STS Global Income & Growth Trust plc

Half-yearly financial report

Six months to 30 September 2024

TROY
ASSET MANAGEMENT

www.stsplc.co.uk

About STS Global Income & Growth Trust

What we do

STS Global Income & Growth Trust plc (the 'Company' or 'STS') 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) 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 8% since 2005.

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.

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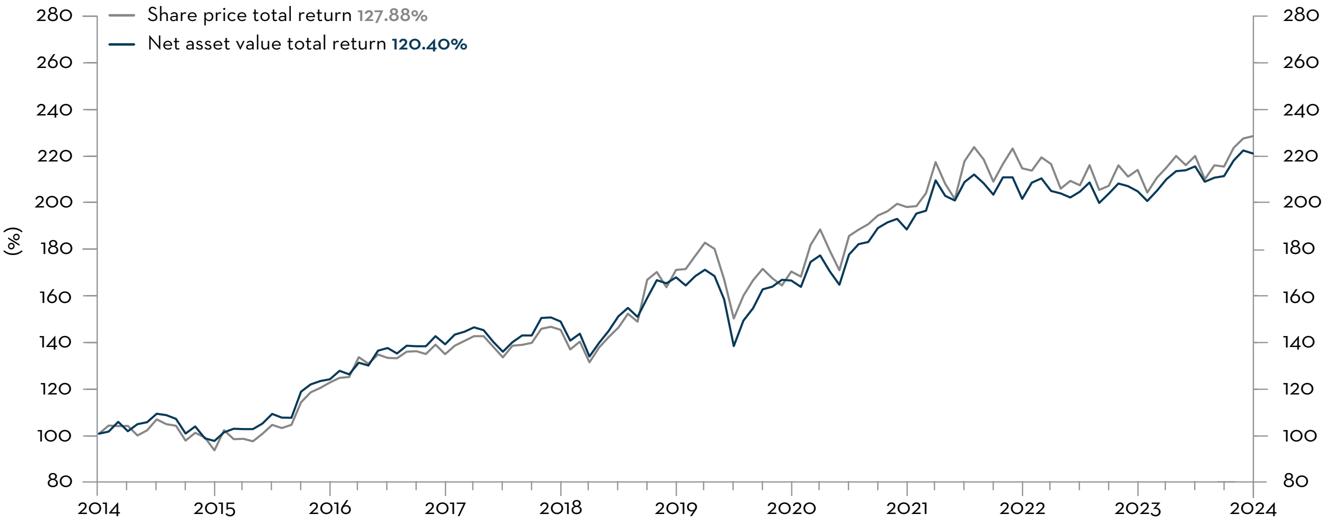
Financial highlights

Long-term capital growth



Source: LSEG Data & Analytics

Total returns^ (including reinvested dividends)

	Six months ended 30 September 2024 %	Six months ended 30 September 2023 %
Net asset value per share	3.8	0.7
Lipper Global – Equity Global Income Index	2.5	0.5
Share price	3.9	3.2

Key data

	As at 30 September 2024	As at 31 March 2024
Net asset value per share (cum income)^	230.82p	223.71p
Net asset value per share (ex income)^	227.02p	222.86p
Share price	227.00p	220.00p
Discount^	(1.65%)	(1.66%)
Net assets	£295,715,000	£314,353,000

Income

	Six months ended 30 September 2024	Six months ended 30 September 2023
Revenue per share	3.66p	3.31p
Dividend per share	3.17p	3.05p

^ For details of all Alternative Performance Measures refer to page 18.

Interim management report

Chairman's statement

> In line with the aim of providing a growing level of income and steady capital growth we are pleased to report a positive return and the intention to increase the total dividend for the year by 4%.

Introduction

It is pleasing to report on positive returns for your Company over the six-month period to 30 September 2024. During this period, the net asset value total return reached +3.8%, outperforming the +2.5% return of our benchmark, the Lipper Global – Equity Global Income Index.

These returns have been achieved against a background in which equity markets globally have had to deal with a heightened level of geopolitical risk in Ukraine and in the Middle East, offset by clear evidence that the interest rate cycle has peaked in many developed economies. There are signs that inflation rates, while still variable, have passed their peak levels.

There has been much for markets to consider, including the recent UK Budget and US election. More recently, a sharp rise in government bond yields in the US and UK might indicate that there is no consensus as to how the next part of the cycle might play out.

The US equity market has continued to deliver a strong performance and has also continued to do so with aggregate returns still driven by a small cohort of companies, by number, but which represent a significant weight within the S&P 500 Index (the so called 'Magnificent Seven' mega-cap tech-related stocks).

Revenue and dividends

The revenue position for the period reflects the enlarged asset base of the Company following the merger with Troy Income & Growth Trust plc ('TIGT') in March of this year. Consequently, the total revenue for the period of £5.8m was significantly greater than the £4.0m earned in the period to 30 September 2023. Total investments at the period end were £309.0m, compared with £219.8m at 30 September 2023.

