included in the revenue forecasts and covenant calculations that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.

Independent auditor's report continued

- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 March 2025

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income • Risk of incorrect valuation or ownership of the investment portfolio
Materiality	• Overall materiality of £2.19m (2022: £2.30m) which represents 1% (2022: 1%) of total shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the most significant future impacts from climate change on its operations will be from how climate change could affect the Company's investments and overall investment process. This is explained on page 17 in the principal risks and uncertainties. This disclosure forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in Note 1a and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS102. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income (as described on page 39 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 52). The total revenue for the year to 31 March 2023 was £8.24m (2022: £7.38m), consisting primarily of dividend income from listed equity investments. The investment income receivable by the Company during the year directly affects the Company's revenue return. There is therefore a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income. In the year to 31 March 2023, the Company received three special dividends of which £0.37m (2022: £0.18m) was classified as revenue and £0.27m (2022: £nil) was classified as capital.	**We have performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition, including the classification of special dividends, by performing walkthrough procedures. For all dividends received, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. For a sample of dividends received, we agreed amounts to bank statements and agreed the exchange rates used to an external source. For all accrued dividends, we reviewed the investee company announcements to assess whether the dividend entitlements arose prior to 31 March 2023. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. To test completeness of recorded income, we verified that expected dividends for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor. For all investments held during the year, we reviewed the type of dividends paid with reference to an external data vendor to identify those which were special. Based on the work performed, we identified three special dividends were received by the Company; all of which were above our testing threshold. We assessed the appropriateness of management's classification as revenue, or a revenue and capital split, for the special dividends above our testing threshold by reviewing the underlying rationale of the distribution.	The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.

Independent auditor's report continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 38 in the Report of the Audit and Risk Committee and as per the accounting policy set out on page 52). The valuation of the investment portfolio at 31 March 2023 was £234.36m (2022: £244.56m) consisting primarily of listed investments. The valuation of the assets held in the investment portfolio is the primary driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined by reference to stock exchange quoted market bid prices at the close of business on the reporting date.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding investment pricing and legal title of listed investments by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We confirmed with the Administrator that there were no investments with stale prices as at the year-end and therefore no stale pricing report produced. For all investments in the portfolio, we obtained the market prices, from an independent pricing vendor, for 5 business days pre and post the year end date and calculated the day-on-day movement and confirmed there are no stale prices. We compared the Company's investment holdings at 31 March 2023 to independent confirmations received directly from the Company's Custodian and Depositary.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio

There have been no changes to the areas of audit focus raised in the above risk table from the prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £2.19 million (2022: £2.30 million), which is 1% (2022: 1%) of shareholders' funds. We believe that shareholder's funds provide us with a materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £1.64m (2022: £1.72m). We have set performance materiality at this percentage due to the fact there has been no misstatements in prior periods.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.35m (2022: £0.32m), being 5% (2022: 5%) of revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.11m (2022: £.0.11m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Independent auditor's report continued

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 24;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 24;
- Directors' statement on fair, balanced and understandable set out on page 27;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 16 and 17;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 33; and
- The section describing the work of the audit committee set out on page 38.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 27, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a

fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect the classification of special dividends as revenue or capital items. Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit and risk committee, we were appointed by the Company at the annual general meeting on 19 September 2018 to audit the financial statements of the Company for the year ending 31 March 2019 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 5 years, covering the years ending 31 March 2019 to 31 March 2023.
- The audit opinion is consistent with the additional report to the audit and risk committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Denise Davidson
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

7 June 2023

Statement of comprehensive income

		Year to 31 March 2023			Year to 31 March 2022		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net (losses)/gains on investments	9	–	(8,800)	(8,800)	–	29,232	29,232
Net currency (losses)/gains		(4)	(869)	(873)	3	(445)	(442)
Income	2	8,238	266	8,504	7,378	–	7,378
Investment management fee	3	(531)	(985)	(1,516)	(222)	(413)	(635)
Other expenses	4	(625)	–	(625)	(516)	–	(516)
Net return before finance costs and taxation		7,078	(10,388)	(3,310)	6,643	28,374	35,017
Finance costs	5	(171)	(318)	(489)	(157)	(291)	(448)
Net return on ordinary activities before taxation		6,907	(10,706)	(3,799)	6,486	28,083	34,569
Taxation on ordinary activities	7	(566)	–	(566)	(632)	–	(632)
Net return attributable to ordinary shareholders		6,341	(10,706)	(4,365)	5,854	28,083	33,937
Net return per ordinary share	8	6.34p	(10.70)p	(4.36)p	5.82p	27.92p	33.74p

The total columns of this statement are the profit and loss accounts of the Company.

The revenue and capital items are presented in accordance with the Association of Investment Companies (AIC) Statement of Recommended Practice (SORP 2022).

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

The notes on pages 52 to 64 form part of these financial statements.

Statement of financial position

	Note	As at 31 March 2023		As at 31 March 2022	
		£000	£000	£000	£000
Fixed assets					
Investments held at fair value through profit or loss	9		234,362		244,561
Current assets					
Trade and other receivables	10	1,113		1,089	
Cash and cash equivalents		1,570		865	
		2,683		1,954	
Current liabilities					
Bank loans	12	(15,795)		–	
Trade payables	11	(572)		(489)	
Dividend payable	6	(1,443)		(1,368)	
Total current liabilities		(17,810)		(1,857)	
Net current (liabilities)/assets			(15,127)		97
Total assets less current liabilities			219,235		244,658
Non-current liabilities					
Bank Loans	12		–		(15,001)
Total net assets			219,235		229,657
Capital and reserves					
Called up share capital	13	1,223		1,223	
Capital redemption reserve		78		78	
Share premium account		31,808		30,762	
Special distributable reserve		70,924		71,925	
Capital reserve	14	111,905		122,611	
Revenue reserve		3,297		3,058	
Total shareholders' funds			219,235		229,657
Net asset value per ordinary share	15		220.37p		230.75p

The Company is registered in Scotland no.SC283272.

The notes on pages 52 to 64 form part of these financial statements.

