



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 Communities. 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 their stated bank account.

Fund Information

Aim

The primary objective of the Fund is to generate income and thereafter long-term capital growth (+5 years) in real terms.

Income

The Fund aims to achieve an annual income return in excess of the benchmark yield.

Benchmark

The benchmark for the Fund is composed as follows:

| | |
|----------------------------|------------|
| FTA Govt All Stocks | 25% |
| <i>Government Gilts</i> | 12.5% |
| <i>Corporate Bonds</i> | 12.5% |

FTSE All Share 50%

FTSE World ex UK 20%

LIBID 7 Day 5%

Key Details

| | |
|------------------------|-----------|
| Launch Date | 1965 |
| Fund Size | £37.7m |
| Share Price | 1229.80p |
| Dividend Payment Dates | Jun & Dec |
| Year End | 30 Sept |
| Currency | Sterling |
| Annual Management Fee | 0.4% |

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.

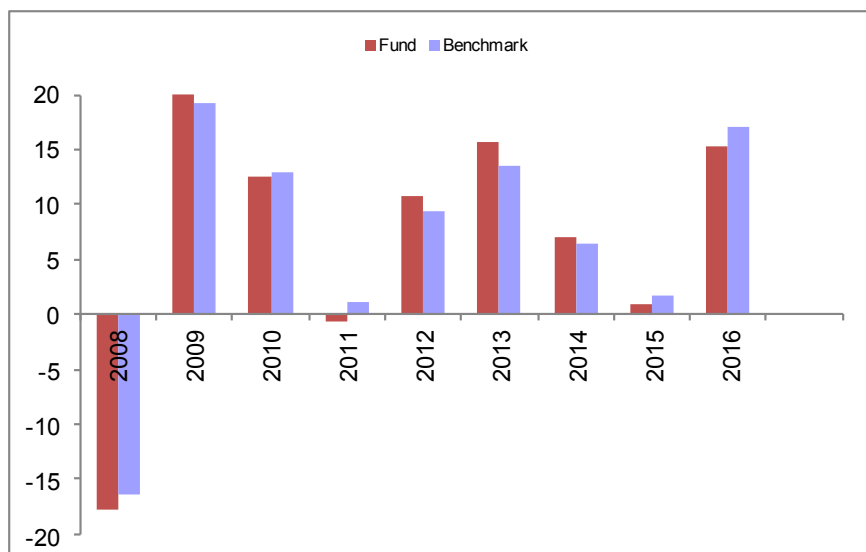
The value of any investment may go down as well as up, as can the income generated from it.

Fund Performance to 31 December 2016

| | 3 months | 3 Years Annualised |
|-------------------------|----------|--------------------|
| NICIFC | 1.2% | 7.7% |
| Composite Benchmark | 2.6% | 8.7% |
| Dividend Yield (Fund) | 3.9% | |
| Dividend Yield (Target) | 2.9% | |

Portfolio and benchmark returns for the quarter to 31/12/16 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 Percentage Return (Gross)



| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------|-------|------|------|------|------|------|------|------|------|
| NICIFC | -17.8 | 20.1 | 12.6 | -0.7 | 10.7 | 15.6 | 7.0 | 1.0 | 15.3 |
| Benchmark | -16.5 | 19.3 | 12.9 | 1.2 | 9.3 | 13.6 | 6.4 | 1.8 | 17.0 |

NI CENTRAL INVESTMENT FUND FOR CHARITIES

Investment Factsheet as at 31 December 2016



Department for
Communities
www.communities-ni.gov.uk

Fund Manager

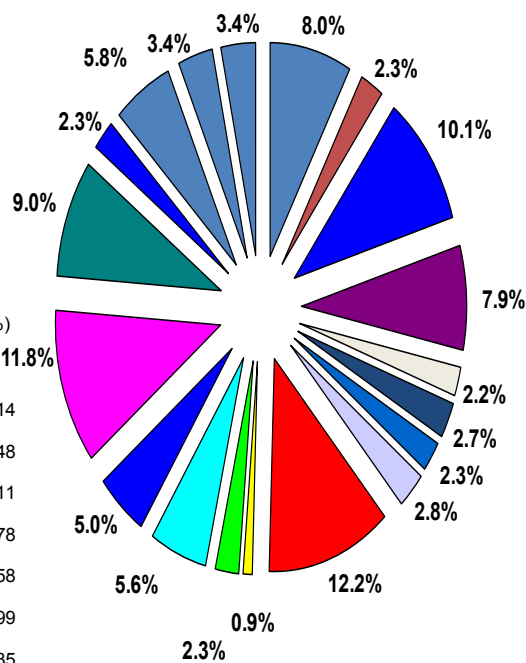
The current fund manager is Standard Life Wealth. 1 George Street, Edinburgh EH2 2LL. Standard Life Wealth are regulated by the Financial Conduct Authority.

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.

NICIFC Fund Composition

Ethical Restriction: No direct investment permitted in tobacco stocks

Sector Allocation as a % of Total Market Value



- British Government Bonds 8.0
- Overseas Govt Index Linked Bonds 2.3
- GBP Bonds 10.1
- Oil & Gas 7.9
- Chemicals 2.2
- Basic Materials 2.7
- Industrials 2.3
- Food & Beverages 2.8
- Health Care 12.2
- Retail 0.9
- Media 2.3
- Telecommunications 5.6
- Utilities 5.0
- Financials 11.8
- Technology 9.0
- Unithised Investments Equities 2.3
- Alternative 5.8
- Property Funds 3.4
- Cash 3.4

Source: Standard Life Wealth 31 December 2016

Historic Fund Information

| As at 30 Sept | Share Price (p) | Annual Dividend (p) | Yield (%) |
|----------------------------------|-----------------|---------------------|-----------|
| 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 | 3.58 |
| 2015 | 1078.25 | 43.00 | 3.99 |
| 2016 | 1224.78 | 41.00 | 3.35 |
| Shares in issue as at 30/09/2016 | | | 3,069,936 |
| Shares in issue as at 31/12/2016 | | | 3,068,453 |

Portfolio Commentary

The final quarter of 2016 did not disappoint in terms of continued political shocks. However, it will also be remembered for the continued strength in equity markets despite the unexpected results at the ballot box. Given the broadly positive underlying economic data that continued to be announced, together with promises of fiscal stimulus in the US, it was not surprising that global equities maintained their momentum into the end of the year. For sterling based investors, the US equities proved to be the most profitable trade due to continued sterling weakness versus the dollar.

Given the improving confidence in continued growth and (promised) reflationary policies in the US, bond markets struggled during the quarter with a return of -3.4% for the UK government All Stocks Index. Although we still have monetary policy support being provided by a number of central banks, it is likely that further interest rates rises in the US and the gradual tapering of this QE Support in the EU and UK, will prove to be a significant headwind for bond investors. Unless fears build around geopolitical issues or the stability of the Eurozone, it is hard to imagine that bond yields will re-test their August all-time lows.

The return from the portfolio of 1.2% over the last quarter was behind the benchmark return of 2.6%. Although the portfolio has underperformed its benchmark return by 1.7% over the year, a healthy return of 15.3% has been delivered along with a level of income in excess of the benchmark.

Standard Life Wealth continue to construct portfolios so they have a range of asset classes and direct securities that collectively will deliver an attractive real return over the long term. Their thematic framework allows them to focus on how the world is changing and the impact that change has on economies, industries and companies. SLW seek to identify those companies that will benefit from the changes as well as to avoid those where the change will be detrimental.

Contact

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