

## Month in review

- Stock selection in technology – semiconductors & hardware and automobiles & auto parts contributed to returns.
- Stock selection in media and pharmaceuticals, biotechnology & life sciences detracted from returns.
- At the stock level, an overweight position in NXP Semiconductors, a Dutch semiconductor designer and manufacturer, contributed to relative returns over the month. The stock price rose as the company reported record sales and earnings that came in ahead of expectations. Investors were buoyed as the management anticipated robust customer demand for the next quarter amid company-specific accelerated growth drivers.
- On the other hand, an overweight position in Lyft, a US-based ridesharing company, detracted over the month. Despite posting first-quarter earnings and revenue ahead of consensus estimates, its stock declined as the company provided guidance of an increase in spending on driver incentives to counter a persistent labour shortage and soaring gas prices.
- At the regional level, stock selection in Japan & Pacific ex Japan contributed to relative returns, while holding no position in United Kingdom & Canada detracted from relative returns.

## Looking ahead

- Inflationary pressure from the commodity supply shock due to the Russia-Ukraine crisis and supply chain disruptions from China's zero-Covid policy continue to pose a dilemma for central banks. Given the tightness in the labour market, central banks view inflation as the more pressing problem to tackle, but negative real wage growth and a dwindling savings rate indicate that there are already risks to the growth outlook.
- Overall consumer demand is expected to remain strong as the pent-up demand for both goods and services remains robust. Capital spending and government interventions could also support the economic expansion over the medium term. Looking out into the next five years, we expect material earnings growth, front-loaded and similar to the rebound from the global financial crisis.

## Performance

Total return on £100 to 31 May 2022	6 months	1 year	3 years	5 years	10 years
Share price <sup>(1)</sup>	105.3	108.1	119.4	123.2	183.1
NAV per share <sup>(2)</sup>	107.8	102.7	114.0	116.7	231.3
MSCI All Countries World Index	95.2	105.1	139.4	157.6	324.1

Summary balance sheet	31/05/2022	30/04/2022	Total return
Market capitalisation	£557m	£582m	
Total assets	£688m	£691m	
Borrowings at amortised cost	£84m	£84m	
Net assets <sup>(3)</sup>	£604m	£607m	
NAV <sup>(2)</sup> per share	895.5p	898.7p	-0.4%
NAV <sup>(3)</sup> per share	913.3p	916.8p	-0.4%
Share price	842.0p	880.0p	-4.3%

<sup>(1)</sup> Net income reinvested and before expenses are deducted.

<sup>(2)</sup> With borrowings at market value <sup>(3)</sup> 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	2.9%
Number of listed holdings	62
Gearing/(net cash) <sup>(2)</sup>	2.1%
Discount to NAV <sup>(2)</sup>	6.0%

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 (31 May 2022)

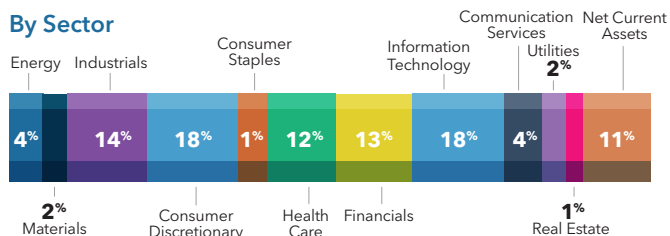
Holding	Country	£m	% <sup>(4)</sup>
AMAZON	US	33.5	4.9
MICROSOFT	US	32.8	4.8
AMERICAN EXPRESS	US	18.7	2.7
LVMH	France	18.4	2.7
NXP	US	17.3	2.5
MARRIOTT	US	16.4	2.4
MCDONALDS CORPORATION	US	16.1	2.3
MASTERCARD	US	15.8	2.3
BANK OF AMERICA	US	15.0	2.2
TEXAS INSTRUMENTS	US	14.9	2.2
<b>Aggregate of top 10 holdings</b>		<b>198.8</b>	<b>28.9</b>

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

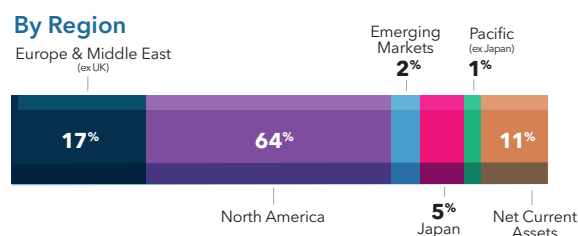
<sup>(4)</sup> Percentage of total assets

### Distribution of total assets (31 May 2022)

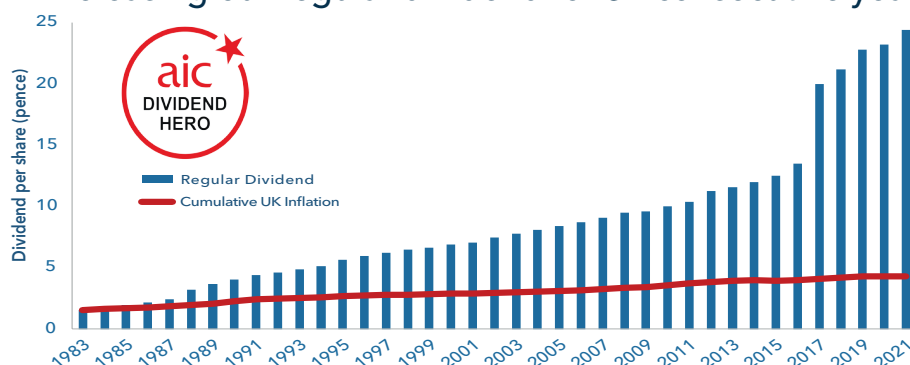
#### By Sector



#### 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.

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