The Board declared a first interim dividend of 1.586 pence per ordinary share, which represented a 4% increase on the equivalent dividend for the prior year. Barring unforeseen circumstances, it is the Board's intention to increase the total dividend for the year to 31 March 2025 by 4% and consequently, a second interim dividend of 1.586p has been declared. The second interim dividend will be paid on 17 January 2025 to shareholders on the register on 20 December 2024. The ex-dividend date will be 19 December 2024.

There are a number of conflicting factors that can determine the revenue outcome for the Company in any given period, the principal one being the timing and level of dividend payments by underlying investee companies. However, and as discussed previously, the average Sterling/US Dollar exchange rate for a fiscal period is also of critical importance.

Interim management report continued

In the period under review, 40% of your Company's total revenue was denominated in US Dollars. Of this, 34% consisted of dividends paid by US based companies and 6% was from non-US based companies that choose to account and pay dividends in US Dollars – examples being Diageo and Accenture.

In the six months under review, the Sterling/US Dollar exchange rate moved from 1.26 to 1.34 but subsequently Sterling has weakened against the US Dollar, owing to recent reductions in UK short term interest rates and the view that the likely economic policies of the new US President may give the Federal Reserve less scope to reduce rates than was previously expected.

The Board will seek to mitigate the effect of exchange rate variation by using revenue reserves and if necessary capital reserves to supplement revenue earnings in periods of adverse currency movement. The objective being to pay a consistently rising dividend over time.

Discount management

Your Board has adopted a discount control mechanism that has the objective of seeking to ensure that the Company's shares trade at a value close to their underlying net asset value on a consistent basis. Shares will be bought in when there are surplus net sellers in the market and shares may be issued in periods of net demand.

In the six-month period under review, no shares were issued and 12.4m were purchased at an average discount of 1.3%. This amount represents 8.8% of the shares in issue at the start of the period and enhanced the net asset value of the Company by £338,000. Such a significant level of buy-in is consistent with recent trends in the investment trust and open-ended investment company sectors. Both sectors have seen substantial outflows of funds recently, for a variety of reasons, not least the anticipation of changes to the rates of capital gains taxes in the recent Budget.

There are also several other factors which are affecting the demand for the shares of investment companies. The wealth management sector has seen considerable consolidation in recent years and as a result some management houses now have substantially greater assets under management than before the consolidation. This has changed the role that investment trusts can play in their client portfolios and has led to some of these managers being net sellers of the sector. Your Company has been affected by such activity.

The buy-in has achieved its objective and the average share price discount over the period was 1.4%.

At the AGM in June 2024 the Company renewed its authority to buy in up to 14.99% of its then issued share capital. In the six months to 30 September 2024 more than half of this authority was used – 8.8% of the share capital was purchased from selling shareholders.

In order to maintain the maximum flexibility and allow share purchases to continue to meet selling demand, the Board is now seeking to renew its buyback authority. A General Meeting will be held on 8 January 2025 where a resolution will be proposed to renew the buy back authority to 14.99% of the issued share capital. The Board encourages shareholders to support this resolution.

Board considerations

Following the TIGT merger in March, the Board briefly expanded to eight members. As planned, two directors retired at the AGM in June 2024, leaving a current Board of six.

At the 2025 AGM, I will retire after nine years of service on the Board, in line with corporate governance best practices. I am pleased to announce that it is intended that Sarah Harvey will succeed me as Chair, subject to her re-election. Sarah has served as a Board member since 2018 and as Senior Independent Director since 2022. Sarah has also served as Chair of the Marketing and Communications Committee, has extensive knowledge of the Company and brings vast experience from her broader career.

Outlook

I am pleased that on current expectations your Company will produce a real increase in the dividend paid to shareholders in the current financial year. This is a testament to the quality and underlying growth and profitability of the companies in the portfolio – characteristics actively sought by your Managers.

There are several challenges to equity markets at present including rising bond yields and electoral and geopolitical concerns. Indeed, Donald Trump's recent election success resulted in a continued rise in bond yields, a strengthening of the US Dollar and a positive reaction in the US equity markets. The portfolio is managed in a dynamic manner and the Board is confident that the Managers can take advantage of whatever opportunities lie ahead.

John Evans
Chairman

4 December 2024

Interim management report continued

Manager's review

"We have confidence that the Company will be able to continue to deliver a balance of capital gains and income and remain excited by the prospect of being able to deploy capital into new ideas should valuations become more attractive."

The Company made progress in the first half of the year advancing by +3.8% in net asset value terms relative to a return of +2.5% for the comparison index.

Unilever was a strong performer. After a long period of lacklustre returns investors are increasingly convinced that the business is being re-invigorated by the new leadership of CEO, Hein Schumacher and CFO, Fernando Fernandez. We have met both executives and share this enthusiasm. A greater willingness to focus the business on the best products and brands, as well as a simplification of incentives while bearing down on costs, should in time lead to better growth and stronger margins. The rise in the share price has anticipated some of this improvement but we believe this operating momentum can continue for some years.

We have had a long-term investment in US listed payroll and human resources software business Paychex. The company delivered a strong performance in recent months following a period of consolidation in the share price despite consistent results and growth in underlying free cash flow. They have also rewarded investors with strong dividend growth which has averaged 9.65% per annum over the last 5 years. The company remains a core holding.