The financial statements were approved by the Board and signed on its behalf by

John Evans
Chairman

7 June 2023

Statement of changes in equity

For the year ended 31 March 2023	Note	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Special distributable reserve* £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 1 April 2022		1,223	78	30,762	71,925	122,611	3,058	229,657
Net return attributable to shareholders**	8	–	–	–	–	(10,706)	6,341	(4,365)
Shares issued from treasury	13	–	–	1,046	2,585	–	–	3,631
Shares bought back into treasury	13	–	–	–	(3,586)	–	–	(3,586)
Dividends paid	6	–	–	–	–	–	(6,102)	(6,102)
As at 31 March 2023		1,223	78	31,808	70,924	111,905	3,297	219,235

For the year ended 31 March 2022	Note	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Special distributable reserve* £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 1 April 2021		1,223	78	30,725	78,194	94,528	2,930	207,678
Net return attributable to shareholders**	8	–	–	–	–	28,083	5,854	33,937
Shares issued from treasury	13	–	–	37	162	–	–	199
Shares bought back into treasury	13	–	–	–	(6,431)	–	–	(6,431)
Dividends paid	6	–	–	–	–	–	(5,726)	(5,726)
As at 31 March 2022		1,223	78	30,762	71,925	122,611	3,058	229,657

* These reserves are distributable with the exception of the unrealised portion of the capital reserve (see note 14), which is non-distributable.

** The Company does not have any other income or expenses that are not included in the 'Net return attributable to ordinary redeemable shareholders' as disclosed in the Statement of comprehensive income on page 48, and therefore this is also the 'Total comprehensive income' for the year.

The notes on pages 52 to 64 form part of these financial statements.

Statement of cash flow

	Note	Year ended 31 March 2023 £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000	Year ended 31 March 2022 £000
Cash flows from operating activities					
Net return on ordinary activities before taxation			(3,799)		34,569
Adjustments for:					
Losses/(gains) on investments	9	8,800		(29,232)	
Finance costs	5	489		448	
Exchange movement on bank borrowings	16	794		416	
Purchases of investments*	9	(22,917)		(17,528)	
Sales of investments*	9	24,316		23,970	
Dividend income	2	(8,496)		(7,378)	
Other income	2	(8)		–	
Dividend income received		8,523		7,252	
Other income received		8		–	
(Increase)/decrease in receivables		(5)		17	
Increase in payables		70		358	
Overseas withholding tax deducted		(612)		(406)	
			10,962		(22,083)
Net cash flows from operating activities			7,163		12,486
Cash flows from financing activities					
Repurchase of ordinary share capital		(3,586)		(6,431)	
Issue of ordinary share capital from treasury		3,631		199	
Equity dividends paid from revenue		(6,027)		(5,768)	
Interest paid on borrowings		(476)		(446)	
Net cash flows from financing activities			(6,458)		(12,446)
Net increase in cash and cash equivalents			705		40
Cash and cash equivalents at the start of the year			865		825
Cash and cash equivalents at the end of the year			1,570		865

* Receipts from the sale of, and payments to acquire, investment securities have been classified as components of cash flows from operating activities because they form part of the Company's dealing operations.

The notes on pages 52 to 64 form part of these financial statements.

Notes to the financial statements

Note 1: Accounting policies

(a) STS Global Income & Growth Trust plc (the 'Company') is a public company limited by shares, is incorporated and domiciled in Scotland, and carries on business as an investment trust.

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice (Accounting Standards 'UK GAAP') including Financial Reporting Standard (FRS) 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022. All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. In preparing these financial statements the directors have considered the impact of climate change on the value of the listed investments that the Company holds. As the portfolio consists of listed equities, which are valued using quoted bid prices for investments in an active market, the fair value reflects the market participants' view of climate change risk.

The Company's assets consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale. The directors have reviewed revenue forecasts and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future, and for the period to 31 March 2025, which is at least 12 months from the date the financial statements are authorised for issue.

The principal accounting policies are set out below. These policies have been applied consistently throughout the current and prior year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates or judgements.

Functional currency – the Company is required to determine a functional currency, being the currency in which the Company predominately operates. The Board has determined that sterling is the Company's functional currency, which is also the currency in which these financial statements are prepared. This is also the currency in which all expenses and dividends are paid in.

(b) Income from equity investments is recognised on the date on which the investments are quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. UK dividends received are accounted for at the amount receivable and are not grossed up for any tax credit. Any special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital. Other income includes any taxes deducted at source. Gains and losses arising from the translation of income denominated in foreign currencies are recognised in the revenue reserve. Scrip dividends are treated as unfranked investment income; any excess in value of shares received over the amount of the cash dividend is recognised in capital reserve.

(c) Interest receivable and payable and management expenses are accounted for on an accruals basis.

(d) The management fee and finance costs are allocated 65% to capital and 35% to revenue in accordance with the Board's expected long-term split of returns in the form of capital gains and income, respectively. All other expenses are wholly allocated to revenue.

(e) Gains and losses on the realisation of investments and changes in the fair value of investments which are readily convertible to cash, without accepting adverse terms, together with exchange adjustments to overseas currencies are taken to capital reserve.

(f) Acquisitions in foreign currencies are recorded in the functional currency of the Company at the prevailing exchange rate on the date of the transaction and retranslated at the rates of exchange ruling on the date of the statement of financial position. Investments are recognised initially as at the trade date of a transaction. Subsequent to this, the disposal of an investment is accounted on the trade date of a transaction.

(g) Revenue received and interest paid in foreign currencies are translated at the rates of exchange on the transaction date. Any exchange differences between the recognition and settlement both for revenue transactions are recognised as revenue in the statement of comprehensive income.

(h) The Company's investments are classified as 'financial assets at fair value through profit or loss' and are valued at fair value. For listed investments this is deemed to be bid market prices. Gains and losses arising from changes in fair value are included in the capital return for the year.

(i) All other financial assets and liabilities are recognised in the financial statements at amortised cost.

(j) The cost of share buybacks include the amount of consideration paid, including directly attributable costs and are deducted from the special distributable reserve until the shares are cancelled. Proceeds received from the reissue of shares held in treasury are treated in accordance with section 731 of the Companies Act 2006. Proceeds equivalent to the original cost, calculated by applying a weighted average price, are credited to the special distributable reserve to replenish the profits available for distribution; proceeds in excess of the original cost are credited to the share premium account.

(k) Nature of distributable reserve accounts

Capital reserve

Gains and losses on realisations of fixed asset investments, and transactions costs, together with appropriate exchange differences, are dealt with in this reserve.

Increases and decreases in the valuation of fixed asset investments (which are non-distributable) are also dealt with in this reserve along with receipts of special dividends considered capital in nature and any payment of capital dividends. Also taken to this reserve are 65% of the management fees as detailed in note (d).

Revenue reserve

Net revenue profits and losses of the company are recorded within this reserve, together with the dividend payment made by the Company. The remaining 35% of the management fees are taken to this reserve.

Special distributable reserve

Records transactions of which are capital in nature – shares bought back into treasury and the related stamp duty incurred. Also taken to this reserve are proceeds received, based on weighted average purchase price, on shares issued from treasury.

