

Month in review

- An underweight position in basic industries and stock selection in insurance contributed to returns.
- Stock selection in media and consumer cyclicals & services detracted from returns.
- At the stock level, an overweight to NextEra Energy, a US utility company, contributed to monthly returns. Its shares rebounded after a tough May and the company announced a dividend, which was paid in June. Recent consensus estimates also call for quarterly revenues to be up over 40%.
- On the other hand, an overweight position in NXP Semiconductors, a Dutch semiconductor designer and manufacturer, detracted from relative returns over the month. The company cited supply chain bottlenecks, which led to a reduction in the share-price target from analysts in the space. Despite delivering solid first-quarter results and having a strong backlog, the availability of products is the major driver of revenue.
- At the regional level, stock selection in Europe & Middle East ex UK contributed to relative returns, while an overweight position in the US detracted from relative returns.

Looking ahead

- Concerns regarding inflation remain at the centre of market volatility. The recent weakness in consumer sentiment could translate into sluggish consumer spending, affecting wholesale and retail sales in the months ahead.
- While a recession might not be deep, weakness in the economy could linger and a sluggish economic recovery would erode inflation pressures and wage growth. If the post-pandemic surge in demand fades and higher prices start to deter new spending, central banks may adopt a more gradual policy normalisation compared with the hawkish rhetoric seen in the first half of 2022.
- While short-term risks remain, equity markets have already repriced significantly this year, reflecting some risks of a recession. While we would not be surprised to see a few occasional bouts of volatility, we believe equity markets could now offer an attractive entry point to the long-term investor.

Performance

Total return on £100 to 30 June 2022	6 months	1 year	3 years	5 years	10 years
Share price ⁽¹⁾	95.8	102.3	105.8	116.5	228.7
NAV per share ⁽²⁾	96.8	97.6	100.8	109.1	210.4
MSCI All Countries World Index	89.0	95.8	125.6	150.0	299.0

Summary balance sheet	30/06/2022	31/05/2022	Total return
Market capitalisation	£517m	£557m	
Total assets	£638m	£688m	
Borrowings at amortised cost	£84m	£84m	
Net assets ⁽³⁾	£554m	£604m	
NAV ⁽²⁾ per share	826.5p	895.5p	-7.0%
NAV ⁽³⁾ per share	837.4p	913.3p	-7.6%
Share price	782.0p	842.0p	-6.4%

⁽¹⁾ Net income reinvested and before expenses are deducted.

⁽²⁾ With borrowings at market value ⁽³⁾ With borrowings at amortised cost

Source: J.P. Morgan Asset Management/Morningstar. Net asset value performance data has been calculated on a NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. NAV is the cum income NAV with debt at fair value, diluted for treasury, with any income reinvested. Share price performance figures are calculated on a mid-market basis in GBP with income reinvested on the ex-dividend date. The performance of the company's portfolio, or NAV performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance. Indices do not include fees or operating expenses and you cannot invest in them.

Company information

Company founded	1887
Manager	JP Morgan Asset Management Helge Skibeli Rajesh Tanna Timothy Woodhouse
Ongoing charges figure (OCF)	0.56%
Dividend yield	3.1%
Number of listed holdings	60
Gearing/(net cash) ⁽²⁾	3.0%
Discount to NAV ⁽²⁾	5.4%

The Company's discount policy aims, in normal market conditions, to maintain the discount to NAV at or below 9%.

Link to our [Annual and Interim Reports](#)

Contact **US** ...to get in touch and find out more

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Our Objective

To provide investors, over the longer term, with above-average returns through a diversified portfolio of international equities and to achieve dividend growth ahead of UK inflation.

The manager focuses on investing in the best ideas from across the world's stock market:

- **Expertise** - Tapping into the local proprietary analysis of JPMorgan's award winning and experienced global research team.
- **Portfolio** - A global best ideas - go anywhere - portfolio, with the manager focused on identifying companies that will provide the best total returns
- **Results** - Provides the best of both worlds - predictable quarterly income and long-term growth from the best global ideas.

Top 10 holdings (30 June 2022)

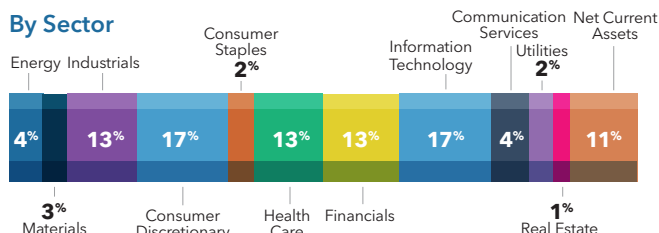
Holding	Country	£m	% ⁽⁴⁾
MICROSOFT	US	31.9	5.0
AMAZON	US	30.6	4.8
AMERICAN EXPRESS	US	17.9	2.8
MCDONALD'S CORPORATION	US	16.6	2.6
AMERICAN EXPRESS	US	16.0	2.5
MASTERCARD	US	14.7	2.3
BRISTOL MYERS SQUIBB	US	14.0	2.2
NXP	US	14.0	2.2
VINCI	France	14.0	2.2
PROGRESSIVE CORPORATION	US	14.0	2.2
Aggregate of top 10 holdings		183.8	28.8

Link to a [full list of holdings](#)

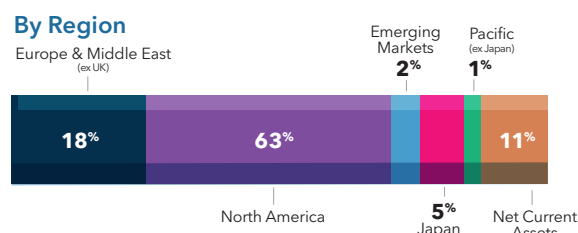
⁽⁴⁾ Percentage of total assets

Distribution of total assets (30 June 2022)

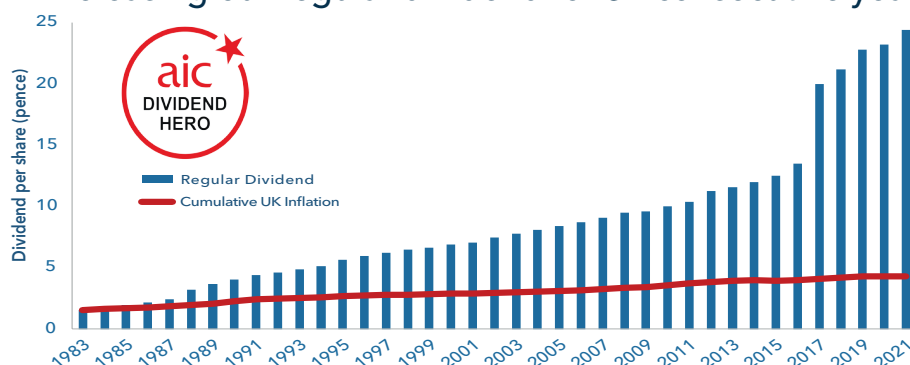
By Sector



By Region



Increasing our regular dividend for 37 consecutive years



IMPORTANT INFORMATION

Please remember past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest.

The Scottish Investment Trust PLC (the Company) is not authorised to give financial advice. The Company has a long-term policy of borrowing money to invest in equities ('gearing') in the expectation that this will improve returns but should stockmarkets fall, such borrowings would magnify losses on these investments. SIT can buy back and cancel its own shares. All other things being equal this would have the effect of increasing gearing.

This material should not be considered as advice or an investment recommendation. Company holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy Risk indicator Based on the Company volatility for the past 5 years. See the Key Information Document (KID) for details.

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