Philip Morris was the largest contributor to our performance, rising by 34.8% during the half year. The company has done an excellent job of leading the industry in its transition away from combustible products to much less harmful alternatives. They have established their heat-not-burn product, IQOS, as the leading premium product in the category globally. This leadership has been bolstered by the acquisition of Swedish Match which brought with it the leading modern oral brand Zyn. Recent results have been strong, leading investors to ascribe a premium valuation to the business relative to peers.

British American Tobacco ('BAT') also appreciated in the period under review. Although the strategy pursued by the business has lacked the clarity and vision of the leadership team at Philip Morris, BAT should also benefit, with a lag, from many of the same trends that are driving the Philip Morris share price. This second-mover status is more than reflected in the very low valuation of the shares. We expect the company to make further progress in its non-combustible business as well as show some improvement in the US where they have been losing market share. This should allow the shares to continue to advance in the coming months.

The two companies that detracted most from performance were both in the spirits business. Diageo and Pernod have each suffered from a similar malaise as they work through the aftermath of the COVID-inspired boom in the sector. An industry that usually enjoys consistent demand saw a surge in sales during global lockdowns as consumers filled their cupboards with more premium bottles of cocktail ingredients than would normally be the case. This boom has resulted in a mini-bust as consumers and companies have had to work through excess inventory. The situation has been worsened by the effects of inflation and fading stimulus on consumption. While the current operating environment remains tough, we think this will improve in time and investors will once again be reminded of the excellent competitive advantages these companies enjoy.

Also weak over this period was Canadian National Railway. We continue to believe this is an excellent long-term investment for the trust. At a recent meeting with the CFO, Ghislain Houle, the company described how they have suffered from several short-term problems. These included floods and wildfires, which should be expected, but also labour disputes which have been more challenging.

Interim management report continued

They have also seen some weakness in end markets which would be consistent with a slowing economy. Once resolved we think the company can return to its long-term growth aspiration of over 10% earnings per share growth owing to the strong competitive advantages the business enjoys. This should allow the investment to make a healthy contribution to the growth in free cashflow in the portfolio which underpins dividend growth.

Finally, Domino's Pizza was dull as investors fret about the difficult consumer environment. We think the company is pursuing a sound strategy under the new CEO, Andrew Rennie, who has had considerable success managing similar businesses in Europe and Australia. The shares remain very good value and dividend growth has been consistent.

No major purchases or sales have been made over this period.

Investment outlook

Recent gains in our portfolio are welcome and are in part a function of our cautious view. Investors have been drawn to the type of dependable, predictable businesses we favour, as a result of both decent valuations and concerns about the economic outlook. Given the material and rapid rise in interest rates globally the resilience of the US economy has been impressive. COVID distortions which, remarkably, are still working their way through the global economy, together with the fiscal policy response to that shock, may explain some of this persistent momentum. To us this means the effects of the change of the cost of capital may have been delayed but are unlikely to have been avoided entirely. Indeed, outside of the US, economies have been less buoyant, notably in Europe.

To this uncertain outlook must be added our observation that on many long-term measures the US equity market is very fully valued. This not only suggests that returns from the broader market may be constrained but that many of the high-quality global income franchises we would love to own in the trust currently remain too expensive in our judgement. Conversely the businesses we do own continue generally to be good value and will be resilient should the economic picture darken.

Two events occurred post the period under review which may affect the portfolio, at least in the short term, and are worthy of comment. The new UK Government announced their first budget and the US electorate voted to return Donald Trump to the White House.

As a global, long term investment portfolio the actions of the UK Government generally have little bearing on the outlook for our companies and this was no exception. Although listed in the UK, the companies in which we are invested are generally global in scope and have relatively limited operations in the UK. As such the main tax rise contained in the budget, an increase in employer National Insurance contributions to 15%, which being a tax on domestic employment rather than global revenues, limits the impact on our companies. We have two UK focused investments, Admiral Group and Domino's Pizza. In the case of the former the effect of the tax rise should be able to be passed on through higher insurance premiums in time. For Domino's Pizza the main burden of the tax rise will fall on the franchisees rather than the entity in which we are invested. While this is not ideal it will be manageable.

The recent US election result is potentially more impactful, although even here the Presidential 4-year term should be compared to our average holding period for an investment of over 10 years. The emphatic victory by President-Elect Trump has caused some short-term reaction in global markets. These have reflected an upbeat attitude in capital markets to the perceived benefits of a Trump administration, notably around deregulation. Hence, we have seen strength in areas of the equity market such as banking, technology, Bitcoin and European defence. The US Dollar has been strong, spreads tight and equity volatility has declined. Some of our holdings, such as, Paychex, ADP and IHG have benefited from this.

At the same time less favoured areas have struggled, most obviously renewable energy and non-US currencies, including Sterling, but most impactfully perhaps the US Treasury market. The yield on the US 2-year note has climbed from a recent low of 3.54% to 4.17%, similarly the US 10 year yield has moved from 3.64% to a recent high of 4.45% as the bond market correctly anticipated a Trump win and the likelihood of greater inflation. The enactment of unfunded tax cuts, stricter treatment of migrants and especially the imposition of tariffs will all contribute to this risk. When this is combined with a greater questioning of the independence of the US Federal Reserve, a more balanced view than is implied by recent excitement may be wise.

