



## Securities Trust of Scotland plc

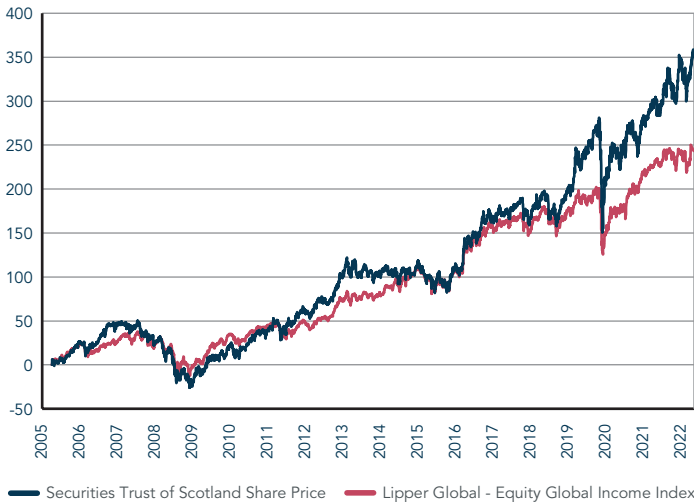
All data as at 31 August 2022

www.stsplc.co.uk

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

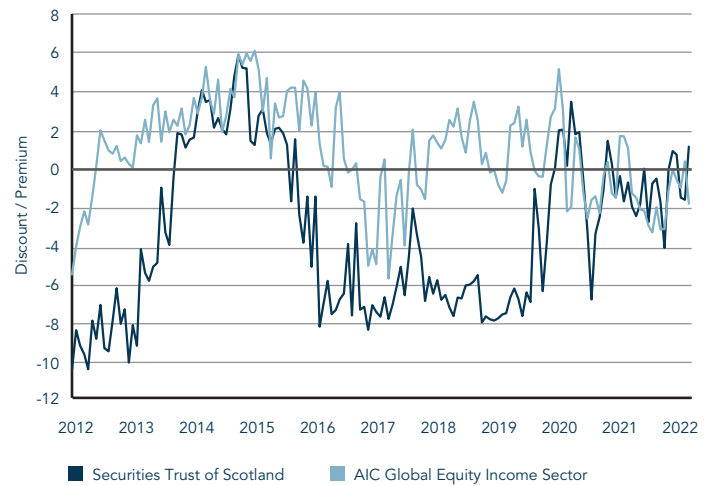
PRICE	NAV (EX INC)	PREMIUM/DISCOUNT	YIELD*	TOTAL NET/GROSS ASSETS
235.00p	229.59p	-1.3%	2.5%	£233m/£249m
			*historic dividend yield	

### PERCENTAGE GROWTH FROM 30/06/2005 TO 31/08/2022



Source: Lipper

### SHARE PRICE DISCOUNT/PREMIUM TO NAV



Source: Morningstar. Discount Control policy implemented 17/11/20.

Total Return to 31 August 2022	Since Troy Appt*	31/08/17 5 years	31/08/19 3 years	31/08/21 1 year	28/02/22 6 months
Securities Trust of Scotland Share Price	+23.2%	+61.0%	+36.6%	+11.9%	+10.8%
Securities Trust of Scotland NAV	+19.0%	+48.1%	+26.4%	+8.6%	+5.1%
Lipper Global – Equity Global Income Index	+18.0%	+28.5%	+17.8%	+1.9%	+2.7%

Discrete Annual Total Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Securities Trust of Scotland Share Price	+0.8%	-5.4%	+35.8%	+6.8%	-7.9%	+39.3%	+3.1%	+15.4%	+2.7%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	+1.0%

\*Troy appointed Investment Manager 12 November 2020

Past performance is not a guide to future performance.

Source: Lipper/Morningstar

## August Commentary

The Trust produced a Net Asset Value total return of +0.3% during the month and a price total return of +3.1%, compared to a return of +0.6% for the Lipper Global - Equity Global Income Index.

Reckitt Benckiser is one of the largest holdings in the trust. In the last few years of Rakesh Kapoor's tenure, the company suffered from a lack of focus on its core business following the ill-fated acquisition of Mead Johnson, an infant nutrition business. The appointment of Laxman Narasimhan as CEO in 2019 was an important turning point for the business.

Mr Narasimhan joined from Pepsi, another important holding in the strategy and a business that we admire. The new CEO brought a renewed focus on execution, investing significant resources to improve procurement, accelerate new product development and increase marketing effectiveness. Mr Narasimhan also recognised the challenges in the infant nutrition business, sold the Chinese operation and there is open speculation that a complete disposal of infant nutrition remains on the cards.

