



# The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

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## Church of Scotland – Deposit Fund Factsheet Q3 2020

Recent economic reports show that while the global economy continues to recover from the sharp contractions in activity recorded in the second quarter of 2020, the pace of growth has slowed in recent weeks.

The underlying weakness in UK economic activity has concerned investors and analysts, particularly as it came at a time when there were few social restrictions and consumer spending was boosted by the 'Eat Out to Help Out' scheme. This raises questions about the durability of the recovery in the months ahead.

There are a number of factors effecting interest rates now and going forward. These include, a Brexit Trade deal, will one be agreed or not, Covid-19 and how to control a second wave, but keep the UK retail and hospitality still breathing if a second lockdown is required and finally of course the US Election. The new twist in the last few days is that President Trump has Covid-19, which he seems for someone who was in the high-risk category to have recovered very quickly.

In addition the Bank of England are hinting that it may consider negative interest rates which you would presume would lower the cost of borrowings for corporates and reduce the income of savers. It is already clear that some banks don't need cash deposits and are reducing interest rates they are prepared to pay so we are where possible placing funds longer at the best rates available.

### FUND HIGHLIGHTS

- Total Fund = £86 million (as at 30<sup>th</sup> September 2020)
- Invested with 8 Financial Institutions
  - £31.0 million maturing within 3 months
  - £25.0 million maturing within 4 to 6 months
  - £17.0 million maturing within 6 to 9 months
  - £13.0 million maturing within 9 to 12 months

**PLEASE NOTE:** Deposits taken by the Deposit Fund are exempted from the Financial Services and Markets Act 2000, by virtue of the Financial Services and Markets Act 2000 (Exemption) Order 2001. Investments in the Growth and Income Funds and deposits in the Deposit Fund are **NOT** covered by the Financial Services Compensation Scheme.