Much is uncertain as rhetoric may not predict policy outcomes. However, markets have been quick to price in the positive attributes of the Trump agenda while potentially ignoring the negatives. As regards the portfolio, we will be monitoring events closely to take advantage of opportunities that arise.

We therefore have confidence that the Company will be able to continue to deliver a balance of capital gains and income underpinned by growing free cash flow from our portfolio of companies. We also remain excited by the prospect of being able to deploy capital into new ideas should valuations become more attractive.

James Harries

4 December 2024

Statement of Directors' responsibilities

A review of the half year and the outlook for the Company can be found in the Chairman's statement and Manager's review on pages 3 to 6.

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 latest annual report. 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.

Risks are regularly monitored at Board meetings and the Board's planned mitigation measures are described in the latest annual report. The Board maintains a risk register and also carries out a risk review as part of its annual strategy meeting.

A detailed explanation of the principal risks and uncertainties facing the Company and how the Board manages them can be found in the 2024 annual report, which can be found on the Company's website www.stsplc.co.uk. In the view of the Board, these principal risks and uncertainties at the year end remain. The Board continue to work with the agents and advisers to the Company to manage these risks. The risks identified are as applicable to the remaining six months of the year as they were to the six months under review.

Going concern status

The Company's business activities, together with the factors likely to affect its future development, performance and position, are continually monitored by the Board.

The financial position of the Company as at 30 September 2024 is shown on the unaudited statement of financial position on page 10. The unaudited statement of cash flow of the Company is set out on page 12.

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist primarily 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 risks disclosed above. They have reviewed revenue forecasts and the financial position of the Company. 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 for at least one year from the date of signing of these financial statements. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Related party transactions

During the first six months of the year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company. There have been no material changes in any related party transaction described in the annual report for the year ended 31 March 2024.

Directors' responsibility statement

The Directors are responsible for preparing the half yearly financial report in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in July 2022;
- the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months of the financial year and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and charges therein).

By order of the Board

John Evans
Chairman

4 December 2024

Portfolio summary

Portfolio distribution as at 30 September 2024

By region (excluding cash)

	As at 30 September 2024 %	As at 31 March 2024 %
North America	47.1	51.5
Europe	47.0	42.9
Asia	5.9	5.6
	100.0	100.0

By sector (excluding cash)

	As at 30 September 2024 %	As at 31 March 2024 %
Consumer staples	33.8	34.3
Industrials	15.7	17.9
Information technology	15.1	11.7
Healthcare	14.2	14.3
Financials	8.1	8.4
Consumer discretionary	7.2	7.8
Communication services	3.8	4.3
Real estate	2.1	1.3
	100.0	100.0

By asset class (including cash and borrowings)

	As at 30 September 2024 %	As at 31 March 2024 %
Equities	104.8	102.9
Cash	0.2	2.0
Borrowings	(5.0)	(4.9)
	100.0	100.0

Ten largest holdings

	30 September 2024 Market value £000	30 September 2024 % of total portfolio	31 March 2024 Market value £000	31 March 2024 % of total portfolio
Paychex	16,399	5.3	17,374	5.3
Philip Morris	15,615	5.1	13,179	4.1
British American Tobacco	15,539	5.0	14,458	4.4
Unilever	14,888	4.8	16,261	5.0
CME Group	14,599	4.7	16,245	5.0
Relx	13,948	4.5	14,361	4.4
PepsiCo	13,593	4.4	15,312	4.7
Reckitt Benckiser	13,211	4.3	14,113	4.3
Microsoft	13,133	4.2	15,102	4.7
Novartis	12,945	4.2	12,574	3.9

Unaudited statement of comprehensive income

		(Unaudited) Six months to 30 September 2024			(Unaudited) Six months to 30 September 2023			(Audited) Year to 31 March 2024		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net gains/(losses) on investments		–	5,932	5,932	–	(1,204)	(1,204)	–	5,740	5,740
Net currency (losses)/gains		(26)	649	623	(22)	(66)	(88)	(39)	286	247
Income	3	5,810	–	5,810	4,034	–	4,034	7,674	–	7,674
Investment management fee		(180)	(334)	(514)	(247)	(459)	(706)	(478)	(888)	(1,366)
Other expenses		(368)	–	(368)	(287)	–	(287)	(595)	–	(595)
Net return before finance costs and taxation		**5,236**	**6,247**	**11,483**	3,478	(1,729)	1,749	6,562	5,138	11,700
Finance costs		(183)	(339)	(522)	(83)	(153)	(236)	(269)	(500)	(769)
Net return on ordinary activities before taxation		**5,053**	**5,908**	**10,961**	3,395	(1,882)	1,513	6,293	4,638	10,931
Taxation	4	(190)	–	(190)	(192)	–	(192)	(551)	–	(551)
Net return attributable to ordinary shareholders		**4,863**	**5,908**	**10,771**	3,203	(1,882)	1,321	5,742	4,638	10,380
Net return per ordinary share	2	**3.66p**	**4.45p**	**8.11p**	3.31p	(1.94p)	1.37p	6.08p	4.92p	11.00p

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 during the period.

