



The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

121 GEORGE STREET EDINBURGH EH2 4YN

0131-225-5722 Fax 0131-220-3113

e-mail: investortrust@churchofscotland.org.uk

Church of Scotland – Growth Fund Factsheet Q1 2025

The portfolio outperformed the benchmark over the quarter.

In this environment the portfolio delivered a negative return over the quarter yet marginally outperformed its performance benchmark. The portfolio's significant underweight position to North America contributed positively to performance as did being overweight UK and European equities. On a sector basis the long held overweight position in US industrials was a detractor, and being underweight consumer discretionary, most notably autos contributed positively.

The reversal of the long running US equity market outperformance in favour of Europe generally benefitted the portfolio. Positioning in financials stocks overall was a positive and CME Group, was a key contributor. The derivatives marketplace performed well as investors anticipated higher trading activity given the more uncertain financial environment. Notable positives included insurance holdings with strong balance sheets and attractive dividends and both

Prudential and Zurich insurance were key contributors. Also in the insurance sector, shares in Progressive, a provider of personal and commercial automotive and property-related insurance in the US, outperformed peers on the back of continued policy and revenue growth.

The portfolio was underweight technology stocks and this helped relative performance, notably not owning index heavyweights Nvidia and Tesla. However, in line with broader weakness across the technology space, Microsoft and Alphabet underperformed as investors became more concerned around the potential returns from large capital projects, along with the potential for a cyclical slowdown in technology spending. In the consumer space Sony performed well and was the top contributor, with strong results in the quarter driven by growth in the PlayStation gaming and music businesses.

Performance to 31st March 2025

	3 months (%)	12 months (%)	3 years (%)	5 years (%)
Fund	-2.62	3.3	7.5	6.4
Comparative index	-2.87	5.4	11.0	7.1
Relative	0.25	-2.1	-3.5	-0.7

Outlook

Given heightened economic and geopolitical uncertainty, our focus is on high-quality companies with earnings resilience and sound balance sheets.

Policy uncertainty has negatively affected both consumer and business confidence. While economic data is not yet showing signs of significant weakness, a prolonged period of policy fluidity is not a conducive environment for business investment. The challenge for the new US administration is to achieve the desired restructuring of the US's trading relationships and fiscal position, without causing significant short-term weakness to the domestic and world economies.

Some disturbance is inevitable in this transition, even if the outcome is eventually a successful one. A plateauing in the rate of policy change should improve confidence, along with any easing of business regulations and the taxation regime. Nevertheless, the potential for short-term volatility remains unusually high. Our multidimensional research is well-suited to this environment, where significant geopolitical events interact with market dynamics to create a range of potential investment outcomes. We

Extracted from Newton Investment Management's Investment Report for The Church of Scotland Investors Trust Growth Fund as at 31 March 2025

will continue to position the portfolio to take advantage of the longer-term trends we identify in global markets.

Top 10 contributors to attribution

Company	End weight	Relative position	Net management effect
	%	%	%
NVIDIA Corp	0.00	-2.58	0.62
Tesla Inc	0.00	-0.73	0.40
Sony Group Corporation	2.09	1.94	0.29
Broadcom Inc	0.00	-0.73	0.28
CME Group Inc	1.90	1.80	0.23
SPIE SA	0.99	0.99	0.23
Progressive Corp (Ohio)	1.29	1.13	0.22
Prudential PLC	0.87	0.84	0.21
Exelon Corporation	1.09	1.05	0.20
SAP SE	1.95	1.69	0.20

Portfolio allocation

Asset class by region in % as at 31 March 2025

	Portfolio	Benchmark	Relative
UK Equities	15.16	2.91	12.25
Overseas -			
North America	33.76	49.78	-16.02
Japan	4.07	3.65	0.42
Europe Ex UK	14.09	9.08	5.01
Asia Pacific Ex Japan	2.49	1.65	0.84
Other International	0.00	0.14	-0.14
Emerging Markets Equities	5.52	7.79	-2.27
Overseas Bonds	2.62	-	2.62
UK Corporate Bonds	1.09	-	1.09
UK Government Bonds	5.40	10.00	-4.60
Alternatives	4.29	8.00	-3.71
Property	3.33	5.00	-1.67
International Indirect Property (REITs)	0.13	-	0.13
Cash	8.04	2.00	6.04
TOTAL	100.00	100.00	

Risk Warning: - Investors should bear in mind that values fluctuate and, as past performance is no guarantee of future returns, investors may not get back the original amount invested. The Growth Fund and Income Fund units are only realisable on the monthly dealing dates. The distributions paid by the Deposit, Growth and Income Funds are all liable to fluctuation.