



# NI CENTRAL INVESTMENT FUND FOR CHARITIES

## Fund Update March 2021

### Fund Background

Established in 1965 through the Charities Act (Northern Ireland) 1964, the Northern Ireland Central Investment Fund for Charities (the Fund) aims to provide trustees of charities with the opportunity to invest all or part of their funds with the benefit of expert supervision. It is managed by the Department through recognised fund managers (currently Aberdeen Standard Capital), and its investment policy is guided by a locally based Advisory Committee appointed by the Department.

### Fund Aim & Risk Profile

**Aim:** The primary objective of the Fund is to generate income and thereafter long-term capital growth in real terms. The recommended investment timeframe is 5 years and over. The Fund aims to achieve an annual return of 3.5% (net of fees and charges) above the UK rate of inflation as measured by CPI, over the medium term through a combination of the returns on income and capital.

**Income:** The fund aims to distribute an income of 3% per annum to investors.

**Risk Profile:** Based on the definitions of risk determined by Aberdeen Standard Capital, the portfolio is categorised as being managed with a medium high risk approach.

### Fund Facts

<b>Launch Date:</b>	March 1965
<b>Share Price:</b>	1476.35 pence
<b>Fund Value:</b>	£50,586,927
<b>Portfolio Manager:</b>	Aberdeen Standard Capital
<b>Cost Associated With Management Of the Fund:</b>	0.67%*
<b>Dividend Payment:</b>	Biannual - June & December

\*Information based on 2020 calendar year and % calculated against 31 December 2020 valuation.

### Performance against Benchmark (%)

	3 Months	Year To Date	3 Years Annualised	5 Years Annualised
<b>Fund</b>	1.4	1.4	9.4	9.6
<b>Benchmark</b>	1.1	1.1	5.3	7.2
<b>Difference</b>	0.3	0.3	4.1	2.4

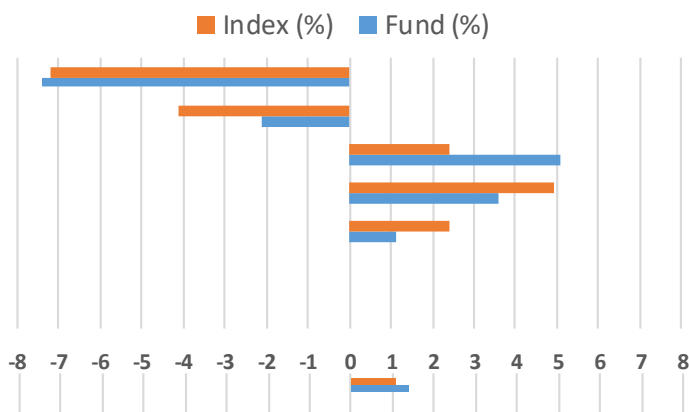
### Discrete Calendar Year Performance (%)

	2020	2019	2018	2017	2016	2015
<b>Fund</b>	7.4	17.6	-2.8	10.6	15.3	1.0
<b>Benchmark</b>	3.6	12.1	-5.3	10.0	17.0	1.8
<b>Difference</b>	3.8	5.5	2.5	0.6	-1.7	-0.8

Current Benchmark UK CPI +3.5% p.a. (from 01/04/2019) prior to this the benchmark was a composite of 12.5% FTSE UK Gilts All Stocks, 12.5% ICE BoAML Stg non-Gilts, 50% FTSE All Share, 20% FTSE World Index Series, 5% UK LIBID 7-day rate. All performance returns are Total Returns unless otherwise specified. Performance figures for the Fund are calculated net of the management fee.

### Performance Attribution for Quarter

Asset Class	Fund (%)	Index (%)
Government Gilts	-7.4	-7.2
Corporate Bonds	-2.1	-4.1
UK Equities	5.1	5.2
North America Equities	3.6	4.9
Europe (ex UK) Equities	1.1	2.4
Cash	0.0	0.0
<b>Total Assets</b>	<b>1.4</b>	<b>1.1</b>