The notes on pages 13 to 15 form part of these condensed financial statements.

Unaudited statement of financial position

	Note	(Unaudited) As at 30 September 2024		(Unaudited) As at 30 September 2023		(Audited) As at 31 March 2024	
		£000	£000	£000	£000	£000	£000
Fixed assets							
Investments at fair value through profit or loss			308,994		219,848		324,666
Current assets							
Trade and other receivables		1,596		1,260		60,068	
Cash and cash equivalents		695		2,210		6,377	
		2,291		3,470		66,445	
Current liabilities							
Bank loans	5	(14,784)		(15,855)		(15,449)	
Trade payables		(786)		(806)		(59,573)	
Dividend payable		–		–		(1,736)	
Total current liabilities		(15,570)		(16,661)		(76,758)	
Net current liabilities			(13,279)		(13,191)		(10,313)
Total net assets			295,715		206,657		314,353
Capital and reserves							
Called up share capital	7	1,752		1,223		1,752	
Capital redemption reserve		78		78		78	
Share premium account		148,245		31,808		148,249	
Special distributable reserve		17,660		58,813		45,033	
Capital reserve		122,451		110,023		116,543	
Revenue reserve		5,529		4,712		2,698	
Total shareholders' funds			295,715		206,657		314,353
Net asset value per ordinary share	2		230.82p		220.09p		223.71p

The Company is registered in Scotland no. SC283272.

The notes on pages 13 to 15 form part of these condensed financial statements.

Unaudited statement of changes in equity

For the six months ended 30 September 2024 (Unaudited)	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 2024	1,752	78	148,249	45,033	116,543	2,698	314,353
Net return attributable to shareholders**	–	–	–	–	5,908	4,863	10,771
Costs in relation to the issue of shares	–	–	(4)	–	–	–	(4)
Shares bought back into treasury	–	–	–	(27,373)	–	–	(27,373)
Dividends paid	–	–	–	–	–	(2,032)	(2,032)
As at 30 September 2024	**1,752**	**78**	**148,245**	**17,660**	**122,451**	**5,529**	**295,715**

For the six months ended 30 September 2023 (Unaudited)	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 2023	1,223	78	31,808	70,924	111,905	3,297	219,235
Net return attributable to shareholders**	–	–	–	–	(1,882)	3,203	1,321
Shares bought back into treasury	–	–	–	(12,111)	–	–	(12,111)
Dividends paid	–	–	–	–	–	(1,788)	(1,788)
As at 30 September 2023	1,223	78	31,808	58,813	110,023	4,712	206,657

For the year ended 31 March 2024 (Audited)	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 2023	1,223	78	31,808	70,924	111,905	3,297	219,235
Net return attributable to shareholders**	–	–	–	–	4,638	5,742	10,380
Shares issued in respect of the transaction with TIGT	529	–	117,223	–	–	–	117,752
Costs in relation to the issue of shares	–	–	(782)	–	–	–	(782)
Shares bought back into treasury	–	–	–	(25,891)	–	–	(25,891)
Dividends paid	–	–	–	–	–	(6,341)	(6,341)
As at 31 March 2024	1,752	78	148,249	45,033	116,543	2,698	314,353

* These reserves are distributable with the exception of the unrealised portion of the capital reserve (£29,444,000; 31 March 2024: £28,322,000; 30 September 2023: £25,529,000), which is non-distributable.

** The Company does not have any other income or expenses that are not included in the 'Net return attributable to shareholders' as disclosed in the Statement of comprehensive income on page 9, and therefore this is also the 'Total comprehensive income' for the period.

The notes on pages 13 to 15 form part of these condensed financial statements.

Unaudited statement of cash flows

	Note	(Unaudited) Six months to 30 September 2024 £000	£000	(Unaudited) Six months to 30 September 2023 £000	£000	(Audited) Year to 31 March 2024 £000	£000
Cash flows from operating activities							
Net return on ordinary activities before taxation			10,961		1,513		10,931
Adjustments for:							
(Gains)/losses on investments		(5,932)		1,204		(5,740)	
Finance costs		522		236		769	
Exchange movement on bank borrowings	6	(665)		60		(346)	
Purchases of investments*		(75,561)		(2,851)		(17,217)	
Sales of investments*		97,100		16,106		43,263	
Dividend income	3	(5,799)		(4,029)		(7,659)	
Other income	3	(11)		(5)		(15)	
Dividend income received		5,321		3,950		7,800	
Other income received		12		5		14	
Decrease in receivables		20		15		8	
Increase/(decrease) in payables		173		(97)		(120)	
Overseas withholding tax deducted		(103)		(161)		(586)	
			15,077		14,433		20,171
Net cash flows from operating activities			26,038		15,946		31,102
Cash flows from financing activities							
Repurchase of ordinary shares		(27,584)		(11,786)		(25,560)	
Issue of ordinary share capital		150		–		6,143	
Equity dividends paid from revenue		(3,768)		(3,231)		(6,048)	
Interest paid on borrowings		(518)		(289)		(830)	
Net cash flows from financing activities			(31,720)		(15,306)		(26,295)
Net (decrease)/increase in cash and cash equivalents			(5,682)		640		4,807
Cash and cash equivalents at the start of the period			6,377		1,570		1,570
Cash and cash equivalents at the end of the period	6		695		2,210		6,377

* 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 13 to 15 form part of these condensed financial statements.

