



# NI CENTRAL INVESTMENT FUND FOR CHARITIES

## Fund Update June 2022

### 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 abrdrn, formerly known as 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 income and capital growth.

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

**Risk Profile:** Based on the definitions of risk determined by abrdrn, 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>	1450.84 pence
<b>Fund Value:</b>	£54,122,844
<b>Portfolio Manager:</b>	abrdrn
<b>Cost Associated With Management Of the Fund:</b>	0.62%*
<b>Dividend Payment:</b>	Biannual - June & December

\*Information based on 2021 calendar year and % calculated against 31 December 2021 valuation.

### Performance against Benchmark (%)

	3 Months	Rolling 12 Months	3 Years Annualised	5 Years Annualised
<b>Fund</b>	-6.9	-2.6	5.3	6.1
<b>Benchmark</b>	4.9	13.2	7.7	6.9
<b>Difference</b>	(11.8)	(15.8)	(2.4)	(0.8)

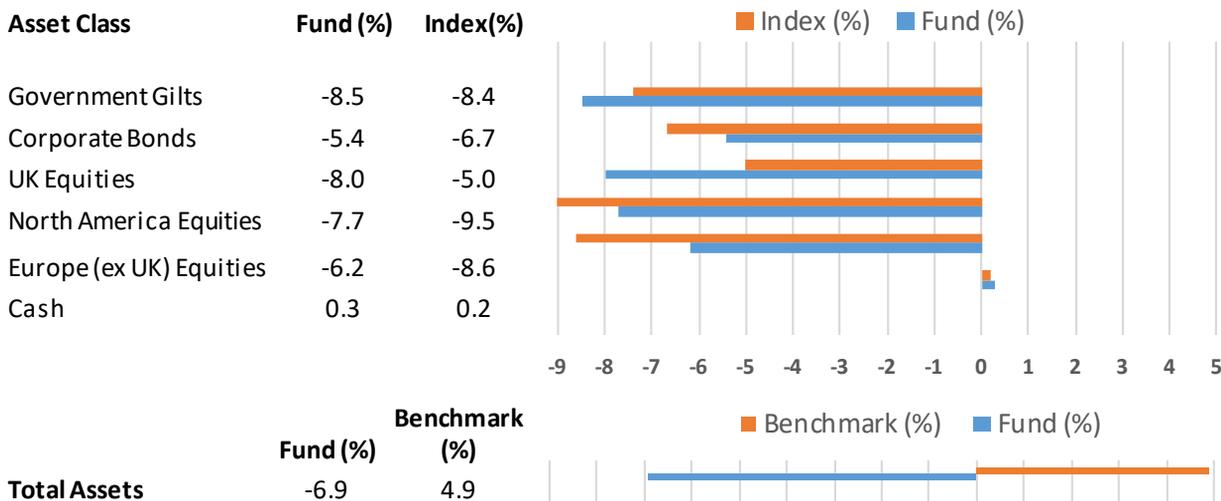
### Discrete Calendar Year Performance (%)

	2021	2020	2019	2018	2017	2016
<b>Fund</b>	13.8	7.4	17.6	-2.8	10.6	15.3
<b>Benchmark</b>	9.1	4.1	12.1	-5.3	10.0	17.0
<b>Difference</b>	4.7	3.3	5.5	2.5	0.6	-1.7

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





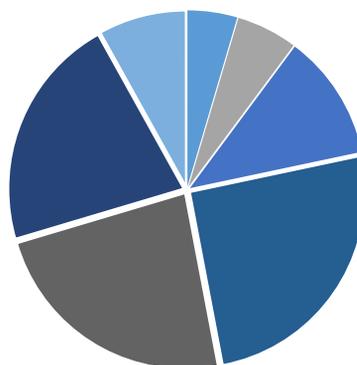
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### Top 10 Holdings

1. Shell PLC
2. Astrazeneca
3. BHP Group
4. Kon KPN
5. Microsoft
6. Alphabet
7. Total Energies
8. BP
9. Abbvie
10. Nextera Energy

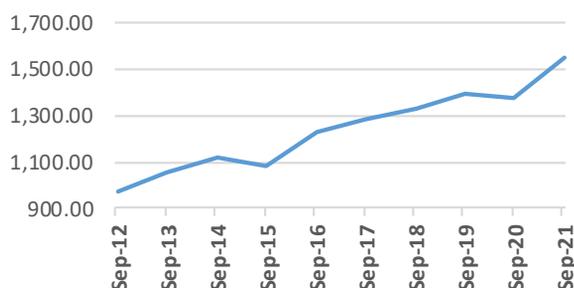
**Total Holdings: 70 – the top 10 holdings make up 25% of the Fund.**

### Investment Mix



- Bonds Government 4.6%
- Bonds Corporate 5.6%
- Alternative 11.5%
- UK Equities 25.3%
- Overseas (US) Equities 23.4%
- Overseas Equities 21.5%
- Cash 8.1%

### Share Price Trend (Pence)



### Income Yield Trend (%)



### Quarterly Commentary

It has been a second difficult quarter for markets after what had already been a tough start to the year. This is now the worst first half of the year for developed market equities in over 50 years. To make matters worse, government bonds have also been hit this year, failing to provide the protection that one might have expected in previous sell-offs.

Over the last three months, we have seen an aggressive change in the monetary policy trajectory, while inflationary pressure appears to be more permanent and entrenched. This has resulted in negative returns from all major asset classes in the investible universe. The markets are evolving their minds about economic prosperity just as central banks (led by the Federal Reserve) are scrambling again to catch up to developments on the ground.

Good policymaking calls for Central Banks to lead the market rather than lag behind them. A well-informed Federal Reserve with a credible vision for the future minimises the risk of disruptive financial market overshoots, strengthens the potent of forward guidance on policy and provides an anchor of stability that facilitates productive physical investment and improves the functioning of the real economy. Fear continues to be the order of the day as global economies grapple with higher inflation as outlined above, as well as on-going supply chain struggles and China's strict zero-covid policies. Both equities and bonds made losses over the quarter while stock selection allowed abrdn to avoid some of the heaviest falls. Sectors including Energy, Healthcare and Utilities were broadly flat while Technology and Consumer Discretionary fell by almost 20%.

Central Banks in the US and UK continue the rate hiking cycle in an attempt to control high inflation, although the scenario of a recession seems increasingly likely and has driven markets lower. Earnings releases show that there is still some growth to play for, although earnings are being watched closely and any small misses are being punished.

From an asset allocation perspective abrdn have implemented some small changes but these have been a continuation of a trend over the last twelve months. The portfolio has been persistently light on bonds and has taken steps to make a modest reduction to equities in favour of real assets (infrastructure, renewable energy) and cash (some dry powder). There is a lot of 'bad news' out there and at some point it's expected to see a significant buying opportunity. Stock selection has been critical and abrdn expect its direct, global approach to perform well in this environment. Abrdn continue to monitor all positions and have made changes which they believe are in the best interest of the NICIFC for the years ahead.

### Contact

If you would like further information on the NICIFC you can contact us on:

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

*All information (excluding Historic Fund Performance) is sourced from abrdn.*

*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 abrdn and have not been verified externally. They could, therefore, be liable to subsequent adjustment.*

*All data as at 30 June 2022.*

*This is a financial promotion and is not intended as investment advice.*