

News release from Shetland Charitable Trust

Trust's investments grow in volatile market conditions

Buoyancy in the financial markets helped the value of Shetland Charitable Trust's investments grow by £19 million in the six months up to the end of September this year.

Equities and bonds have performed well although property has struggled, and overall investment markets remain uncertain following the EU referendum and the US presidential election results.

At the end of the third quarter the total value of the Trust's investments stood at £219 million.

Investment management costs will rise in 2017-18 as the Trust completes implementation of its new investment strategy.

The new approach, devised with the support of financial consultancy Mercer, is part of an overall financial strategy which will help the Trust achieve its goal of financial sustainability by 2020 and is aimed at increasing returns.

Earlier this year, the Trust appointed a new fund manager, Baillie Gifford, to manage half of its equities in a new active fund.

Meanwhile Insight, which currently looks after the Trust's investments on the bond markets, is managing a diversified growth fund.

Ends

Notes to editors

Shetland Charitable Trust is one of the largest such trusts in Scotland. The value of its investments is currently around £240m, with some £219m invested in the world's markets and £21m in the local economy. Funded originally by Shetland Islands Council's "disturbance payments" from the oil industry between 1976 and 2000, it now relies entirely on its investment income.

The trust formerly comprised all councillors plus two independents. This changed in 2012 and it is now a completely separate organisation from the council, with a built-in majority of independent trustees.

Shetland Charitable Trust owns three companies: Shetland Leasing and Property Developments Ltd (SLAP); Shetland Heat Energy and Power Ltd (SHEAP); and SCT Renewables Ltd.

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