INVESTMENT OBJECTIVE
To provide a portfolio invested in a wide range of equities, predominantly in the UK. Emphasis is on sound long-term growth without incurring undue risk.

FUND REVIEW
In the fourth quarter of 2019, the FTSE All Share Index was lifted by the result of the General Election and returned 4.2%, leaving the market up 19.1% in 2019.

The Fund outperformed its benchmark in the quarter. Positive contributors to relative returns included stock selection in household goods & home construction and an overweight position in general retailers. Detractors included an overweight position in personal goods and an underweight position in gas, water & multi-utilities.

An overweight position in Dunelm, the home furnishings retailer, positively contributed to relative returns over the quarter. The retailer’s attractively priced offering gathered strong customer demand both in store and online, which drove growth ahead of expectations. An overweight position in Legal & General, the multinational financial services group, also contributed. As the chance of a no-deal Brexit diminished through the quarter, culminating with the UK general election, the share price of many UK firms positively adjusted for it.

Our overweight position in Unilever detracted. Despite seeing an improvement in their US business, the company reduced its guidance on full year sales growth for 2019 on the back of a slowdown in South Asia. Their overseas earnings also took a hit as the pound rallied after the UK general election. An underweight position in Lloyds Banking Group also detracted. The stock rose coming into and following the general election.

FUND OUTLOOK
Following the UK general election result, the UK may start to look increasingly attractive to asset allocators both in the UK and internationally.

Returns calculated on an offer to offer, pension fund tax basis.
Source: J.P. Morgan.
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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