The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

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Church of Scotland – Growth Fund Factsheet
Q2 2025

The portfolio outperformed the benchmark over the quarter.
In this environment the portfolio delivered a positive absolute return over the quarter and outperformed its performance benchmark. The portfolio's North America holdings contributed positively to relative performance as did being overweight but overweight Europe ex UK equity and the UK was the primary detractor in regional terms. Aside from equities, the alternative investment holdings performed well relative to the benchmark with government bond holdings detracting.

On a sector basis the long held overweight position in US industrial equities was the strongest contributor, along with financials and utilities. Information technology, health care and utilities positioning was the primary detractors. Stock selection in North America was a positive contributor particularly Industrials companies which underperformed in the first quarter. One of our structural themes is for increased power demand in the US and GE Vernova performed strongly. The company holds a 35% share of the global gas turbine market engines that convert energy from burning natural gas into electricity – and we continue to expect earnings growth driven by higher electricity demand to power AI/data centres and a broad increase in capital expenditure. Also related to the power demand theme there was a positive contribution from electrical components company Hubbell.

Continuing our focus on infrastructure and capital expenditure to benefit industrial companies we introduced a new position in Schneider Electric, a manufacturer of a broad range of electrical products and related systems. As buildings, industry and infrastructure around the world continue to electrify, we believe Schneider appears well placed with its broad geographical spread and exposure to recovering spend in Europe, to benefit from the electrification trend. We reduced the position in Hubbell, which had performed strongly for the portfolio on robust earnings growth over recent years. As this growth slows, we believe that the valuation is more fairly reflecting the business outlook.

In the health care sector, we added to the holding in Medtronic, where we believe the underlying growth rate of the company should become more apparent as the business simplifies its structure and the e1ect of some financial items fall away.

Among the alternative investment holdings, we sold the position in Home REIT with a buyer interested in purchasing the holding at 12p. We assessed that it was advantageous to our clients to accept this o1er for an illiquid and no longer traded investment, receiving the proceeds for reinvestment elsewhere.

Performance to 30th June 2025

	3 months (%)	12 months (%)	3 years (%)	5 years (%)
Fund	4.43	5.5	7.7	6.6
Comparative index	4.39	7.4	11.0	9.6
Relative	0.04	-1.9	-3.3	-3.0

Outlook

We continue to identify and select assets for the portfolio that we assess to be well positioned to navigate the current conditions and achieve sustainable growth over the long term.

Extracted from Newton Investment Management's Investment Report for The Church of Scotland Investors Trust Growth Fund as at 30 June 2025

While equity markets have recovered significantly from recent policy shocks, the potential for policy uncertainty to unleash another wave of financial market volatility remains high, not least as the expiration date of Liberation Day tariff suspensions looms large. Nevertheless, a more becalmed period of policymaking and geopolitical activity would be a more conducive environment for decision-making, both for central banks and corporate management. The extent to which this environment materialises may allow monetary policy to be eased, particularly in the US; we believe this is likely to be a key determinant of market performance over the shorter term, while also giving companies and investors more certainty around their future profit streams.

Top 10 contributors to attribution

Company	End weight	Relative position	Net management effect
	%	%	%
GE Vernova Inc	1.78	1.65	0.64
Microsoft Corp	5.29	2.13	0.33
Ferguson Enterprises Inc	1.15	1.11	0.22
UnitedHealth Group Inc	0.00	-0.26	0.22
SPIE SA	1.20	1.20	0.20
Trane Technologies PLC	1.48	1.39	0.20
Goldman Sachs Group Inc	1.37	1.18	0.17
Hubbell Inc	0.76	0.74	0.14
AIA Group Ltd	1.67	1.58	0.14
Taiwan Semiconductor Manufacturing	1.45	0.65	0.14

Portfolio allocation

Asset class by region in % as at 30 June 2025

	Portfolio	Benchmark	Relative
UK Equities	14.91	2.79	12.12
Overseas -			
North America	33.60	49.79	-16.19
Japan	3.94	3.66	0.28
Europe Ex UK	16.00	9.05	6.95
Asia Pacific Ex Japan	2.57	1.69	0.88
Other International	-	-	-
Emerging Markets Equities	5.95	7.88	-1.93
Overseas Bonds	2.41	-	2.41
UK Corporate Bonds	1.08	-	1.08
UK Government Bonds	6.21	10.00	-3.79
Alternatives	4.59	8.00	-3.41
Property	3.27	5.00	-1.73
International Indirect Property (REITs)	-	-	-
Cash	5.49	2.00	3.49
TOTAL	**100.00**	**100.00**	

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