(l) Dividends payable – under FRS 102 dividends should not be accrued in the financial statements unless they have been approved by shareholders before the statement of financial position date. Dividends to equity shareholders are recognised in the statement of changes in equity when the shareholder's right to receive the payment is established. In the case of the fourth interim dividend this would be the ex-dividend date of 15 June 2023.

Notes to the financial statements continued

Note 2: Revenue

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Revenue:		
From listed investments		
UK – equities	2,973	2,889
Overseas – equities	5,257	4,489
	8,230	7,378
Other revenue		
Deposit interest	8	–
Total allocated to revenue	8,238	7,378
Capital:		
From listed investments		
UK – equities	266	–
Total allocated to capital	266	–
Total	8,504	7,378

During the year ended 31 March 2023, the Company received £266,000 special dividends treated as capital (2022: £nil).

Note 3: Investment management fee

The increase in fee is a consequence of Troy agreeing to waive its fee from the date of their appointment to 12 November 2021. Had thay not waived their fee, the amount payable in the year to 31 March 2022 would have been £873,000 higher.

Note 4: Other expenses

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Custody/depository fees	43	40
Directors' fees	158	144
Secretarial fee	45	15
Other administration expenses	322	269
Total	568	468
Auditors' remuneration*:		
– audit services	57	48
	625	516

* The audit fees are payable to Ernst & Young LLP. There were no non-audit services for the year ended 31 March 2023 (2022: nil).

Note 5: Finance costs

	Year to 31 March 2023			Year to 31 March 2022		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Interest on bank loans	171	318	489	157	291	448

Note 6: Dividends

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Year ended 31 March 2021 – fourth interim dividend of 1.575p	–	1,608
Year ended 31 March 2022 – first interim dividend of 1.375p	–	1,376
Year ended 31 March 2022 – second interim dividend of 1.375p	–	1,374
Year ended 31 March 2022 – third interim dividend of 1.375p	–	1,368
Year ended 31 March 2022 – fourth interim dividend of 1.75p	1,754	–
Year ended 31 March 2023 – first interim dividend of 1.45p	1,454	–
Year ended 31 March 2023 – second interim dividend of 1.45p	1,451	–
Year ended 31 March 2023 – third interim dividend of 1.45p	1,443	–
	6,102	5,726

Set out below are the total dividends in respect of the period, which forms the basis on which the requirements of sections 1158-1159 of the Corporation Tax Act 2010 are considered.

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
First interim dividend of 1.45p for the year ended 31 March 2023 (2022: 1.375p)	1,454	1,376
Second interim dividend of 1.45p for the year ended 31 March 2023 (2022: 1.375p)	1,451	1,374
Third interim dividend of 1.45p for the year ended 31 March 2023 (2022: 1.375p)	1,443	1,368
Proposed fourth interim dividend of 1.85p for the year ended 31 March 2023 (2022: 1.75p)	1,822	1,754
	6,170	5,872

The revenue reserves as at 31 March 2023 are £3,297,000, of this £1,822,000 will be used to fund the fourth interim dividend. The amount reflected above for the cost of the proposed fourth interim dividend for 2023 is based on 98,508,575 ordinary shares, being the number of ordinary shares in issue excluding those held in treasury at the date of this report. The articles of association of the Company permit dividends to be paid out of capital.

Notes to the financial statements continued

Note 7: Taxation on ordinary activities

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Irrecoverable overseas withholding tax	**566**	632

The corporation tax rate was 19.00% (2022: 19.00%). The tax charge for the year differs from the charge resulting from applying the standard rate of corporation tax in the UK for an investment trust company. The differences are explained below:

	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Net return before taxation	**(3,799)**	34,569
Corporation tax at rate of 19% (2022: 19%)	**(722)**	6,568
Effects of:		
Losses/(gains) on investments (not taxable)	**1,672**	(5,554)
Non taxable dividend income	**(1,548)**	(1,347)
Irrecoverable overseas withholding tax	**566**	632
Currency losses (not taxable)	**166**	84
Increase in excess management and loan expenses	**432**	249
Total tax charge	**566**	632

As at 31 March 2023, the Company had unutilised management expenses of £21,851,000 (2022: £19,579,000) carried forward. Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

Note 8: Return per share

	Year to 31 March 2023	Year to 31 March 2022
Revenue return (£000)	**6,341**	5,854
Capital return (£000)	**(10,706)**	28,083
Total (£000)	**(4,365)**	33,937
Weighted average number of ordinary shares in issue	**100,005,571**	100,591,911
Revenue return per ordinary share	**6.34p**	5.82p
Capital return per ordinary share	**(10.70)p**	27.92p
Total return per ordinary share	**(4.36)p**	33.74p

Note 9: Investments at fair value through profit or loss

	As at 31 March 2023 £000	As at 31 March 2022 £000
Opening book cost	209,480	215,911
Opening investment holding gains	35,081	5,860
Opening market value	244,561	221,771
Acquisitions at cost	22,917	17,528
Disposals proceeds received	(24,316)	(23,970)
(Losses)/gains on investments	(8,800)	29,232
Market value of investments held	234,362	244,561
Closing book cost	206,662	209,480
Closing investment holding gains	27,700	35,081
Closing market value	234,362	244,561

The Company received £24,316,000 (2022: £23,970,000) from investments sold in the year. The average book cost of these investments when they were purchased was £25,735,000 (2022: £23,959,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

The transaction costs in acquiring investments during the year were £68,000 (2022: £47,000). For disposals, transaction costs were £11,000 (2022: £9,000).

Note 10: Trade and other receivables

	As at 31 March 2023 £000	As at 31 March 2022 £000
Dividends receivable	827	854
Tax recoverable	253	207
Prepayments and other debtors	33	28
	1,113	1,089

None of the Company's trade receivables are past due or impaired.

Note 11: Trade payables – amounts falling due within one year

	As at 31 March 2023 £000	As at 31 March 2022 £000
Interest accrued	28	15
Other trade payables	544	474
	572	489

Note 12: Bank loans

	As at 31 March 2023 £000	As at 31 March 2022 £000
Bank term loans due within one year	15,795	–
Bank term loans due after more than one year	–	15,001
	15,795	15,001

The Company has a multi-currency revolving credit facility with The Royal Bank of Scotland International Limited (the 'lender'). The facilities comprise £1,500,000 (Facility A), €4,500,000 (Facility B), and $12,750,000 (Facility C) term loans and £10,000,000 (Facility D) multi-currency revolving credit facility.

The term loans carry an annual fixed rate interest of 2.1408%, 1.4175% and 3.1925% for Facility A, Facility B and Facility C respectively. The termination date of the term loans is 19 September 2023.

