



The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

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BULLETIN FOR INVESTORS- MARCH 2024

This Bulletin is published for investors in the three funds offered by the Church of Scotland Investors Trust- the Growth Fund, the Income Fund, and the Deposit Fund. It provides a brief overview of the performance of the funds during 2023 and an update on the final income payments which will be made by the Growth and Income Funds.

As indicated in our December 2023 Bulletin, after a challenging 2022 (when almost all global investment markets delivered negative returns), 2023 saw positive returns for both the Growth and Income Funds.

Growth Fund

The Growth Fund, which is managed by Newton Investment Management, is invested principally in global equities but also has allocations to global bonds and alternative investments (such as holdings in companies which specialise in renewable energy). It seeks to provide investors with growth in capital value while distributing an element of income each year. In the 12-month period to 31 December 2023, the Fund delivered a total return of 10.6%. While this was below the agreed benchmark return of 13.2%, the Fund outperformed the ARC Steady Growth Index by 3.3%. Going forward, after a review by our new investment consultants, it has been agreed to set a new objective for the Fund which will be to produce returns in line with CPI + 3% (net of fees) over the long term

The Growth Fund will be able to pay a total income distribution of 13.50p per unit for 2023 (an increase of 12.5% over the 2022 distribution of 12p per unit). An initial payment of 3.00p per unit was made in May 2023, with a further payment of 4.00p per unit in November 2023. The final payment of 6.50p per unit will be made in May 2024 (along with an initial payment, yet to be decided, for 2024).

Income Fund

The Income Fund, which is managed by Royal London Asset Management, invests in fixed interest bonds both in the UK and globally and seeks to provide investors with a high and sustainable income and to protect the long-term nominal value of capital. In the 12-month period to 31 December 2023, the Fund delivered a total return of 9.44% which outperformed its benchmark return of 8.60%. This fund has consistently delivered returns over the long term which are better than that of the benchmark against which the Fund is measured.

The total income paid by the Income Fund for 2022 was 47.5p per unit. For 2023, a first payment of 25.00p per unit was made in September 2023. The COSIT trustees are pleased to advise investors that the final payment for the year (paid in March 2024) will be 30.00p per unit, making the total for the year 55.00p per unit. This represents an increase of 15.8% on the distribution which was made for 2023.

Deposit Fund

The Deposit Fund, which is managed by Thomas Miller Investments, aims to provide investors with competitive rates of interest while preserving nominal capital values. It has benefitted from the significant increases in interest rates which have been made by banks during 2022 and early 2023 due to both the Bank of England base rate increasing and increased demand for deposits from banks (both of which had been at very low levels). The interest paid by the Fund for the quarter to 31 December 2023 was based on an annual rate of 5.12%, bringing the average rate of interest for the year to 4.26%.

Review of Investment Management Arrangements

As reported in the December 2023 Bulletin, the COSIT trustees have commenced a review of the investment management arrangements for each of its three funds. Any changes resulting from this review will be notified to investors in due course.

Robert Burgon
Chairman
March 2024