INVESTMENT OBJECTIVE
To provide a conservative balanced investment strategy to outperform a mixed benchmark consisting of bonds and equities with a bias towards bonds.

The underlying investment holdings were changed in July 2018 from 100% JPM Global Macro Bond Fund to 70% JPM Global Government Bond Fund and 30% JPM Global Research Enhanced Index Equity Fund. This has not resulted in any material change to the fund mandate, including the objective, benchmark and risk profile.

FUND REVIEW - JPM GLOBAL RESEARCH ENHANCED INDEX EQUITY FUND
The underlying portfolio outperformed its benchmark in the fourth quarter. As we explicitly target for this portfolio, stock selection was the primary driver of performance and was positive in 13 of the 19 sectors in our internal sector classification scheme. Stock selection was positive in the industrial cyclical, technology - semi & hardware and pharma/multitech sectors. This was partially offset by negative stock selection in the property, automobile & auto parts and financial services sectors. On a regional basis, stock selection was positive in North America and Europe, flat in the other regions. At a stock level, an underweight position in Boeing, the US aeroplane manufacturer, contributed positively to returns over the quarter. Shares fell on reports that the company would halt production of the 737 MAX plane in January as the Federal Aviation Administration said its review of the planes would continue into 2020. The planes have been grounded worldwide since March 2019 following a crash in Ethiopia, the second after a crash in Indonesia, as regulators worked to re-certify the planes for use. On the opposite side, our restricted position in J.P. Morgan Chase detracted from returns. JPM outperformed its bank peer group due to multiple expansion and better revenue growth trends. The company continued to generate operating leverage and strong capital return, further boosting the stock.

FUND REVIEW - JPM GLOBAL GOVERNMENT BOND FUND
The Global Government bond fund underperformed the benchmark by 11 basis points in Q4, returning -2.19% (EUR, gross of fees) vs. -2.08 for the benchmark. Going into the fourth quarter, we had a bearish view of global economy due to declining business sentiment on the back of deteriorating trade rhetoric and strategic nature of US-China conflict. Given our view, we were positioned long duration, with overweight to US treasuries due to expectations of rally in government bonds. However, a combination of factors including a phase 1 trade agreement between US-China, huge monetary easing and improving macroeconomic data led to surge in global yields. We switched from overweight to underweight in US treasuries in the fourth quarter due to expectations of higher yields on the back of improved risk sentiment. In cross country, short positioning in US vs. Australia, which was initiated due to relative central banks outlook with the Fed on hold and RBA one of major central banks with a dovish outlook, hurt performance in the fourth quarter as Australia led the surge in yields in developed markets on announcement of phase 1 trade deal. In European periphery we held overweight in Italy due to prospects of outperformance given improving political situation and budget tracking in line with expectations, also for carry in the low-yield environment. However, this position was a detractor as political risks resurfaced in Italy. On the other hand, our long positioning in Spain vs. Germany contributed on the back of yield spread compressed, we tactically closed the position, taking profits. In sector, our overweight to Agency bonds contributed as spreads compressed over the quarter.

BENCHMARK
70% J.P. Morgan GBI Global Hedged to GBP, 30% MSCI World Index (Net) Hedged to GBP

Returns calculated on an offer to offer, pension fund tax basis.
Source: J.P. Morgan.
Benchmark Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, JPMAM (UK). The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the “MSCI Parties”) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

All equity indices stated as ‘Net’ are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

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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