

Countrywide Assured WITH PROFITS FUND (S&P Series)

Factsheet data as of 30 September 2016

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

In the third quarter, growth assets outperformed defensives amid initial expectations that monetary policy would remain accommodative, data that suggested a limited fallout from Brexit and broadly improving global data. Global equity delivered positive returns, while fixed income performance was more mixed, with high yield and European bonds positive, while US Treasuries were flat to modestly down.

Against this backdrop, the fund delivered a positive return, outperforming its cash benchmark and performing in line with its strategic asset allocation benchmark. Equity and fixed income made positive contributions, while property detracted. Following a more challenging first half for manager alpha, in the third quarter manager alpha contributed positively, particularly for the US equity strategies, although the Japanese equity strategies underperformed. From an active asset allocation perspective, we entered the quarter relatively cautiously positioned, with an underweight to equities and a bias to higher-quality markets such as the US. This positioning detracted. Over the quarter we became more constructive on cyclical assets, moving modestly overweight equities and taking a long position in emerging markets. We continue to like the US, but hold underweights in Japan and the UK. In fixed income, we moved from an overweight to an underweight position in UK government bonds, while being overweight US high yield due to the carry, as well as US Treasuries. We remain underweight property.

FUND OUTLOOK

We have strengthened our conviction in the cyclical environment, albeit modestly. The global macro backdrop remains complex, given the apparent limitations of monetary policy in Europe and Japan, the upcoming US election—the outcome of which may influence US interest rate policy—the UK's move to a potential "hard Brexit" and the enforcement of the deal announced by the Organisation of the Petroleum Exporting Countries.

FUND STATISTICS

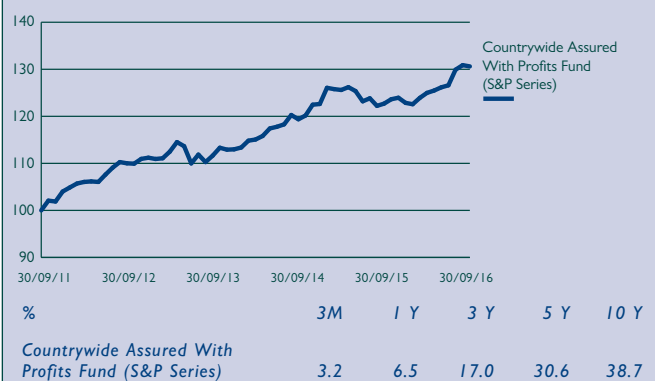
Fund manager(s)	Katy Thorneycroft, Joe Cummings, David Chan and Nick Malangone
Fund launch date	04/74
Fund size (as at 30/09/16)	GBP 26.2m

PORTFOLIO BREAKDOWN

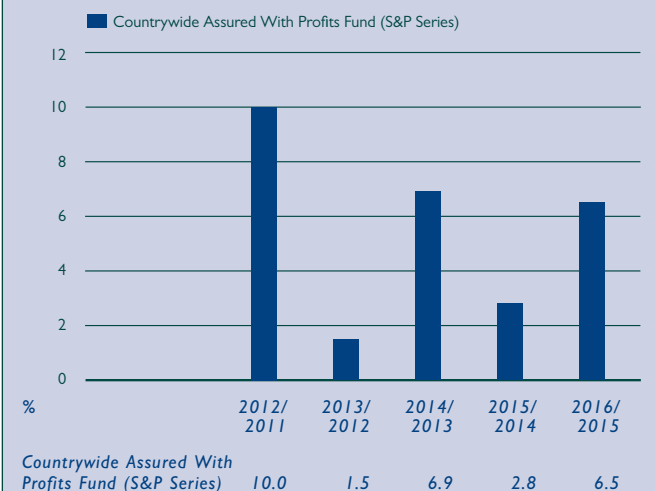
As at 30/09/16	%
Equities	
North America Equity	9.7
EM Equity	2.8
Europe ex UK Equity	2.3
Pacific ex Japan	0.6
UK Equity	0.5
Japan Equity	0.2
Bonds	
UK Government Bonds	32.0
US Aggregate Bonds*	20.1
Global Corporate Bonds	19.8
High Yield*	5.3
Global Government Bonds (ex-UK)	1.6
Property	4.3
Cash	0.8

*Below investment grade exposure on a look-through basis across all underlying funds is 9.6%

CUMULATIVE PERFORMANCE (as at 30/09/16)



ROLLING 12 MONTH PERFORMANCE (as at 30/09/16)



Returns calculated on an offer to offer, net income reinvested 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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