Notes to the financial statements

Note 1: Accounting policies

For the six months ended 30 September 2024 (and the year ended 31 March 2024), the Company is applying The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), which forms part of Generally Accepted Accounting Practice ('UK GAAP') issued by the Financial Reporting Council ('FRC') in 2015.

These condensed financial statements have been prepared on a going concern basis in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 104 Interim Financial Reporting, and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ('SORP') issued by the AIC in July 2022.

The accounting policies applied for the condensed set of financial statements are set out in the Company's annual report for the year ended 31 March 2024.

Note 2: Returns and net asset value

	(Unaudited) Six months to 30 September 2024	(Unaudited) Six months to 30 September 2023	(Audited) Year to 31 March 2024
Returns per share			
Revenue return (£000)	4,863	3,203	5,742
Capital return (£000)	5,908	(1,882)	4,638
Total (£000)	10,771	1,321	10,380
Weighted average number of ordinary shares in issue	132,889,765	96,715,825	94,344,039
Revenue return per ordinary share	3.66p	3.31p	6.08p
Capital return per ordinary share	4.45p	(1.94p)	4.92p
Total return per ordinary share	8.11p	1.37p	11.00p
Net asset value per share			
Net assets attributable to shareholders (£000)	295,715	206,657	314,353
Number of shares in issue at period end	128,115,415	93,898,378	140,517,415
Net asset value per share	230.82p	220.09p	223.71p

Note 3: Income

	(Unaudited) Six months to 30 September 2024 £000	(Unaudited) Six months to 30 September 2023 £000	(Audited) Year to 31 March 2024 £000
From listed investments			
UK – equities	2,853	1,968	2,842
Overseas – equities	2,946	2,061	4,817
	5,799	4,029	7,659
Other income			
Deposit interest	11	5	15
	5,810	4,034	7,674

During the six months to 30 September 2024 the Company did not receive any special dividends, which were treated as capital (30 September 2023 and year to 31 March 2024: £nil).

Notes to the financial statements continued

Note 4: Taxation

	(Unaudited) Six months to 30 September 2024 £000	(Unaudited) Six months to 30 September 2023 £000	(Audited) Year to 31 March 2024 £000
Irrecoverable overseas withholding tax	190	192	551

Note 5: Bank loans

	(Unaudited) As at 30 September 2024 £000	(Unaudited) As at 30 September 2023 £000	(Audited) As at 31 March 2024 £000
Bank borrowings repayable within one year	14,784	15,855	15,449

The Company has a £20m multi-currency revolving credit facility with The Royal Bank of Scotland International Limited, which expires on 19 September 2026. As at 30 September 2024 £14,784,000 was drawn down until 20 December 2024. The amount has been drawn in the same currency split as borrowed at 30 September 2023 and 31 March 2024 – £1,500,000; €4,500,000; and US$12,750,000.

Interest is payable at the aggregate of the compounded Risk Free Rate ("RFR") for the relevant currency and loan period, plus a margin of 1.55%.

Note 6: Analysis of net debt

	(Audited) As at 31 March 2024 £000	Cash flow £000	Exchange movements £000	(Unaudited) As at 30 September 2024 £000
Cash at bank	6,377	(5,682)	–	695
Bank borrowings	(15,449)	–	665	(14,784)
	(9,072)	(5,682)	665	(14,089)

Note 7: Called up share capital

	(Unaudited) As at 30 September 2024 No. of shares	(Unaudited) As at 30 September 2023 No. of shares	(Audited) As at 31 March 2024 No. of shares
Ordinary shares of 1p			
Shares in issue	128,115,415	93,898,378	140,517,415
Held in treasury	47,072,770	28,400,770	34,670,770
	175,188,185	122,299,148	175,188,185

Note 7: Called up share capital (continued)

During the six months ended 30 September 2024 there were 12,402,000 shares bought back into treasury at a cost of £27,373,000 (six months ended 30 September 2023: 5,585,197 shares bought back into treasury at a cost of £12,111,000; year ended 31 March 2024: 11,855,197 shares bought back into treasury at a cost of £25,891,000).

During the six months ended 30 September 2024 no shares were issued from treasury (six months ended 30 September 2023: no shares were issued from treasury; year ended 31 March 2024: no shares were issued from treasury and 52,889,037 new shares were issued for net proceeds of £117,752,000.

No shares were purchased for cancellation or cancelled from treasury in the current or prior periods.