Facility D was not drawn down at 31 March 2023 or 31 March 2022. The rate of interest for Facility D is set at each roll-over date and is made up of a fixed margin of 1.0% plus SONIA rate. In addition, a commitment fee of 0.45% per annum is payable in respect of Facility D. The repayment date of Facility D is the last day of its interest period and the termination date is the 30 September 2023.

The main covenant under the agreement requires the Company to ensure that, at the end of each month, the aggregate of the loans outstanding does not exceed an amount equal to 25% of its net tangible assets and, unless otherwise agreed with the lender, net tangible assets are not less than £100,000,000.

As at 31 March 2023 the Company had drawn down the full amount of the loan facilities A to C and the balances as at that date were for Facility A £1,500,000, Facility B £3,957,000 (€4,500,000) and Facility C £10,338,000 (US$12,750,000) (31 March 2022: Facility A £1,500,000, Facility B £3,792,000 (€4,500,000), Facility C £9,709,000 (US$12,750,000).

Note 13: Called up share capital

	Number of shares	As at 31 March 2023 £000	Number of shares	As at 31 March 2022 £000
Ordinary shares of 1p				
Ordinary shares in issue at the beginning of the year	99,525,075	995	102,468,075	1,025
Ordinary shares issued from treasury during the year	1,575,000	16	100,000	1
Ordinary shares bought back to treasury during the year	(1,616,500)	(16)	(3,043,000)	(31)
Ordinary shares in issue at the end of the year	99,483,575	995	99,525,075	995
Treasury shares (ordinary shares 1p)				
Treasury shares in issue at the beginning of the year	22,774,073	228	19,831,073	198
Ordinary shares issued from treasury during the year	(1,575,000)	(16)	(100,000)	(1)
Ordinary shares bought back to treasury during the year	1,616,500	16	3,043,000	31
Treasury shares in issue at the end of the year	22,815,573	228	22,774,073	228
Total ordinary shares in issue and in treasury at the end of the year	122,299,148	1,223	122,299,148	1,223

There were 1,616,500 shares bought back during the year to 31 March 2023 at a cost of £3,586,000 (2022: 3,043,000 shares at a cost of £6,431,000). During the year, the Company issued 1,575,000 shares for net proceeds of £3,631,000 (2022: 100,000 shares for net proceeds of £199,000). The share premium represents the surplus amount over the nominal value of the issued share capital excluding costs, with any related issuance cost allocated to the special distributable capital reserve.

Note 14: Capital reserve

The analysis of the capital reserve is as follows:

	Realised capital reserve £000	Investment holding gains £000	Total capital reserve £000
As at 31 March 2022	87,530	35,081	122,611
Losses on realisation of investments at fair value	(1,419)	–	(1,419)
Realised currency losses during the year	(869)	–	(869)
Movement in unrealised gains	–	(7,381)	(7,381)
Dividend income recognised as capital	266	–	266
Capital expenses	(1,303)	–	(1,303)
As at 31 March 2023	84,205	27,700	111,905

The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', 2022. Only the realised capital reserve is regarded as being available for distribution.

Note 15: Net asset value per share

	As at 31 March 2023	As at 31 March 2022
Net assets attributable to shareholders (£'000)	**219,235**	229,657
Shares in issue at the year end	**99,483,575**	99,525,075
Net asset value per share	**220.37p**	230.75p

Note 16: Analysis of debt

	As at 31 March 2022 £000	Cash flows £000	Exchange movements £000	**As at 31 March 2023 £000**
Cash at bank	865	705	–	**1,570**
Bank borrowings	(15,001)	–	(794)	**(15,795)**
Net debt	(14,136)	705	(794)	**(14,225)**

Note 17: Related party transactions

With the exception of the management and secretarial fees, directors' fees and directors' shareholdings (disclosed on page 35), there have been no related party transactions during the year, or in the prior year.

The management fee payable in respect of the year ended 31 March 2023 was £1,516,000 (2022: £635,000), of which £386,000 (2022: £373,000) was outstanding at the year-end. The secretarial and directors' fees payable in respect of the year ended 31 March 2023 are detailed in note 4. The amount outstanding at the year end for secretarial fees and directors' fees was £18,000 (2022: £3,000) and £nil (2022: £nil) respectively.

Notes to the financial statements continued

Note 18: Financial instruments

The Company's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from the Company's activities, although no such transactions have been undertaken in the current or prior year.

The main risks the Company faces from its financial instruments are (a) market price risk (comprising of (i) interest rate risk, (ii) currency risk and (iii) other price risk), (b) liquidity risk and (c) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term receivables and creditors, other than for currency disclosures.

(a) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and other price risk.

(i) Market risk arising from interest rate risk

Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits; and
- the level of interest payable on borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. The Company has a revolving multi-currency loan facility with The Royal Bank of Scotland International Limited which provides flexibility to finance opportunities in the short term. Current guidelines state that the total borrowings will not exceed 20% of the net tangible assets of the Company. Details of borrowings at 31 March 2023 are shown in note 12 on page 58.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the date of the statement of financial position was as follows:

As at 31 March 2023	Interest rate %	Local currency 000	Foreign exchange rate	GBP sterling equivalent £000
Assets:				
Pound Sterling	0.60	1,504	n/a	1,504
US dollar	1.37	82	1.233	66
Total				1,570
Liabilities:				
Bank loan – Pound sterling	2.14	1,500	n/a	1,500
Bank loan – Euro	1.42	4,500	1.137	3,956
Bank loan – US dollar	3.19	12,750	1.233	10,339
Total				15,795

Note 18: Financial instruments continued

As at 31 March 2022	Interest rate %	Local currency 000	Foreign exchange rate	GBP sterling equivalent £000
Assets:				
Pound sterling	0.00	865	n/a	865
Total				865
Liabilities:				
Bank loan – Pound sterling	2.14	1,500	n/a	1,500
Bank loan – Euro	1.42	4,500	1.187	3,792
Bank loan – US dollar	3.19	12,750	1.313	9,709
Total				15,001

The interest on the bank loans are fixed until maturity (note 12).

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the statement of financial position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

The following table illustrates the sensitivity of the return after taxation to an increase or decrease of 2.00% (2022: 0.75%) in interest rates. The sensitivity analysis is based on the Company's cash and cash equivalents at the Statement of financial position date, with all other variables held constant.

	Year to 31 March 2023		Year to 31 March 2022	
	2.00% Increase in rate £000	2.00% Decrease in rate £000	0.75% Increase in rate £000	0.75% Decrease in rate £000
Effect on revenue return	31	(31)	6	(6)
Effect on capital return	–	–	–	–
Effect on total return and on net assets	31	(31)	6	(6)

In the opinion of the directors, the above sensitivity analysis may not be representative of the year as a whole, since exposure may change as investments are made, borrowings are drawn down and may be repaid throughout the year.