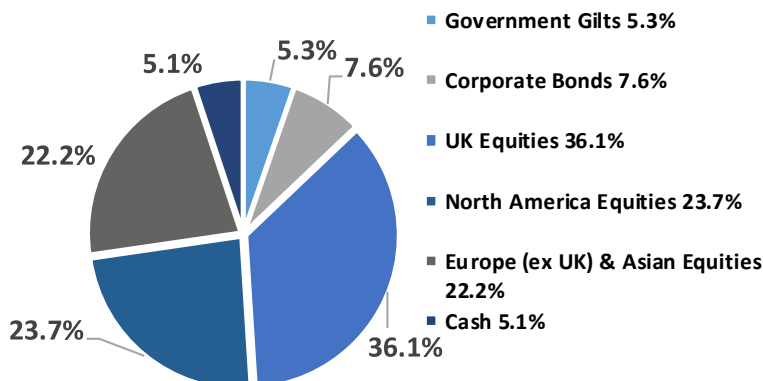
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### Top 10 Holdings

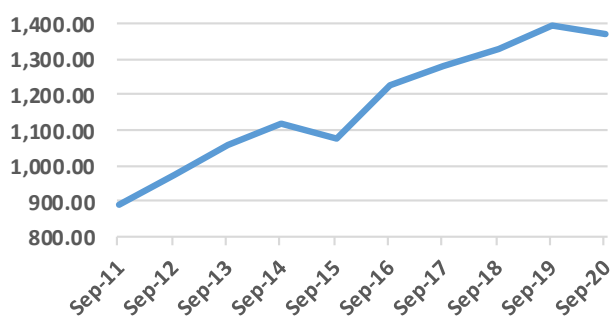
1. Taiwan Semiconductor
2. ASML Holding
3. Microsoft
4. Rio Tinto
5. BHP Group
6. Amazon
7. Alphabet Inc
8. Nextra Energy
9. Koninklijke
10. Abbvie Inc

**Total Holdings: 72 – the top 10 holdings make up 23.1% of the Fund.**

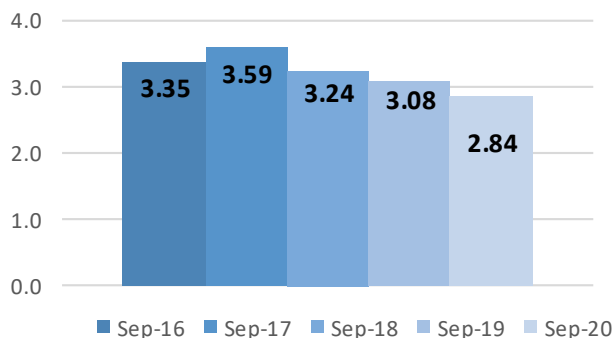
### Investment Mix



### Share Price Trend (Pence)



### Income Yield Trend (%)



### Quarterly Comment

Quarter one was full of commentary surrounding the weakness of growth stocks due to speculation that inflation and interest rates may rise faster than previously assumed. Despite this, the Technology sector provided the strongest returns for portfolios, driven by positive stock selection across both hardware and software. Given the anticipated increase in demand for basic materials, driven by a recovery borne out of the global vaccination program, we saw miners offer strong returns.

The portfolio's underweight position in Government and Corporate bonds was a positive contributor to performance as investor sentiment moved to consider increasing interest rates as more likely, despite reassurances from central banks to the contrary. Rising inflation and/or interest rates is detrimental for bonds so the position assisted portfolio performance relative to benchmarks.

It is expected that 2021 will continue to be challenging: markets like certainty and it is difficult to forecast when it is unclear how quickly the global economy will reopen. Global equity performance has been mixed with markets ebbing and flowing on expectation of post-pandemic normalisation. The rotation from high growth areas to more cyclical companies continued over the quarter, leading to better performance from Energy and Mining. Rising bond yields have also been a key feature over the quarter. Yields have risen in response to central bank rhetoric that inflation would be allowed to run ahead of target. While inflation is yet to materialise, yields have already risen, causing some weakness in growth sectors such as technology. Higher interest rates reduce the value of future earnings which in turn decreases company valuations.

Aberdeen Standard Capital do not take the view that current trends signal a sustained sell-off in global markets, rather that they point to heightened levels of volatility in the months ahead. In terms of portfolio construction, a continued favouring of equities and remaining focused on identifying companies and industries positioned to become beneficiaries of long-term structural trends and who may benefit from the recovery

### Contact

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*Issued by Northern Ireland Central Investment Fund for Charities (NICIFC).*

*All information (excluding Historic Fund Performance) is sourced from Aberdeen Standard Capital.*

*Past performance (actual or simulated) is not a reliable indicator of future results. The value of an investment in the Fund may fall as well as rise and investors may not get back the amount originally invested.*

*Portfolio and benchmark returns are preliminary estimates provided by Aberdeen Standard Capital and have not been verified externally. They could, therefore, be liable to subsequent adjustment.*