Note 8: Fair value hierarchy

Under FRS 102, the Company 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:

	(Unaudited) As at 30 September 2024 £000	(Unaudited) As at 30 September 2023 £000	(Audited) As at 31 March 2024 £000
Financial assets at fair value through profit or loss – Quoted equities			
Level 1	308,994	219,848	324,666
Level 2	–	–	–
Level 3	–	–	–
Total	308,994	219,848	324,666

There have been no transfers between levels 1, 2 or 3 during the period (30 September 2023 and year ended 31 March 2024: nil).

Note 9: Half-yearly financial report

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in S434 – 6 of the Companies Act 2006. The financial information for the six months ended 30 September 2024 and 30 September 2023 has not been audited or reviewed.

The information for the year ended 31 March 2024 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under s498 (2), (3) or (4) of the Companies Act 2006.

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.

		(Unaudited) Six months to 30 September 2024	(Unaudited) Six months to 30 September 2023	(Audited) Year to 31 March 2024
Opening NAV per share	A	**223.71p**	220.37p	220.37p
Closing NAV per share	B	**230.82p**	220.09p	223.71p
% change in NAV	C=(B-A)/A	**3.2%**	(0.1%)	1.5%
Impact of dividends reinvested	D	**0.6%**	0.8%	3.3%
NAV total return	E=C+D	**3.8%**	0.7%	4.8%

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.

		(Unaudited) Six months to 30 September 2024	(Unaudited) Six months to 30 September 2023	(Audited) Year to 31 March 2024
Opening share price	A	**220.00p**	214.00p	214.00p
Closing share price	B	**227.00p**	219.00p	220.00p
% change in share price	C=(B-A)/A	**3.2%**	2.3%	2.8%
Impact of dividend reinvested	D	**0.7%**	0.9%	3.3%
Share price total return	E=C+D	**3.9%**	3.2%	6.1%

(Discount)/premium to NAV

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

		(Unaudited) As at 30 September 2024	(Unaudited) As at 30 September 2023	(Audited) As at 31 March 2024
NAV per share	A	**230.82p**	220.09p	223.71p
Share price	B	**227.00p**	219.00p	220.00p
Discount	C=(B-A)/A	**(1.65%)**	(0.49%)	(1.66%)

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 2. 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:

		(Unaudited) As at 30 September 2024	(Unaudited) As at 30 September 2023	(Audited) As at 31 March 2024
Net assets per statement of financial position	A	**295,715,000**	206,657,000	314,353,000
Current year revenue return	B	**4,863,000**	3,203,000	5,742,000
Dividends paid for the current year	C	**–**	–	4,553,000
NAV (ex income)	D=A-(B-C)	**290,852,000**	203,454,000	313,164,000
Shares in issue at the year-end	E	**128,115,415**	93,898,378	140,517,415
Net asset value per share (ex income)	F=D/E	**227.02p**	216.67p	222.86p

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 Limited 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 does not perform well, gearing can increase losses. The more an investment company gears, the higher the risk.

The gearing currently employed is detailed in note 5.

Leverage

Leverage, for the purposes of the AIFM Directive, 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 30 September 2024, 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 buybacks

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

Share buybacks 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 buyback 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 is 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 qualify for tax efficient wrapper products like individual savings accounts ('ISAs') and self-invested personal pensions ('SIPPs') as well as many 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.

Registrar

You can buy and sell shares directly by visiting www.linksharedeal.com or by calling the Link dealing team on 0371 664 0445.

To change your address, request tax vouchers or obtain an up to date valuation of your shareholding please visit www.signalshares.com.

Alternatively, contact Link Group on 0371 664 0300 (calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open 9.00am – 5.30pm Mon-Fri).

Trading Codes

(You may be asked for these when investing)