(ii) Market risk arising from foreign currency risk

A significant proportion of the Company's investment portfolio is invested in overseas securities and the statement of financial position can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

Notes to the financial statements continued

Note 18: Financial instruments continued

Foreign currency risk profile

Foreign currency risk exposure by currency of denomination:

	As at 31 March 2023			As at 31 March 2022		
	Investment exposure £000	Net monetary exposure £000	Total currency exposure £000	Investment exposure £000	Net monetary exposure £000	Total currency exposure £000
US dollar	124,002	(9,875)	114,127	132,588	(9,363)	123,225
Euro	–	(3,883)	(3,883)	5,713	(3,794)	1,919
Swiss franc	21,560	149	21,709	22,884	–	22,884
Hong Kong dollar	7,018	–	7,018	4,158	–	4,158
Japanese yen	7,075	119	7,194	4,784	75	4,859
Total foreign currency exposure	159,655	(13,490)	146,165	170,127	(13,082)	157,045
Pound Sterling	74,707	(1,637)	73,070	74,434	(1,822)	72,612
Total net assets	234,362	(15,127)	219,235	244,561	(14,904)	229,657

The asset allocation between specific markets can vary from time to time based on the Manager's opinion of the attractiveness of the individual markets.

Foreign currency sensitivity

At 31 March 2023, if sterling had strengthened by 10% in relation to all currencies (2022: 10%), with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below. A 10% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the financial statement amounts.

	As at 31 March 2023 £000	As at 31 March 2022 £000
US dollar	11,413	12,322
Euro	(388)	192
Swiss franc	2,171	2,288
Hong Kong dollar	702	416
Japanese yen	719	486
	14,617	15,704

(iii) Market risk arising from other price risk

Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets and the stock selection process, as detailed on pages 13 and 14, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. All investments held by the Company are listed on stock exchanges worldwide.

Note 18: Financial instruments continued

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation and the net asset value to an increase or decrease of 15% in the fair value of the Company's equities (2022: 15%). The calculations are based on the portfolio valuations as at the respective statement of financial position date, and the consequent impact on the investment management fees for the year, and are not representative of the year as a whole.

	Year to 31 March 2023		Year to 31 March 2022	
	15% increase in fair value £000	15% decrease in fair value £000	15% increase in fair value £000	15% decrease in fair value £000
Effect on revenue return	(80)	80	(83)	83
Effect on capital return	35,005	(35,005)	36,529	(36,529)
Effect on total return and on net assets	34,925	(34,925)	36,446	(36,446)

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities (see note 12 for more details).

The contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	As at 31 March 2023			As at 31 March 2022		
	Three months or less £000	More than three months £000	Total £000	Three months or less £000	More than three months £000	Total £000
Trade payables:						
Bank loans	28	15,992	16,020	15	15,583	15,598
Other trade payables	544	–	544	474	–	474
	572	15,992	16,564	489	15,583	16,072

(c) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not considered to be significant by the Board, and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amounts that may be due from any one broker; and
- cash is held only with reputable banks with high quality external credit ratings.

The maximum credit risk exposure as at 31 March 2023 was £2,397,000 (2022: £1,719,000). This was due to dividend receivables and cash as per notes 10 and 16.

Fair value of financial assets and financial liabilities

All financial assets and liabilities of the Company are included in the statement of financial position at fair value or the statement of financial position amount is a reasonable approximation of fair value.

Note 19: Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The capital of the Company consists of equity, comprising issued capital, reserves and retained earnings.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

Note 20: Fair value hierarchy

Under FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc); or
- Level 3: significant unobservable input (including the Company's own assumptions in determining the fair value of investments).

The financial assets measured at fair value through profit and loss are grouped into the fair value hierarchy as follows:

At 31 March 2023	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	234,362	–	–	234,362
Net fair value	**234,362**	**–**	**–**	**234,362**

At 31 March 2022	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	244,561	–	–	244,561
Net fair value	244,561	–	–	244,561

Note 21: Company information

STS Global Income & Growth Trust plc is a closed-ended investment company, registered in Scotland No SC283272, with its ordinary shares listed on the London Stock Exchange. The address of the registered office is 28 Walker Street, Edinburgh EH3 7HR.

AIFMD Disclosures (Unaudited)

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Juniper Partners, is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in relation to the AIFM's year ended 30 April 2022 and 30 April 2021 are available from the Company Secretary on request.

The Company's maximum and actual leverage levels are shown below:

	Gross method		Commitment method	
Leverage Exposure	At 31 March 2023	At 31 March 2022	At 31 March 2023	At 31 March 2022
Maximum permitted limit	300%	300%	200%	200%
Actual	107%	106%	108%	106%

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's articles of association. The Manager is also required to comply with the gearing parameters set by the Board in relation to borrowings.

Alternative performance measures

The alternative performance measures ('APMs') detailed below are used by the Board to assess the Company's performance against a range of criteria and are viewed as particularly relevant to an investment trust. Other terms detailed below are for reference.

NAV total return

Net asset value ('NAV') total return measures the increase or decrease in NAV per share plus the dividends paid in the period, which are assumed to be reinvested at NAV at the time that the share price is quoted ex-dividend.

		2023	2022
Opening NAV per share	A	**230.75p**	202.68p
Closing NAV per share	B	**220.37p**	230.75p
% change in NAV	C=(B-A)/A	**(4.5)%**	13.8%
Impact of dividends reinvested	D	**2.7%**	3.0%
NAV total return	E=C+D	**(1.8)%**	16.8%

Share price total return

Share price total return measures the increase or decrease in share price plus the dividends paid in the period, which are assumed to be reinvested at the share price at the time that the share price is quoted ex-dividend.

		2023	2022
Opening share price	A	**231.00p**	202.00p
Closing share price	B	**214.00p**	231.00p
% change in share price	C=(B-A)/A	**(7.4)%**	14.4%
Impact of dividend reinvested	D	**2.6%**	3.0%
Share price total return	E=C+D	**(4.8)%**	17.4%

Premium/discount to NAV

The amount by which the share price is higher/lower than the NAV per share, expressed as a percentage of the NAV per share.

