



## Securities Trust of Scotland plc

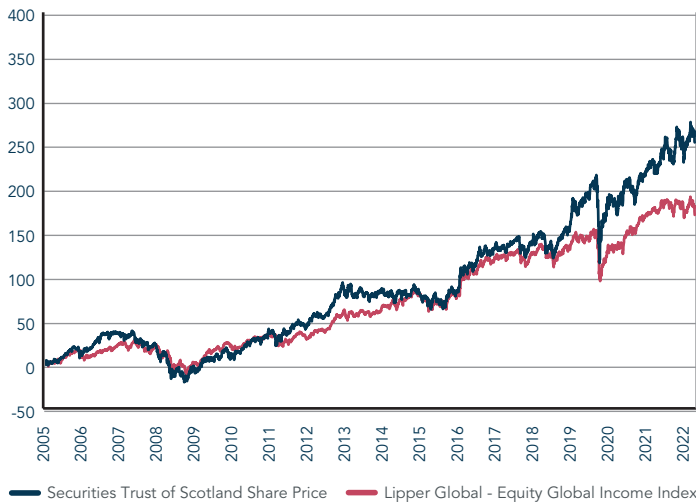
All data as at 30 September 2022

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.

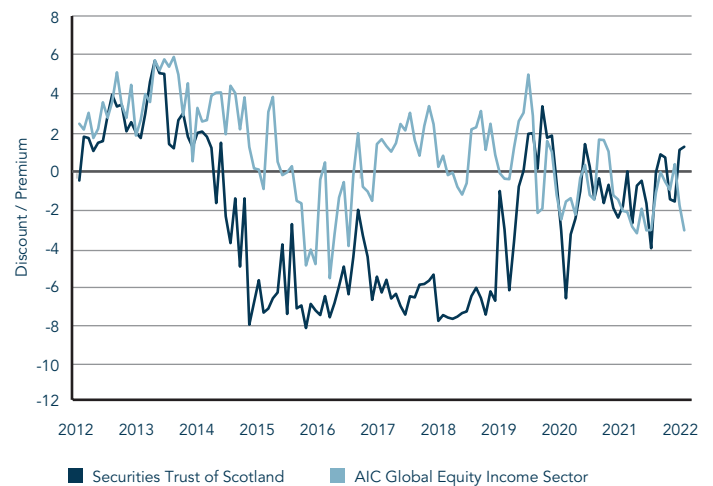
PRICE	NAV (EX INC)	PREMIUM/DISCOUNT	YIELD*	TOTAL NET/GROSS ASSETS
226.00p	219.46p	1.41%	2.6%	£223m/£241m
			*historic dividend yield	

### PERCENTAGE GROWTH FROM 30/06/2005 TO 30/09/2022



Source: Lipper

### SHARE PRICE DISCOUNT/PREMIUM TO NAV



Source: Morningstar

Total Return to 30 September 2022	Since Troy Appt*	30/09/17 5 years	30/09/19 3 years	30/09/21 1 year	31/03/22 6 months
Securities Trust of Scotland Share Price	+18.5%	+59.5%	+25.6%	+8.4%	-1.4%
Securities Trust of Scotland NAV	+14.3%	+45.6%	+19.3%	+7.0%	-2.7%
Lipper Global – Equity Global Income Index	+12.2%	+24.7%	+10.6%	-1.6%	-5.9%

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%	-1.2%
Securities Trust of Scotland NAV	+4.1%	+0.2%	+28.5%	+11.9%	-8.2%	+27.4%	+3.7%	+17.6%	+3.0%

\*Troy appointed Investment Manager 12 November 2020

Past performance is not a guide to future performance.

Source: Lipper/Morningstar

## September Commentary

The Trust produced a Net Asset Value total return of -4.0% during the month and a price total return of -3.8%, compared to a return of -4.9% for the Lipper Global – Equity Global Income Index.

We have added to Nintendo. We originally invested in this company in March 2021 and it remains a long term holding. Our thesis is essentially that Nintendo is priced like a hardware company but has attributes more normally associated with software businesses.

Nintendo is a global vertically integrated gaming company which owns many of the most famous and successful games franchises of all-time including Mario, Zelda and Pokemon.

The company is set to launch a new console called the Switch Pro in 2023 (exact timing to be announced) which will replace the existing Switch – which itself is one of the most successful gaming consoles ever made. Despite this exciting development as well as a number of other initiatives to further monetise their intellectual property the shares remain very attractively valued suggesting widespread scepticism.

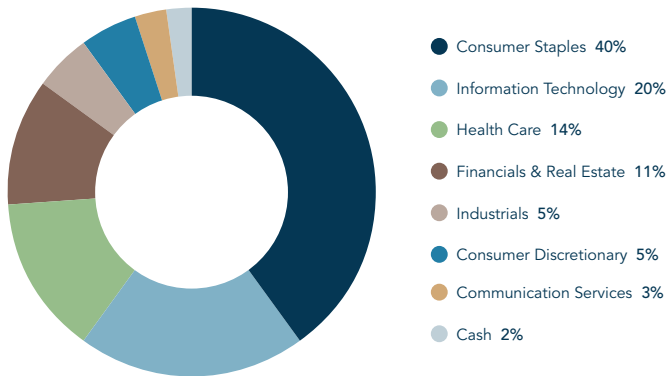
Investors fear that the Switch Pro may be a flop as has been the case with some of Nintendo's new product launches historically - hence the hardware

valuation.

We think these fears may be misplaced. Since games are now downloaded rather than purchased physically, an individual account is required. Nintendo therefore effectively has an installed base of over 100 million customers. Our expectation is that the transfer of the user base from the existing console to the new one will be far more seamless than many believe – a process more akin to a software upgrade. This will feed into both hardware and software sales and we think potentially drive an improving free cash flow stream for the company to the benefit of the share price.



## ASSET ALLOCATION BY SECTOR



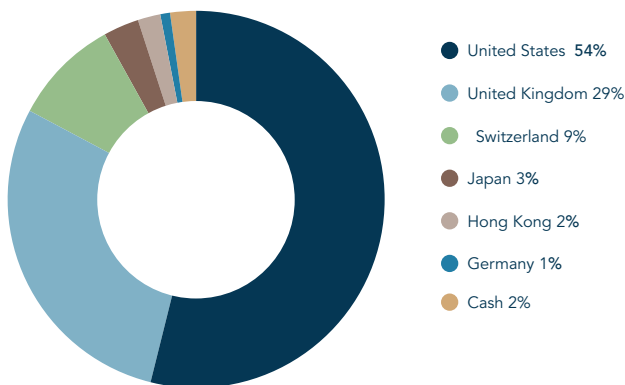
Source: Factset. Asset Allocation subject to change

## TOP 10 HOLDINGS

British American Tobacco	6.3%
Paychex	5.5%
ADP	5.5%
PepsiCo	5.1%
Unilever	4.9%
Reckitt Benckiser	4.3%
Philip Morris International	4.3%
CME Group	4.2%
Diageo	4.1%
Johnson & Johnson	3.9%
<b>Total Top 10</b>	<b>48.1%</b>
23 other holdings	49.8%
Cash	2.1%
<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	22,188,573

Net Assets £223m

Gross Assets £241m

### 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) 1.41%

Gearing 8%

Currency £ Sterling

### Historic Dividend Yield

(trailing 12 months)	2.55%
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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