

Month in review

- Stock selection in media and stock selection and an overweight position in industrial cyclicals contributed to returns.
- Stock selection in pharmaceuticals, biotechnology & life sciences and automobiles & auto parts detracted from returns.
- At the stock level, an overweight position in Amazon, a US online retailer and technology company, contributed to performance over the month. Shares rose strongly as reported revenue and earnings came in ahead of expectations. Despite concerns over the macroeconomic environment, the company is not seeing any impact on its business.
- On the other hand, not holding Tesla, a US automotive and clean energy company, detracted from returns. Shares bounced back strongly this month as growth stocks in general outperformed given expectations regarding interest rates. In addition, Tesla reported results that were positively received by the market as revenues and earnings came in ahead of expectations.
- At the regional level, an underweight position in emerging markets contributed to relative returns, while stock selection in Pacific ex Japan detracted.

Looking ahead

- Concerns regarding inflation remain at the centre of market volatility. A meaningful decline in government spending relative to revenues will reduce aggregate demand within the economy. The risk is that if the economy slows too much, rather than there just being a cooling in activity, we could see a more meaningful and long-lasting recession.
- At this point, we still believe that such a recession, if it occurs, should be mild due to a lack of excess in the more cyclical areas of the economy and the strength of the labour market.
- While the short-term outlook is both challenging and confusing, given the better valuations yielded by a painful first-half sell-off in financial assets, we believe equity markets could now offer an attractive entry point to the long-term investor.

Performance

Total return on £100 to 31 July 2022	6 months	1 year	3 years	5 years	10 years
Share price ⁽¹⁾	97.9	115.3	111.7	122.2	240.4
NAV per share ⁽²⁾	98.4	110.0	107.3	116.2	223.7
MSCI All Countries World Index	99.0	102.3	128.6	158.2	314.6

Summary balance sheet	31/07/2022	30/06/2022	Total return
Market capitalisation	£562m	£517m	
Total assets	£689m	£638m	
Borrowings at amortised cost	£84m	£84m	
Net assets ⁽³⁾	£605m	£554m	
NAV ⁽²⁾ per share	896.3p	826.5p	8.4%
NAV ⁽³⁾ per share	913.6p	837.4p	9.1%
Share price	850.0p	782.0p	8.7%

⁽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	2.9%
Number of listed holdings	59
Gearing/(net cash) ⁽²⁾	2.9%
Discount to NAV ⁽²⁾	5.2%

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

info@thescottish.co.uk 0131 225 7781

The Scottish Investment Trust PLC, 6 Albyn Place, Edinburgh, EH2 4NL

www.thescottish.co.uk

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 July 2022)

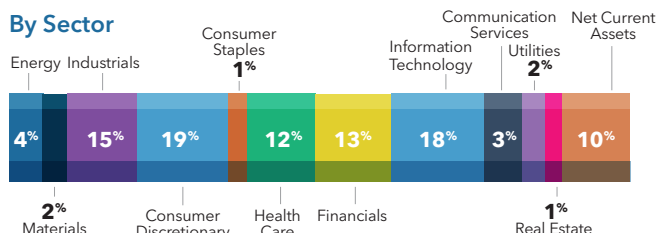
Holding	Country	£m	% ⁽⁴⁾
Amazon	US	39.3	5.7
Microsoft	US	35.1	5.1
American Express	US	20.7	3.0
NXP	US	18.6	2.7
American Express	US	17.9	2.6
McDonald's Corporation	US	17.2	2.5
Marriott	US	15.8	2.3
Progressive Corporation	US	15.2	2.2
Vinci	France	14.5	2.1
Bank of America	US	13.8	2.0
Aggregate of top 10 holdings		208.0	30.2

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

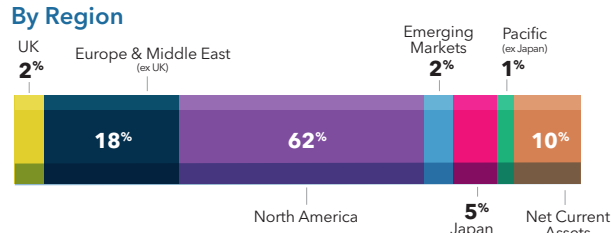
⁽⁴⁾ Percentage of total assets

Distribution of total assets (31 July 2022)

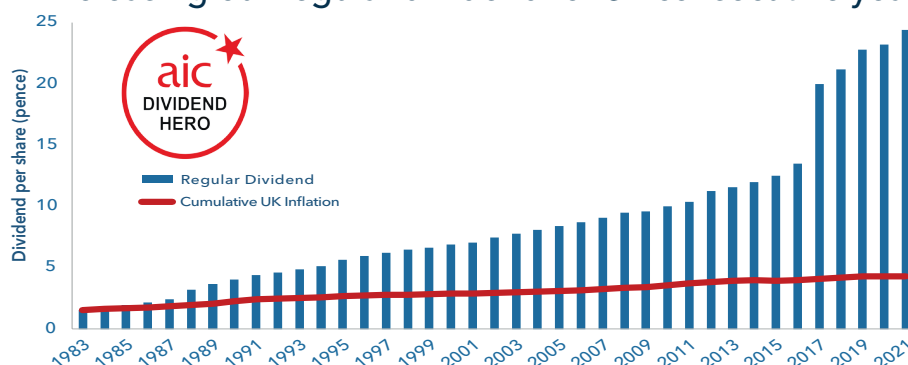
By Sector



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.

Issuer: JPMorgan Asset Management (UK) Limited Registered address: 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom
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 Telephone: 0131 225 7781 | Email: info@thescottish.co.uk | Website: www.thescottish.co.uk