INVESTMENT OBJECTIVE
To provide for long-term growth by investment in a spread of global equities.

FUND REVIEW
Global equity markets rallied strongly in the fourth quarter of 2019, with the MSCI World Index rising 7.5% in local currency terms, bringing yearly gains to 27.3%.
The quarter was characterized by a reduction in uncertainty around global trade and British politics, largely encouraging US economic and corporate data and rising crude oil prices. Stocks rallied on a breakthrough in US-China trade talks as the US decided against proceeding with a planned tariff hike on consumer goods imported from China and the two countries entered into the first phase of a trade deal. Elsewhere, the victory of the Conservative party in the UK general election lifted investor sentiment as the chances of a no-deal Brexit diminished. Corporate profits largely beat market expectations in both the US and Europe; however, earnings forecasts continued to be lowered through the quarter. In terms of economic data, the manufacturing Purchasing Managers’ Index in Europe continued to be soft, dragged down by weakness in German output, but activity data in the US and China was more encouraging. US labour markets and housing sales also showed resilience. In China, industrial profits for November increased beyond market expectations. Major central banks continued to take accommodative policy positions, with the US Federal Reserve and the European Central Bank on hold, from the cutting cycle in the previous quarter.

FUND OUTLOOK
The portfolio delivered a positive absolute return and outperformed its benchmark. Underlying manager alpha was positive overall, and mostly positive across all asset class regions. Manager alpha contributed positively in North America and Pacific ex-Japan equities, whilst slightly detracting in Japan. The biggest positive contributor to alpha was the JPM US Select Equity Plus Fund, closely followed by the JPM US Equity All Cap Fund. Asset allocation slightly detracted from performance, driven by our decision to be short US Small Cap. We continue to retain our overall preference for the US, given the high quality characteristic of the region and continued support from buybacks. However, we moderated our position at the end of the period as we sought to spread our slight underweight position across Emerging Markets and Canadian equities. As geopolitical risks have subsided and central banks remain accommodative, we move to a preference for cyclical markets.

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For up to date information and performance data please contact our Customer Services Team on 0345 5000 144. 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.

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