		2023	2022
NAV per share	A	**220.37p**	230.75p
Share price	B	**214.00p**	231.00p
(Discount)/premium	C=(B-A)/A	**(2.89)%**	0.11%

NAV per share

This is the main measure of the underlying value of a share in an investment company. The NAV (cum income) per share includes undistributed current year income and the calculation is included in note 15. NAV (ex income) per share is calculated by deducting undistributed current year income from the NAV. To determine the NAV (ex income) per share the following calculation is applied:

		2023	2022
Net assets per statement of financial position	A	219,235,000	229,657,000
Current year revenue return	B	6,341,000	5,854,000
Dividends paid for the current year (note 6)	C	4,348,000	4,118,000
NAV (ex income)	D=A-(B-C)	217,242,000	227,921,000
Shares in issue at the year-end	E	99,483,575	99,525,075
Net asset value per share (ex income)	F=D/E	218.37p	229.01p

Ongoing charges

Ongoing charges are the total of the Company's management fees and other operating expenses expressed as a percentage of average net assets in the year. Operating costs exclude costs of buying and selling investments, finance costs, taxation, and the direct costs of buying back or issuing ordinary shares. The ongoing charges figure has been calculated in line with the AIC's recommended methodology.

		2023 £000	2022 £000
Investment management fee		1,516	635
Other expenses		625	516
Discount control costs (fixed element)		32	30
Total expenses		2,173	1,181
Effect of 12 month management fee holiday*		–	873
One-off costs		(50)	–
Ongoing charges	A	2,123	2,054
Average net assets	B	226,835	220,068
Ongoing charges ratio	C=A/B	0.94%	0.93%

* Troy agreed to waive its management fee for a period of 12 months from the date of their appointment (12 November 2020). If Troy had not waived its fee until 12 November 2021 the investment management fee payable in the year ended 31 March 2022 would have been £873,000 higher.

Glossary of terms

AIFM

An alternative investment fund manager ('AIFM') is an entity that provides certain investment services, including portfolio and risk management services. The Company has appointed Juniper Partners as its AIFM. AIFMs are responsible for managing investment products that fall within the category of alternative investment funds and investment trusts, including the Company, are included in this.

Comparison index

The Company's investment performance (on a total return basis) is measured against the Lipper Global – Equity Global Income Index for comparison purposes.

Discount control mechanism

The policy through which the Company issues shares where there is demand in the market or buys back shares when there are excess shares available in the market with the aim of ensuring, in normal market conditions, that the shares trade consistently close to their net asset value.

Dividend

Income from an investment in shares. Not all investment companies pay dividends. Dividend income is not guaranteed and may fall as well as rise. The Company pays dividends quarterly in April, July, October and January.

Dividend yield

The annual dividends expressed as a percentage of the current share price.

Ex and cum income

Also shown as 'ex div' or 'xd', this means that, if you buy the shares today, you will not receive the most recently declared dividend.

Shares are being traded all the time on stock markets, so for administrative reasons there needs to be a point when buyers and sellers agree whether they will receive the most recently declared dividend. The point when the shares purchased will no longer receive the dividend is known as the 'ex dividend date' and the shares are said to have 'gone ex dividend'. The share price will normally fall by the amount of the dividend to reflect this.

If you buy the shares when you are still entitled to the most recently declared dividend, this is known as the shares being cum dividend.

Gearing

At its simplest, gearing means borrowing money to buy more assets in the hope the Company makes enough profit to pay back the debt and interest and leave something extra for shareholders. However, if the investment portfolio doesn't perform well, gearing can increase losses. The more an investment company gears, the higher the risk.

The gearing currently employed is discussed in the strategic report on page 14.

Leverage

Leverage, for the purposes of the AIFMD, is any method which increases the Company's exposure to stockmarkets whether through borrowings, derivatives, or any other means. It is expressed as a ratio of the Company's exposure to its NAV. In summary, the gross method measures the Company's exposure before applying hedging or netting arrangements. The commitment method allows certain hedging or netting arrangements to be offset. As at 31 March 2023, the Company had no hedging or netting arrangements.

Net assets

A measure of the size of an investment company. The total value of all assets held, less liabilities and prior charges, including income for the current year.

Share buy backs

Describes an investment company buying its own shares and reducing the number of shares in issue.

Share buy backs can be used to return money to shareholders, but are also often used to tackle the Company's discount. Discounts may reflect an imbalance between the demand for shares and the number of shares in existence. The hope is that, by reducing the number of shares in existence, the buy back will help to prevent the discount widening or even reduce it.

Share price

The price of a share as determined by the stock market.

If you see a single share price shown, it's likely that this is the mid-market price. This is different to the price at which you buy and sell the shares, which are known as the bid price (sell) and offer price (buy).

Treasury shares

Shares in the Company's own share capital which the Company itself owns and which can be sold to investors to raise new funds.

Treasury shares only come into existence when the Company buys back its own shares. Instead of cancelling the shares (i.e. they cease to exist) they are held 'in treasury' by the Company and can be sold at a later date to raise new funds.

Ways to invest in the Company

The Company's shares quality for tax efficient wrapper products like individual savings accounts ('ISAs') and self-invested personal pensions ('SIPPs') as well as may other investment wrappers that can be used, including those designated for children.

Platforms, fund supermarkets and online stockbrokers

You can invest using a number of fund platforms and fund supermarkets. Many offer wrapper products like ISAs and SIPPs and children's savings products. A number of real-time execution only stockbroking services also allow you to trade online, manage your portfolio and buy UK listed shares. These services do not offer financial advice and if you are unsure about investing, we recommend that you speak to a qualified financial adviser.

Retail distribution/NMPI status

The Company's shares are 'excluded securities' for the purposes of the rules relating to non-mainstream pooled investment ('NMPI') products. This means they can be recommended by independent financial advisers to their ordinary retail clients, subject to normal suitability requirements.

Independent financial advisers

An increasing number of independent financial advisers are including investment trusts within their investment recommendations for clients. To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

Private client stockbrokers

If you have a large sum to invest, you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association: www.thewma.co.uk.

Trading Codes

(You may be asked for these when investing)

TIDM code:	STS
Sedol:	B09G3N2
ISIN:	GB00B09G3N23

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of STS Global Income & Growth Trust plc (the 'Company') will be held at 28 Walker Street, Edinburgh, EH3 7HR, on 20 September 2023 at 2.00pm for the following purposes:

Ordinary business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the audited financial statements for the year ended 31 March 2023 together with the reports of the directors and the auditor thereon.
2. To approve the directors' remuneration report for the year ended 31 March 2023.
3. To approve the directors' remuneration policy
4. To approve the dividend policy.
5. To re-elect John Evans as a director of the Company.
6. To re-elect Angus Cockburn as a director of the Company.
7. To re-elect Sarah Harvey as a director of the Company.
8. To re-elect Alexandra Innes as a director of the Company.
9. To re-elect Mark Little as a director of the Company.
10. That Ernst & Young LLP be re-appointed as auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company.
11. To authorise the directors to fix the remuneration of the auditor for the year ending 31 March 2024.
12. To increase the aggregate limit on directors' remuneration from £200,000 to £250,000 per annum.
13. In substitution of any existing authority of the directors, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to s551 of the Companies Act 2006 (the 'Act') to allot equity securities (as defined in s560 of the Act) and to grant rights to subscribe for or to convert any security into shares in the company up to a maximum aggregate nominal amount of £328,362 (being one third of the issued share capital of the company as at 6 June 2023; being the latest practicable date before the date of this notice) provided that the authority hereby given shall expire (unless previously varied as to duration, revoked or renewed by the company in general meeting) on 30 September 2024 or, if earlier, at the conclusion of the annual general meeting of the company in 2024 save that the Company may, at any time before the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such authority and the directors may allot equity securities in pursuance of such an offer or agreement as if such authority had not expired.

