



NI CENTRAL INVESTMENT FUND FOR CHARITIES

Fund Update September 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

Launch Date:	March 1965
Share Price:	1384.98 pence
Fund Value:	£52,039,321
Portfolio Manager:	abrdrn
Cost Associated With Management Of the Fund:	0.62%*
Dividend Payment:	Biannual - June & December

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

Performance against Benchmark (%)

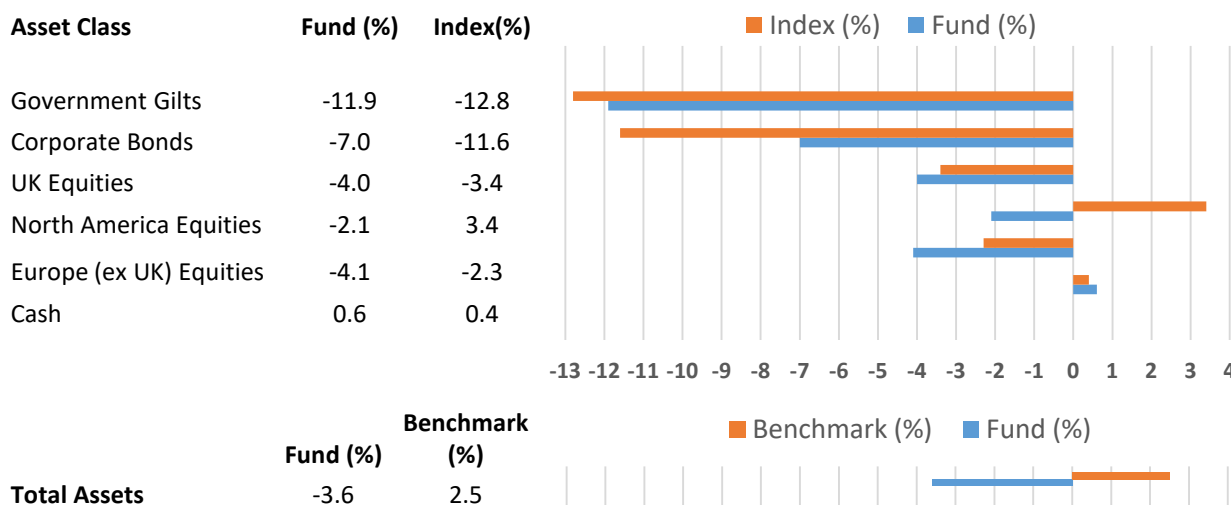
	3 Months	Rolling 12 Months	3 Years Annualised	5 Years Annualised
Fund	-3.6	-7.4	2.8	4.8
Benchmark	2.5	14.0	8.1	7.1
Difference	(6.1)	(21.4)	(5.3)	(2.3)

Discrete Calendar Year Performance (%)

	2021	2020	2019	2018	2017	2016
Fund	13.8	7.4	17.6	-2.8	10.6	15.3
Benchmark	9.1	4.1	12.1	-5.3	10.0	17.0
Difference	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





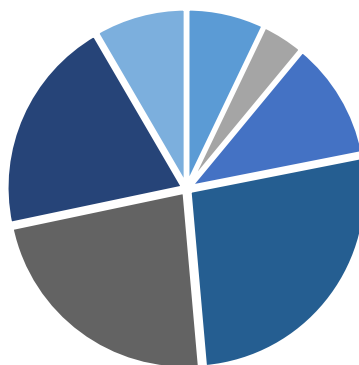
NI CENTRAL INVESTMENT FUND FOR CHARITIES Fund Update September 2022

Top 10 Holdings

1. Aberdeen Liquidity Fund
2. Shell
3. BHP Group
4. AstraZeneca
5. Microsoft
6. BP
7. Nextera Energy
8. Total Energies
9. Kon KPN
10. Accenture

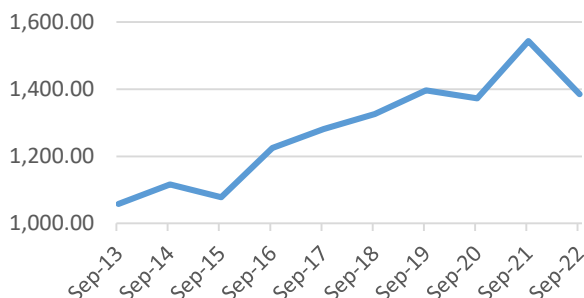
Total Holdings: 74 – the top 10 holdings make up 28% of the Fund.

