



NI CENTRAL INVESTMENT FUND FOR CHARITIES

Fund Update December 2023

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 LGT Wealth Management, formerly abrdn), 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 LGT Wealth Management, the portfolio is categorised as being managed with a medium high risk approach.

Fund Facts

Launch Date:	March 1965
Share Price:	1506.37 pence
Fund Value:	£60,322,617
Portfolio Manager:	LGT Wealth Management
Cost Associated With Management Of the Fund:	0.67%*
Dividend Payment:	Biannual - June & December

*Information based on 2022 calendar year and % calculated against 31 December 2022 valuation.

Performance against Benchmark (%)

	3 Months	Rolling 12 Months	3 Years Annualised	5 Years Annualised
Fund	7.0	9.1	4.1	7.4
Benchmark	0.4	6.9	10.1	9.2
Difference	6.6	2.2	(6.0)	(1.8)

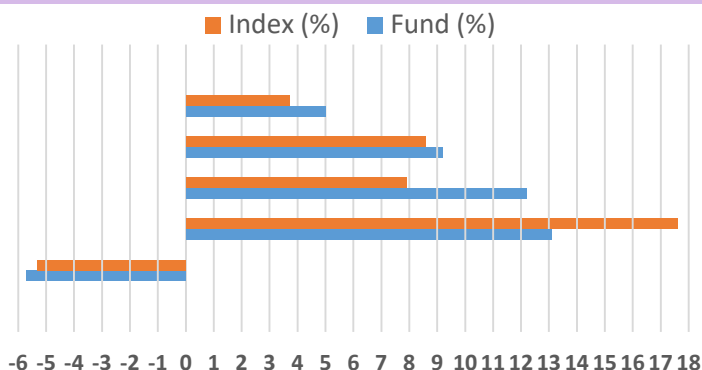
Discrete Calendar Year Performance (%)

	2023	2022	2021	2020	2019	2018
Fund	9.1	-9.3	13.8	7.4	17.6	-2.8
Benchmark	6.9	14.4	9.1	4.1	12.1	-5.3
Difference	2.2	(23.7)	4.7	3.3	5.5	2.5

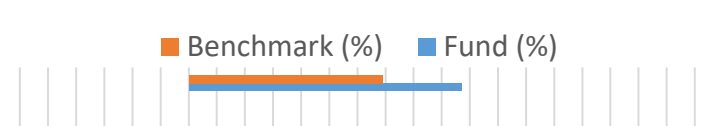
Current Benchmark UK CPI +3.5% p.a. (from 01/04/2019) prior to this the benchmark was a composite of 12.5% FTSE UK Gilts All Stocks, 12.5% ICE BoAML Stg non-Gilts, 50% FTSE All Share, 20% FTSE World Index Series, 5% UK LIBID 7-day rate. All performance returns are Total Returns unless otherwise specified.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

Performance Attribution for 12 Months

Asset Class	Fund (%)	Index(%)
Government Bonds	5.0	3.7
Corporate Bonds	9.2	8.6
UK Equities	12.2	7.9
Overseas Equities	13.1	17.6
Alternatives	-5.7	-5.3



	Fund (%)	Benchmark (%)
Total Assets	9.7	6.9



Performance Attribution figures are gross of the management fees.



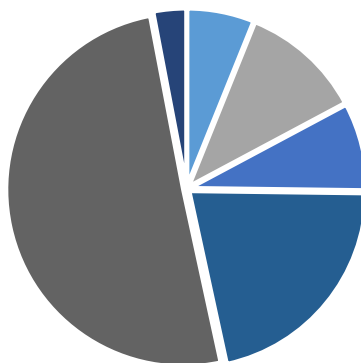
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Top 10 Holdings

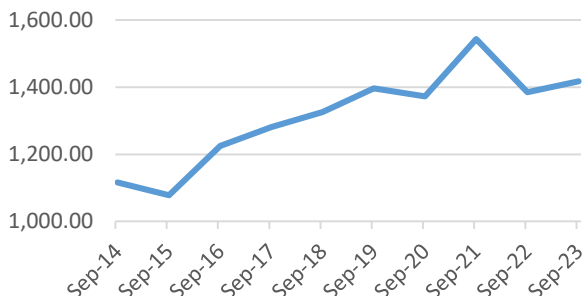
1. Volare Offshore Fixed Interest
2. Shell
3. Microsoft
4. UK Gov Gilts 0.25%
5. ASML
6. BP
7. Astrazeneca
8. BHP
9. Otal Energies SE
10. Relx PLC

Total Holdings: 64 – the top 10 holdings make up 32.4% of the Fund.

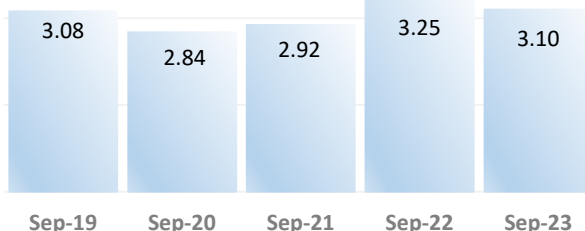
Investment Mix



Share Price Trend (Pence)



Income Yield Trend (%)



Market Commentary

After three quarters of mixed returns in equity and bond markets, both asset classes posted strong rallies over the final three months of the year. The market viewed recent inflation data and central bank communication as a signal that rates have peaked and may now need to be cut in 2024 to avoid recession. This led to equity markets surging in November, a rally that continued in December. The equity rally was broad based, with the FTSE 100, the Eurostoxx 600 and Topix up 2.3%, 6.8% and 2% respectively over the fourth quarter in local currency terms. This was an about turn from a few months ago, when strong growth led to the very real possibility of further rate hikes. Resilient growth in the third quarter aided by a relatively loose fiscal policy meant the US economy shrugged off the Fed's tightening, with GDP growing at an above trend pace of 5.2% annualized over the third quarter.

Economic resilience led to concerns mounting over booming deficits and worries that interest rates would remain higher for longer, which sent ten-year Treasury yields surging to 5% in October for the first time since 2007. However, as price pressures abated over the fourth quarter, the possibility of more rate hikes faded. Softer economic data, muted price pressures and a weaker labour market boosted confidence that the hiking cycle may well and truly be over. Investors also began rapidly pricing in rate cuts for 2024. Following the Treasury market rally in recent weeks, investors now expect an even sharper drop in interest rates, forecasting policy rates at around 4% at the end of 2024. Ten-year Treasury yields retreated to below 4% as a result, cementing a remarkable 1% drop in less than two months.

The economic environment is still precariously balanced, yet the recent performance of risk assets would have you believe that all is well. Much of the economic optimism can be attributed to the belief that rates have peaked. Although LGT do not expect collapsing global growth over the coming months, they are cautious about the positive correlation between assets, as well as stretched valuations and overly optimistic earnings projections.

Fixed income holdings have been a positive performance contributor, and LGT still consider these positions to offer a compelling source of returns. Although the hiking cycle has driven significant volatility, it does seem likely that rates will fall over the coming year which should support further capital appreciation.

Contact

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

All information (excluding Historic Fund Performance) is sourced from LGT Wealth Management.

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 LGT Wealth Management and have not been verified externally. They could, therefore, be liable to subsequent adjustment.

All data as at 31 December 2023

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