NI CENTRAL INVESTMENT FUND FOR CHARITIES
Investment Factsheet as at 31 December 2015

DSD
Department for Social Development
www.dsdni.gov.uk

Background

The Northern Ireland Central Investment Fund for Charities (NICIFC) was set up in 1965 through the Charities Act (Northern Ireland) 1964, with the aim of providing Charities with the opportunity to invest all or part of their assets in a centrally pooled fund, administered by the Department for Social Development. The Fund is managed by recognised fund managers, with its investment policy and performance reviewed on a quarterly basis by a locally based Advisory Committee, appointed by the Department.

The NICIFC operates as a Discretionary Managed Fund, with participating Charities allocated a proportionate number of shares based on the size of their investment and the most recent valuation (share price). The Fund invests in Fixed-interest securities, UK & Foreign Equities and selected Unitised Funds. The allocation between these asset classes is reviewed and adjusted periodically, in line with the Fund's investment policy.

Temporary Suspension of the Fund

The Department is currently conducting a review of the Northern Ireland Central Investment Fund for Charities. The Fund will continue to be managed by the Department and the Investment Manager (currently Standard Life Wealth) as normal. However, new additions to the Fund have been temporarily suspended.

There will be no change to the process of making withdrawals from the Fund and the bi-annual dividend will continue to be paid as usual.

For those Charities that have requested their bi-annual dividends be reinvested this process has been suspended and all payments will be made to your stated bank account.

Fund Information

Aim
The primary objective of the Fund is to generate income and thereafter long-term capital growth in real terms.

Income
To achieve an annual income return in excess of the benchmark yield.

Benchmark

FTA Govt All Stocks	25%
FTSE All Share	50%
FTSE World ex UK	20%
LIBID 7 Day	5%

Key Details

Launch Date	1965
Fund Size	£34.67m
Share Price	1108.39p
Dividend Payment Dates	Jun & Dec
Year End	30 Sept
Currency	Sterling
Annual Management Fee	0.35%

Risk Factors

Based on the definitions of risk determined by Standard Life Wealth, the portfolio is categorised as being managed with a *higher Medium* risk approach.

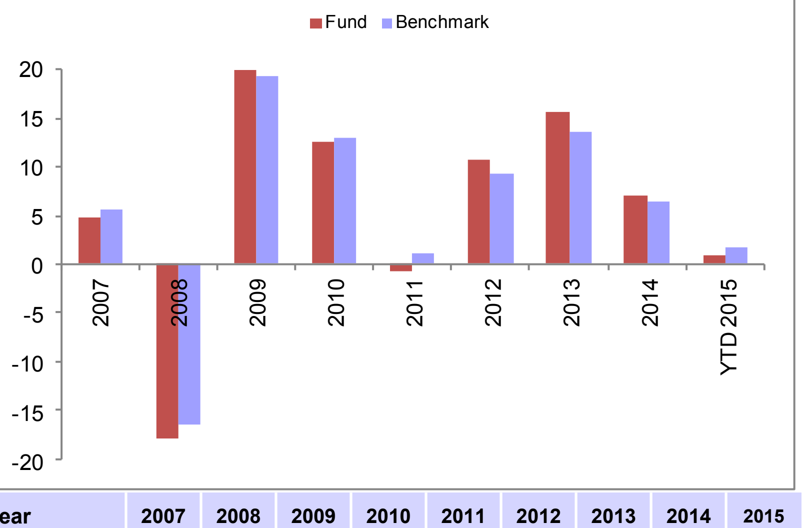
The value of any investment may go down as well as up, as can the income generated from it.

Fund Performance to 31st December 2015

	3 months	3 Years Annualised
NICIFC	3.7%	11.3%
Composite Benchmark	3.4%	10.8%
Dividend Yield (Fund)	4.0%	
Dividend Yield (Target)	2.9%	

Portfolio and benchmark returns for the quarter to 31/12/15 are preliminary estimates provided by Standard Life Wealth and have not been verified externally. They could, therefore, be liable to subsequent adjustment.

Long-term Total Return (Gross)



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
NICIFC	4.7	-17.8	20.1	12.6	-0.7	10.7	15.6	7.0	1.0
Benchmark	5.7	-16.5	19.3	12.9	1.2	9.3	13.6	6.4	1.8

Northern Ireland Central Investment Fund for Charities is a registered charity with HMRC
This is a financial promotion and is not intended as investment advice.