Investment Mix

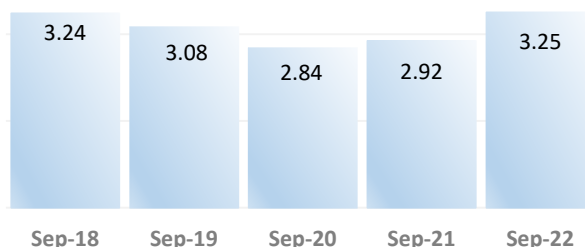


- Bonds Government 7.1%
- Bonds Corporate 3.9%
- Alternative 10.9%
- UK Equities 26.7%
- Overseas (US) Equities 23.1%
- Overseas Equities 29.9%
- Cash 8.4%

Share Price Trend (Pence)



Income Yield Trend (%)



Quarterly Commentary

The third quarter of 2022 was one of two halves. July saw the FTSE World Index return 7.58%, with significant returns from the US and further robust returns from the UK, Europe and Japan. The start of the quarter offered some respite for investors, as they took comfort in an earnings season. The technology-heavy US NASDAQ 100 Index led the way, rising over 12% in July. In the UK, the domestically orientated small and mid-cap FTSE 250 Index outperformed its blue-chip FTSE 100 Index counterpart. Bond markets also offered some degree of solace, with yields on most global government issues falling. Storm clouds started to form when the European Central Bank (ECB) raised its rates by 50 basis points (bps), its first move in over a decade. Inflation in the Eurozone reached 8.9% in July. With other central banks signalling that they would be forced to raise rates more quickly in the face of record inflation. Yields resumed a broad rise throughout the second half of the quarter, as a persistently less supportive tone from the US Federal Reserve (Fed) took effect. Having raised its benchmark rates by 75bps twice. After the Fed's summer recess, the central bank increased rates by another 75bps, as inflation numbers continued to overshoot expectations. As August transitioned to September and Liz Truss was appointed Prime Minister and with that a new Chancellor, Kwasi Kwarteng who announced his mini-Budget (a fiscal package to combat the cost-of-living crisis engulfing the country). The new budget included removing the cap on banker's bonuses, reversing the proposed National Insurance rises, cutting the basic rate of income tax to 19p, and, amid considerable controversy, scrapping the top rate of income tax. These measures were received poorly by financial markets. The government has since reversed the most contentious measure introduced – the abolition of the 45% tax band – in the face of outcries that public and welfare spending could be cut to fund tax cuts for the richest. Coupled with an emergency bond-buying programme from the BoE to calm the fixed-income markets, sterling looks set to recover the losses incurred since the original announcement on 23 September.

During a period of rampant inflation and economic uncertainty, it is more essential than ever to select a sound investment approach to construct a well-diversified portfolio. Abrdn's sustainable growth approach helps to navigate volatile environments by maintaining a focus on resilience. Considerable uncertainties shape the near-term outlook and, as such, abrdn are holding elevated levels of cash in their portfolios, which will be invested once they believe that inflation has peaked. Now more than ever, it seems important to understand the investment opportunities that will drive growth over the years to come.

Contact

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

Tel: (028) 90512604 E-mail: nicifc@communities-ni.gov.uk

Address: NICIFC, Level 5 Causeway Exchange, 1-7 Bedford Street, Belfast, BT2 7EG

Website: <https://www.communities-ni.gov.uk/articles/northern-ireland-central-investment-fund-charities>

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 September 2022.

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