NI CENTRAL INVESTMENT FUND FOR CHARITIES
Fund Update December 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 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 abrdn (formerly Aberdeen Standard Capital), the portfolio is categorised as being managed with a medium high risk approach.

Fund Facts

Launch Date: March 1965

Share Price: 1621.49 pence

Fund Value: £59,129,233

Portfolio Manager: abrdn (formerly Aberdeen Standard Capital)

Cost Associated With Management Of the Fund: 0.67%*

Dividend Payment: Biannual - June & December

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

Performance against Benchmark (%)

	3 Months	Calendar Year	3 Years Annualised	5 Years Annualised
Fund	5.4	13.8	12.9	9.2
Benchmark	3.5	9.3	6.1	6.1
Difference	1.9	4.5	6.8	3.1

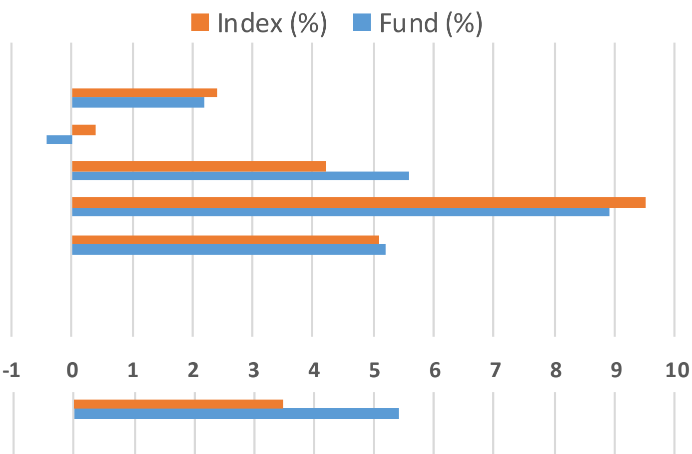
Discrete Calendar Year Performance (%)

	2021	2020	2019	2018	2017	2016
Fund	13.8	7.4	17.6	-2.8	10.6	15.3
Benchmark	9.3	3.6	12.1	-5.3	10.0	17.0
Difference	4.5	3.8	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

Asset Class	Fund (%)	Index(%)
Government Gilts	2.2	2.4
Corporate Bonds	-0.4	0.4
UK Equities	5.6	4.2
North America Equities	8.9	9.5
Europe (ex UK) Equities	5.2	5.1
Cash	0.0	0.0
Total Assets	5.4	3.5



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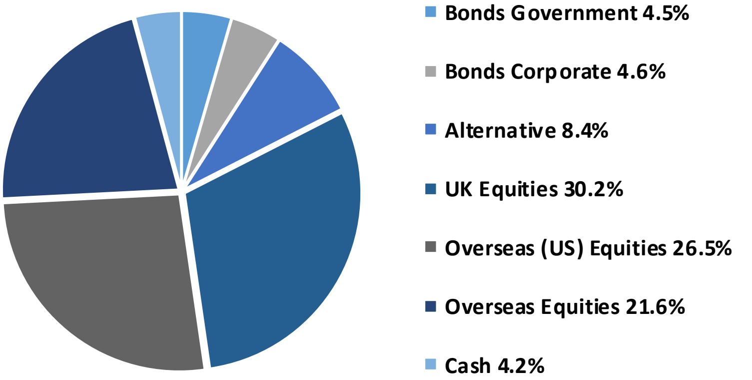
Top 10 Holdings

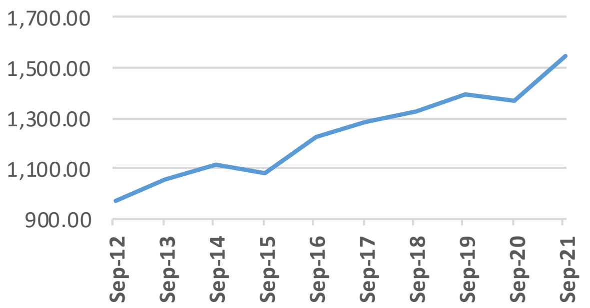
1. Microsoft
2. ASML
3. Astrazeneca
4. Alphabet Inc
5. Taiwan Semiconductor
6. Accenture
7. BHP Group
8. Abbvie
9. Rio Tinto
10. Nextera Energy

Total Holdings: 74 – the top 10 holdings make up 25.02% of the Fund.

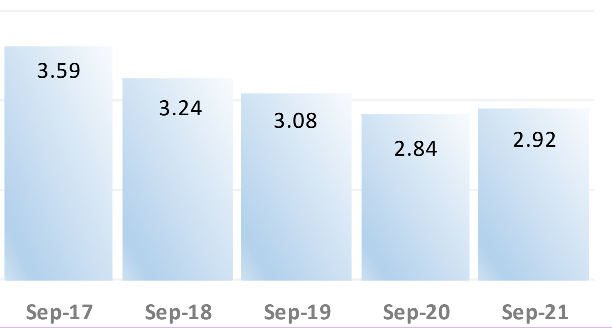
Investment Mix



Share Price Trend (Pence)



Income Yield Trend (%)



Quarterly Comment

Market movements during the fourth quarter started strongly as the FTSE All World Index rose 3.3% in sterling terms during October. Led primarily by US markets, strong earnings in the technology and energy sectors helped to offset continued supply chain bottlenecks experienced by a raft of consumer and ecommerce names. It was not only in the US where logistics and labour shortages became a major drag on the economy. On domestic shores the Government was forced to draft in the army to deliver fuel to petrol stations experiencing shortages, as queues to their forecourts grew. Despite these issues, both mainstream domestic indices rose, with the large cap FTSE 100 outperforming its more domestically focussed FTSE 250 peer.

Markets seemed to be getting on a roll, the US hitting a record high or eight consecutive days - a feat last achieved during 1997. However, the newly discovered and potentially vaccine-resistant Omicron variant caused global markets logging their worst day since the onset of the original pandemic, it was leisure and travel stocks that were judged to be the most susceptible to a reintroduction of lockdown measures, with the sub index falling by more than 10% on the day of its discovery. Although this new variant was understood to be more transmissible than previous incarnations, appearing across the world in just a few short days, some form of semblance returned to the markets as research indicated that the physical effects may not be as severe as previous variants. Commodity markets were particularly buoyed, rebounding on the news, with oil jumping $2 a barrel the following day.

Come December, the Bank of England's monetary policy committee voted 8-1 in favour of raising the base rate by 0.15%, from 0.1% to 0.25%. Forcing members' hands was December's inflation (CPI) reading of 5.1%, coming in ahead of consensus estimates of 4.8% and way ahead of the bank's own target of 2%. As it had been for most of the final quarter of 2021, it was fuel prices that were the main contributor, with Brent Crude approaching $80 a barrel on the back of increased global demand. The end of the year saw central bankers on the continent pushing the end of their bond buying programme to March and promising to keep borrowing costs at historical lows well into 2022. European Central Bank (ECB) also left the door to restoring emergency Covid-19 support if needed. The ECB raised its inflation projections across the board, seeing price rises sitting at around 3.2% for 2022, well above its original target.

The global economy faces a number of headwinds as we enter 2022 but abrdn's baseline view remains for a continued recovery, albeit at a lower average speed and with some divergences across regions. A combination of a continued recovery from the Covid crisis amidst further vaccine rollout and an easing in 'zero Covid' strategies, healthy private sector balance sheets and a partial easing in supply constraints, particularly in global energy markets, should all support earnings in 2022.

Contact

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