NI CENTRAL INVESTMENT FUND FOR CHARITIES
Investment Factsheet as at 31 December 2015

DSD
Department for Social Development
www.dsdni.gov.uk

Fund Manager

The current Fund Manager is Standard Life Wealth. 1 George Street, Edinburgh EH2 2LL. Standard Life Wealth are regulated by the Financial Conduct Authority.

Standard Life Wealth applies a global thematic stock picking strategy. This focus on themes helps to identify the catalysts for change and capture opportunities wherever they occur.

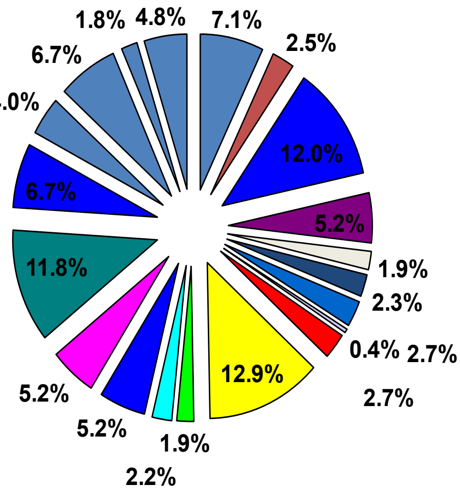
Historic Fund Information

As at 30 Sept	Share Price (p)	Annual Dividend (p)	Yield (%)
2009	881.43	39.00	4.42
2010	942.75	39.00	4.14
2011	893.25	40.00	4.48
2012	973.84	40.00	4.11
2013	1057.62	40.00	3.78
2014	1116.58	40.00	3.48
2015	1078.25	43.00	3.99
Shares in issue as at 30/09/2015			3,130,080
Shares in issue as at 31/12/2015			3,128,224

NICIFC Fund Composition

Ethical Restriction: No direct investment permitted in tobacco stocks

Sector Allocation as a % of Total Market Value



Source: Standard Life Wealth 31st December 2015

Market Commentary

The traditional relationship between equities and bonds returned to financial markets during the last quarter as global markets (generally) recovered ground lost earlier in the year, and bonds either fell marginally in value or simply held their ground. Economic recovery in the West, anticipation of the first interest rate rise in the US, and quantitative easing in Europe and Japan provided support for developed market equities with Japan and N America the stand out performers. However, persistent doubts over a slowing Chinese economy together with (state sponsored) excessive commodity production both resulted in continued downward pressure on commodity markets. Unsurprisingly, therefore, at an industrial sector level the Mining and Oil & Gas sectors under-performed with the share prices of indebted companies coming under particular pressure as most commodity prices plumbed multi year lows.

One of the major trends of 2015 was the divergence of global economies, a theme we expect to continue in 2016. The US has started tightening monetary policy and the UK will likely be next. Meanwhile, Europe and Japan look more likely to further loosen policy , providing an element of structural support to investments in these areas. It seems clear that China will tweak policy to facilitate its transition from an investment-led economy to a consumption-led economy. A slowing growth in China is inevitable but we believe that talk of a hard landing is wide of the mark. If the Chinese authorities manage this structural transition well, it will most probably result in a long landing; that is, neither soft nor hard.

The US economy is growing at 2.4% per year, and although behind its 60-year average pre-crises level of 3.5%, it is relatively strong in the context of the lower growth environment in which the world operates. The US Fed rate remains the de-facto global cost of money, against which all other investment classes are priced. As we receive more for 'cash' now, we should expect a higher yield for sovereign debt, an even higher yield on corporate debt and so on. The exceptionally low interest rates in the US and the UK, as well as negative rates in Europe and Japan, are meant to pull consumption forward but will also allow failing companies some breathing space. After all, why would consumers save money in the bank when it earns so little? Meanwhile, zombie companies can keep going as their solvency can be stretched. Low interest rates also allow companies the opportunity to restructure their balance sheets and issue debt to invest. As such, banks' balance sheets are remarkably clean. Non-performing loans now make up the lowest percentage of total loans since the financial crisis.

Contact

NI Central Investment Fund for Charities. c/o Department for Social Development, The Lighthouse Building, 4th Floor, 1 Cromac Place, Gasworks Business Park, Ormeau Road, Belfast BT7 2JB. Tel: (028) 90829240 or email colin.alderdice@dsdni.gov.uk or deborah.crudden@dsdni.gov.uk.

Issued by Northern Ireland Central Investment Fund for Charities (NICIFC). NI CIFC is managed by the Department for Social Development through recognised fund managers, and its investment policy is guided by a locally based Advisory Committee appointed by the Department.
All information (excluding Historic Fund Performance) is sourced from Standard Life Wealth Ltd.
All data as at 31 December 2015.