

Countrywide Assured GUARANTEE PLUS PENSION FUND (S&P Series)

Factsheet data as of 30 September 2017

INVESTMENT OBJECTIVE

This is a liability aware mandate with the investment objective to at least meet the underlying with profits liability target return.

FUND REVIEW

Equities turned in a solid performance in the third quarter as markets rallied globally against a positive economic backdrop. Government bonds seasawed, rallying for most of the quarter before selling off in September. Positive inflation surprises, hawkish turns by major central banks and improved prospects for US tax reform drove yields higher.

Against this backdrop, the fund delivered a positive absolute return. Manager alpha was positive as most equity and fixed income funds performed in line with or outperformed their respective benchmarks. The Countrywide Assured Property Pension Fund also outperformed its benchmark. Asset allocation contributed positively, as we benefited from our underweight to fixed income, with the largest underweight in US and UK government bonds, and overweight equity across all regions bar the UK. Growing expectations of a rate rise from the Bank of England and transitional Brexit deal supported the pound this quarter, explaining the relatively poor performance of UK equities vs. other equity markets in local currency terms.

FUND OUTLOOK

We maintain a strong pro-risk and pro-equity stance, anchored in our assessment of robust and broad global growth. However, we are increasingly vigilant of a pickup in volatility amid higher bond yields, and are closely monitoring inflation data and its influence on central bank policy. We maintain a strong pro-risk and pro-equity stance, anchored in our assessment of robust and broad global growth. However, we are increasingly vigilant of a pickup in volatility amid higher bond yields, and are closely monitoring inflation data and its influence on central bank policy.

FUND STATISTICS

| | |
|----------------------------|---|
| Fund manager(s) | Katy Thorneycroft, Joe Cummings, David Chan and Nick Malangone |
| Fund launch date | 04/78 |
| Fund size (as at 30/09/17) | GBP 211.8m |

PORTFOLIO BREAKDOWN

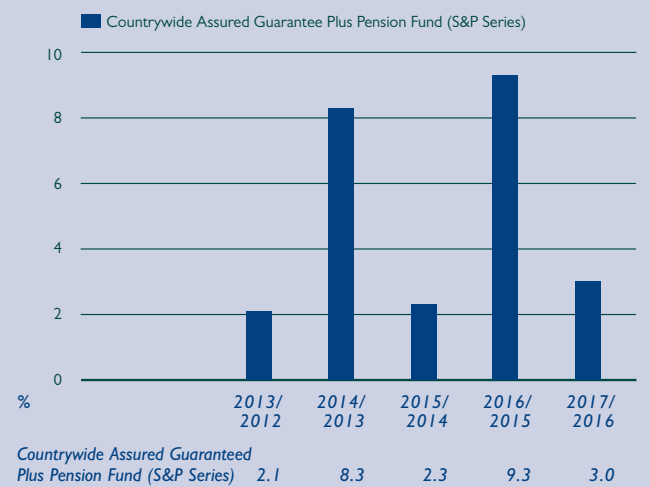
| As at 30/09/17 | % |
|------------------------------------|-------------|
| Equities | |
| United Kingdom | 9.7 |
| North America | 15.2 |
| Europe ex UK | 5.7 |
| EM (Emerging Markets) | 5.0 |
| Japan | 3.6 |
| Pacific ex Japan | 1.6 |
| Sub Total Overseas Equities | 31.1 |
| Bonds | |
| US Aggregate* | 24.9 |
| UK Government | 20.3 |
| High Yield* | 5.2 |
| Global Government(ex-UK) | -1.3 |
| Sub Total Bonds | 49.1 |
| Property | 9.5 |
| Cash | 0.6 |

*Below investment grade exposure on a look-through basis across all underlying funds is 8.2%.

CUMULATIVE PERFORMANCE (as at 30/09/17)



ROLLING 12 MONTH PERFORMANCE (as at 30/09/17)



Source: J.P. Morgan.



Countrywide Assured

For up to date information and performance data please contact our Customer Services Team on 0345 3000144. Telephone lines are recorded to ensure compliance with our legal and regulatory obligations and internal policies. The price of the fund is also published on the Countrywide Assured website each day.

You should remember that past performance is not a guide to the future. The price of investments and the income from them may go down as well as up and you may not get back the full amount invested. Investment in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Investments in smaller companies may involve a higher degree of risk as markets are usually more sensitive to price movements. Exchange rate changes may cause the value of underlying overseas investments to go down or up. The value of property assets is a matter of valuer's opinion, not fact. These assets may be more difficult to realise and may not be realisable at all. The level of tax benefits and liabilities will depend on individual circumstances and may change in the future.

Countrywide Assured plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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