TIDM code:	STS
Sedol:	B09G3N2
ISIN:	GB00B09G3N23

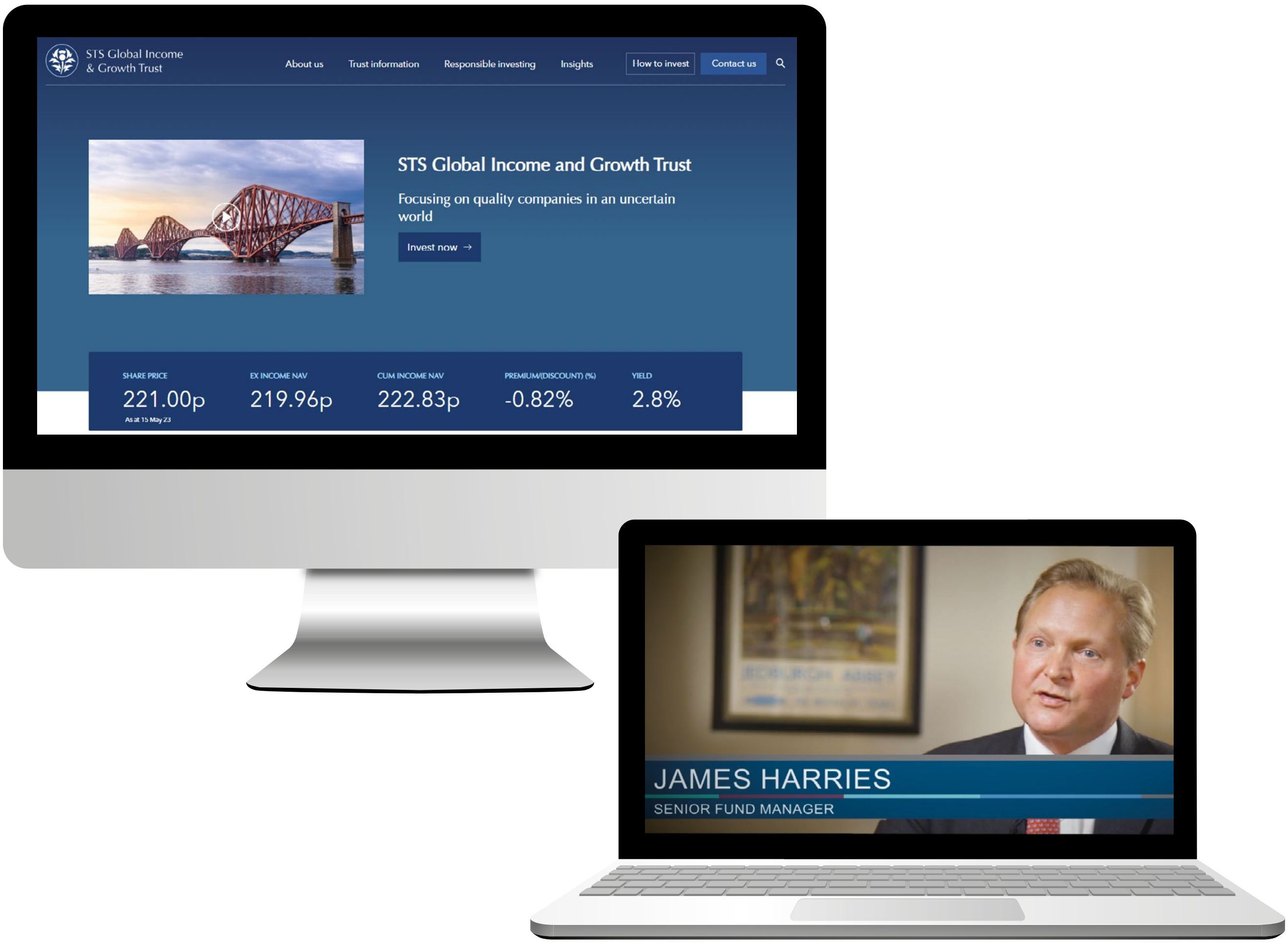
Easy access to information

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)
Gillian Elcock
Bridget Guerin
Sarah Harvey (Senior Independent Director)
Alexandra Innes
Brigid Sutcliffe

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

Brokers

J.P. Morgan Cazenove Limited
25 Bank Street
Canary Wharf
London E14 5JP

Custodians

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

Bankers

The Royal Bank of Scotland International Limited
71 Bath Street
St Helier
Jersey JE4 8PJ

Depositary

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

Registrars

Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone 0371 664 0300
www.linkgroup.eu

Association of Investment Companies

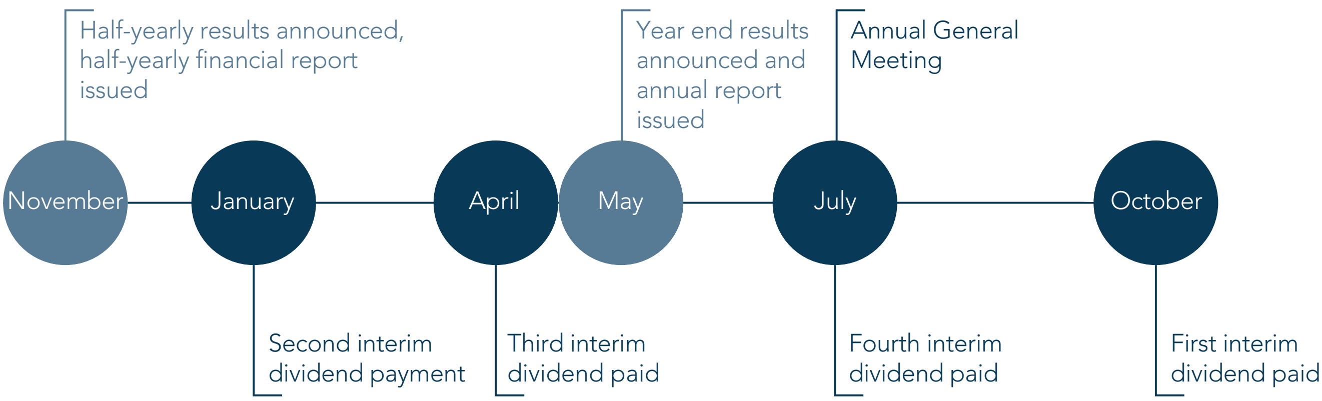
9th Floor
24 Chiswell Street
London EC1Y 4YY
www.theaic.co.uk

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 2024/25



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& Growth Trust plc

www.stsplc.co.uk
28 Walker Street
Edinburgh
EH3 7HR