

Countrywide Assured GILT PENSION FUND (S&P Series)

Factsheet data as of 30 September 2017

INVESTMENT OBJECTIVE

To provide actively managed investment in UK gilt-edged and fixed-interest securities. The Fund seeks to achieve excess return through duration as well as sector and security selection. The Fund is well diversified and, under normal circumstances, direct cash holdings are kept to a minimum.

FUND REVIEW

With economic data pointing to a healthy global economy, central bankers have continued to indicate that they want to gradually reduce the level of monetary policy stimulus in place. The US Federal Reserve announced that it will start the process of “quantitative tightening” and also continues to suggest that another rate rise is on the cards for December. Meanwhile, the European Central Bank looks set to announce a further slowdown in the pace of its own quantitative easing programme and even the Bank of England has strongly suggested that it will raise interest rates before the year is out. After a strong rally early in the quarter, government bonds sold off in September as markets started to take central bank tightening communications more seriously. This left government bonds broadly flat over the quarter. The risk-on sentiment that pushed equities higher over the quarter was also visible in fixed income markets, with credit outperforming government bonds.

The fund held a neutral duration stance in the quarter and remained overweight in non-government credits as off-benchmark positions added positively to performance.

FUND OUTLOOK

Above-trend growth remains our base case: that is, we expect global GDP growth at 3.5% or above, with global growth at its strongest since the recovery and cyclical inflation potentially poised to move higher. This is likely to result from continued aggregate central bank balance sheet expansion keeping risk-free rates range-bound and risk-asset spreads tight for the near term (notwithstanding the Fed’s anticipated taper).

We anticipate only a gentle rise in rates. In the near term, we expect the Fed to raise rates in December, supported by higher growth and inflation. We expect only a modest rise in 10-year US Treasury yields, to between 2.25% and 2.75% by year-end.

FUND STATISTICS

Fund manager(s)	David Tan
Fund launch date	11/77
Fund size (as at 30/09/17)	GBP 75.2m

PORTFOLIO BREAKDOWN

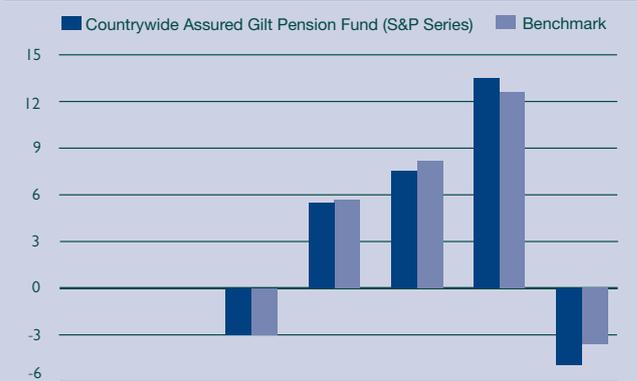
As at 30/09/17	
Duration to maturity	%
0-1 years	3.4
1-3 years	16.0
3-5 Years	13.2
5-7 Years	9.7
7-10 Years	10.1
10+ Years	47.6
Sector Breakdown (MV%)	
Government/Cash	74.7
Corporate	14.6
Mortgage	5.4
Asset Backed Securities	0.5
Agency	4.9

CUMULATIVE PERFORMANCE (as at 30/09/17)



%	3M	1 Y	3 Y	5 Y	10 Y
Countrywide Assured Gilt Pension Fund (S&P Series)	-0.7	-4.9	16.0	18.7	72.6
Benchmark	-0.5	-3.6	17.5	20.4	79.0

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



%	2013/2012	2014/2013	2015/2014	2016/2015	2017/2016
Countrywide Assured Gilt Pension Fund (S&P Series)	-3.0	5.5	7.5	13.5	-4.9
Benchmark	-3.0	5.7	8.2	12.6	-3.6

BENCHMARK

FTA Government All Stocks Index

Returns calculated on an offer to offer, pension fund tax basis.

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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