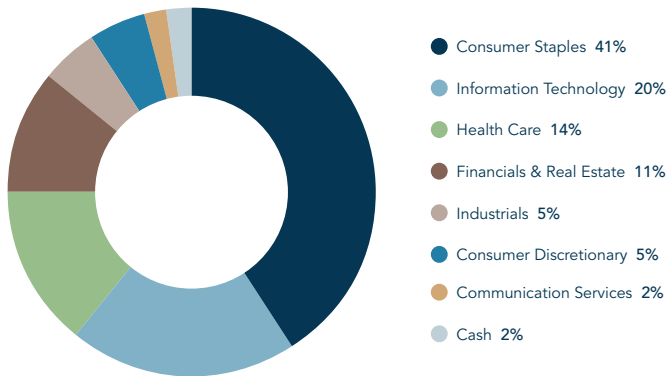
Despite the distortions from Covid, the new strategy is starting to bear fruit and Reckitt is returning to its former glory. Organic growth is improving, volume growth is encouraging and margins are recovering. We were

therefore disappointed and surprised by the unexpected departure of Mr Narasimhan, who will join Starbucks as their new CEO. But our investment case remains intact.

As long-term investors, CEOs departures are to be expected. Our investment in Reckitt is predicated on the strength of the brands in growing yet defensive categories, not on the charisma of any particular person leading the business. While our opinion of Mr Narasimhan is certainly positive, Reckitt is now a well-invested business that is likely to do well under a new CEO.



## ASSET ALLOCATION BY SECTOR



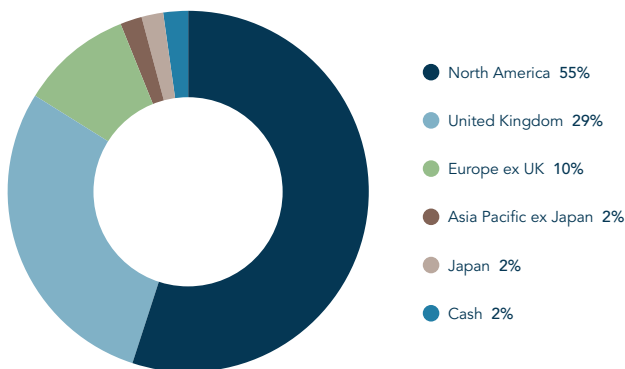
Source: Factset. Asset Allocation subject to change

## TOP 10 HOLDINGS

British American Tobacco	6.5%
Paychex	5.6%
Philip Morris International	5.6%
ADP	5.5%
PepsiCo	5.0%
Unilever	4.6%
Reckitt Benckiser	4.6%
CME Group	4.3%
Diageo	3.9%
Johnson & Johnson	3.6%
<b>Total Top 10</b>	<b>49.3%</b>
23 other holdings	49.1%
Cash	1.7%
<b>TOTAL</b>	<b>100.0%</b>

Source: Factset. Holdings subject to change.

## ASSET CLASS BY SPLIT



Source: Factset. Asset Allocation subject to change

## TRUST INFORMATION

### Structure

London Listed Investment Trust

### Board

Chairman	John Evans
Non-Executive Director	Mark Little
Non-Executive Director	Sarah Harvey
Non-Executive Director	Angus Cockburn
Non-Executive Director	Alexandra Innes

### Investment Manager

Troy Asset Management Limited  
33 Davies Street  
London W1K 4BP  
Tel: 020 7499 4030  
Fax: 020 7491 2445  
email: info@taml.co.uk

### Manager

James Harries

### Benchmark

Lipper Global Equity Global Income Index

### Capital Structure

Shares with voting rights	100,260,575
Shares held in treasury	22,038,573

### Net Assets

£233m

### Gross Assets

£249m

### Ongoing Charges

Ordinary shares: (31.03.22)	0.93%
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### Management Fee

0.65%

### Allocation of Expense and Interest

Capital 65%  
Revenue 35%

### Mandate Established

2005

### Year End

31 March

### Premium (Discount)

-1.25%

### Gearing

7%

### Currency

£ Sterling

### Historic Dividend Yield

(trailing 12 months)	2.50%
Q2 2022	1.75p
Q1 2022	1.375p
Q4 2021	1.375p
Q3 2021	1.375p

### Dividend Payments

January, April, July, October

### Market Makers:

JPMORGAN, NUMIS,  
WINTERFLOOD, INVESTEC,  
PANMURE, PEEL HUNT

### Bloomberg/Epic/ Reuters Code

STS

### Sedol

B09G3N2

### AIFM

Juniper Partners Limited

### Pricing

Share price is listed daily in the FT

### Auditor

Ernst & Young LLP



## Important Information

Please refer to Troy's Glossary of Investment terms [here](#). The Trust can use gearing to purchase assets for the Trust; the use of this facility will have the effect of magnifying any gains or losses made. Asset allocation and holdings information is based on the gross assets. All performance data is calculated net of fees, unless otherwise stated. The Trust is registered for distribution to the public in the UK and to professional investors only in Ireland. All references to benchmarks are for comparative purposes only.

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The historic dividend yield reflects distributions declared over the past twelve months as a percentage of the Trust's price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The historic dividend yield is not guaranteed and will fluctuate. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities.

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