Special business

To consider and, if thought fit, pass the following resolutions as special resolutions:

14. That the directors be empowered pursuant to s570 and s573 of the Act to allot equity securities (as defined in s560 of the Act) for cash pursuant to the general authority conferred on them by resolution 13 above and/ or to sell equity securities held as treasury shares for cash pursuant to s727 of the Act, in each case as if s561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:

    (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

    (b) any such allotment and/or sale of equity securities, otherwise than pursuant to sub-paragraph (a) above, having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £244,598 (representing 20% of the issued ordinary share capital as at 6 June 2023; being the latest practical date before the date of this notice).

This authority shall expire, unless previously revoked or renewed by the company in a general meeting, on 30 September 2024 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2024, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

15. That, in accordance with s701 of the Act, and in substitution for any existing authority, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s693 of the Act) of ordinary shares of 1p each in the capital of the Company provided that:

    (i) the maximum aggregate number of ordinary shares authorised to be purchased is 14,766,435 (being 14.99% of the issued share capital as at 6 June 2023, being the last practicable date before this notice);

    (ii) the minimum price which may be paid for an ordinary share is 1p per share which amount shall be exclusive of expenses;

    (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be not more than the higher of (i) 105% of the average of the mid-market quotations for an ordinary share of the company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase or (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out;

    (iv) the authority hereby conferred shall expire 15 months after the date of passing of this resolution or at the conclusion of the next annual general meeting of the company following the passing of this resolution, whichever first occurs, unless such authority is renewed or revoked prior to such time; and

    (v) the Company may enter into a contract to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired.

16. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next annual general meeting of the Company.

By order of the Board

Juniper Partners Limited
Secretary

7 June 2023

Registered office: 28 Walker Street, Edinburgh EH3 7HR

Notice of Annual General Meeting continued

Notes to the Notice of AGM

1. This document is important and requires your immediate attention.

   If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

2. If you have sold or transferred all of your shares in the Company, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

3. The Company has specified that to be entitled to attend and vote at the meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the register of members 48 hours before the time fixed for the meeting, or, if the meeting is adjourned, on the register of members 48 hours before the time for holding any adjourned meeting. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meetings.

4. A member entitled to attend, speak and vote may appoint a proxy or proxies to attend, speak and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. To be valid, proxies must be lodged at the office of the registrars of the Company not less than 48 hours before the time of the meeting. A form of proxy is enclosed. The notes to the form of proxy explain how to direct your proxy, how to vote on each resolution, or with-hold your vote. Appointment of a proxy will not preclude a member from attending the meeting and voting in person.

5. You may submit your proxy electronically using The Share Portal service at signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using the paper proxy form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal investor code. This number can be found on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

6. A corporation which is a member can appoint one or more corporate representative(s) who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

7. As at 6 June 2023 (being the last practicable day prior to the publication of this Notice) the company's issued voting share capital consists of 122,299,148 ordinary shares, of which 23,790,573 shares are held in treasury. Each share carries one vote, therefore, the total voting rights in the Company are 98,508,575 votes.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

   The message must be transmitted so as to be received by the Company's agent, (CREST Participant ID: RA10), no later than 48 hours (excluding non-working days) before the time appointed for the meeting.

9. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the company's register of members in respect of the joint holding (the first-named being the most senior).

10. Pursuant to s319A of the Companies Act 2006, the Company must provide an answer to any question which is put by a member attending the meeting relating to the business being considered, except if a response would not be in the interest of the company or for the good order of the meeting or if to do so would involve the disclosure of confidential information.

11. Pursuant to s338 of the Companies Act 2006, members fulfilling the qualification criteria set out at Note 12 below, may, require the Company to give notice of a resolution which may properly be moved and is intended to be moved at the meeting if a) the resolution would not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise) and b) it is not defamatory of any person, frivolous or vexatious.

12. Members fulfilling the qualification criteria set out below may require the Company, without payment, to place on its website a statement, made available also to the Company's auditor, setting out any matter relating to the audit of the company's accounts, including the Auditor's Report and the conduct of the audit; or any circumstance connected with an auditor of the company ceasing to hold office since the previous meeting at which the annual report and accounts were laid in accordance with s437 of the Companies Act 2006. The business of the AGM should include any statement that the Company has been required to publish, under s527 of the Act, on its website.

    The Company becomes required to place such a statement on the website, should a) members with at least 5% of the total voting rights of the company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid, have submitted such a request to the company, not later than six weeks before the meeting. Members seeking to do this should write to the Company Secretary.

13. Information regarding the meeting, including the information required by s311A of the Companies Act 2006, is available from www.stsplc.co.uk.

14. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered Shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

15. Copies of the letters of appointment of the directors of the Company and the articles of association are available for inspection at the Company's registered office at 28 Walker Street, Edinburgh, EH3 7HR until the close of the meeting and at the meeting (for 15 minutes prior to the meeting and during the meeting).

16. Any electronic address provided either in this notice of AGM or any related documents (including the form of proxy) to communicate with the company may not be used for any purposes other than those expressly stated.

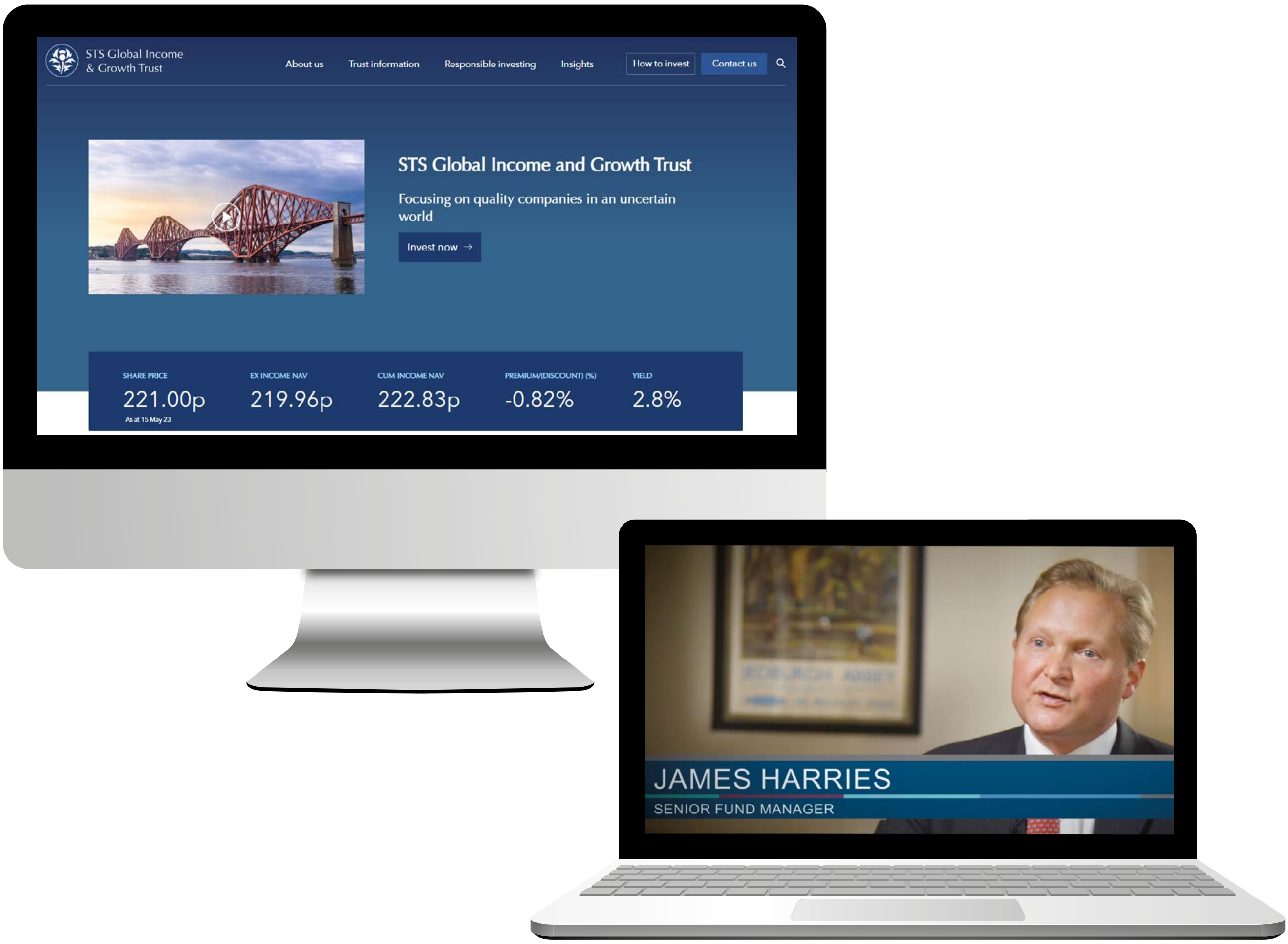
Easy access to information

The Company's website can be found at www.stsplc.co.uk. This offers a wealth of information about the Company.

Register for monthly updates

Subscribe to monthly email updates that offer information on the following:

- latest prices
- manager videos
- performance data
- portfolio information
- latest factsheet
- research
- press releases and articles
- annual and half yearly reports



Enquiries

If you have an enquiry about STS Global Income & Growth Trust, please get in touch.

0131 378 0500 I companysecretary@stsplc.co.uk

The Chairman
c/o Company Secretary
STS Global Income & Growth Trust plc
28 Walker Street
Edinburgh
EH3 7HR

chairman@stsplc.co.uk

Corporate information

Directors

John Evans (Chairman)
Angus Cockburn
Sarah Harvey (Senior Independent Director)
Alexandra Innes
Mark Little

AIFM and Company Secretary

Juniper Partners Limited
28 Walker Street
Edinburgh EH3 7HR

Juniper Partners Limited is authorised and regulated by the Financial Conduct Authority.

Manager

Troy Asset Management Limited
33 Davies Street
London W1K 4BP

Troy Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

Registered office

STS Global Income & Growth Trust plc
28 Walker Street
Edinburgh EH3 7HR
Registered in Scotland, registered number SC283272

Independent auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Custodians

J.P. Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Bankers

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Jersey JE4 8PJ

Depositary

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25 Bank Street
Canary Wharf
London E14 5JP

Brokers

JPMorgan Cazenove Limited
25 Bank Street
Canary Wharf
London E14 5JP

Association of Investment Companies

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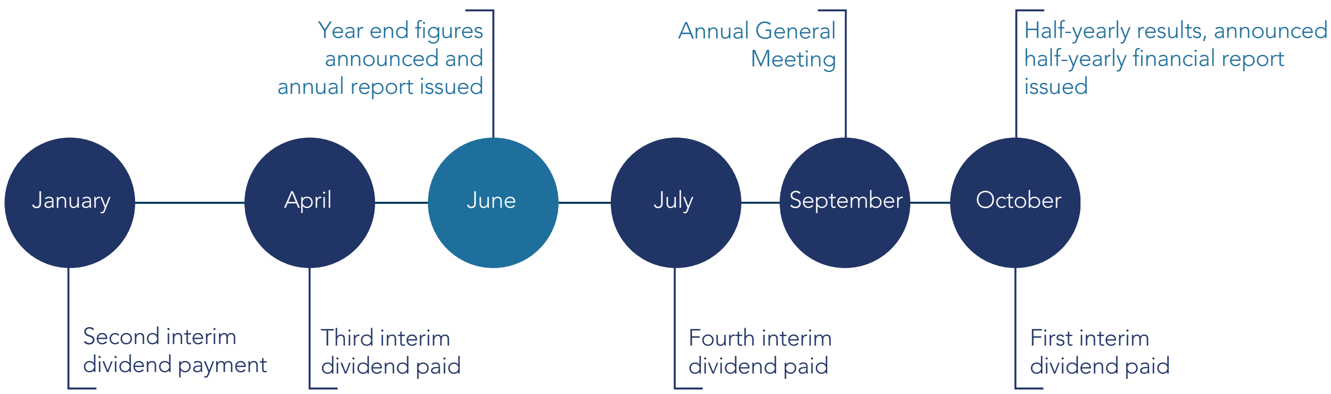
24 Chiswell Street
London EC1Y 4YY
www.theaic.co.uk

STS Global Income & Growth Trust is a member of the AIC (the trade body of the investment company industry).

Shareholder information

Website: www.stsplc.co.uk

Financial calendar – key dates 2023



STS Global Income
& Growth Trust plc

(formerly Securities Trust of Scotland plc)

stsplc.co.uk

28 Walker Street
Edinburgh
EH3 7HR