

As at 30 June 2022

Overview

The Retirement Countdown Fund (RCF) is designed and managed to preserve capital. The Fund is mostly invested in liquid money market instruments, which are expected to deliver a similar return to the return objective, before fees. It is one of two funds forming part of a member's Journey Path. The allocation to the RCF increases as a member approaches retirement.

Over the quarter, the Fund delivered a return in line with the objective.

The allocation to Responsible Investment (RI) focussed instruments remained at 100%. Overtime the RI allocation will fluctuate but is targeted to account for at least 50% of the portfolio. The RI investments held adhere to strict exclusion policies preventing investment in instruments issued by entities with material exposure to Fossil Fuels, Thermal Coal, Tobacco and other lines of business.

Journey Path: The retirement Journey Path is in three phases, from growth, to pre-retirement, to retirement. During the pre-retirement phase the majority of member pension savings are gradually moved from the Diversified Growth Fund (DGF) to the RCF, over a 15-year period. The allocation then remains constant in the retirement phase.

Full details of Journey Path and Fund Objectives are set out in the Statement of Investment Principles, [here](#).

Description

The RCF typically invests in money market funds, cash deposits and short-dated bonds.

The integration of responsible investment considerations seeks to manage investment risk with the aim of enhancing long-term portfolio returns, which is in the best interests of the members and beneficiaries of the Fund.

Key facts

Fund Size: £349 million

Fund Launch Date: 24 July 2014

Base Currency: GBP

Domicile: United Kingdom

Return Objective: SONIA

Annual Management Charge: 0.3%

Unit Price: 123.5519p

Valuation and Dealing Frequency: Weekly

Pricing Basis: Single price

Changes over the quarter

We continued to favour money market funds over the quarter, with the allocation remaining at 100%.

As the Bank of England started to raise the base rate the fund started to see an increase in returns compared to the previous 12 months.

Objectives

Return objective

To deliver a return equal to the Sterling Overnight Index Average (SONIA) rate consistent with the preservation of capital.

Risk objective

To minimise the risk of capital loss.

Responsible Investment objective

The Trustee has set goals as part of its RI objectives:

- Net Zero carbon emissions by 2050, consistent with the Paris Climate Agreement, and
- at least half of the portfolio's net asset value in investments which support the Trustee's RI beliefs.

Fund returns

	Returns					Single-year member returns				
	3 months	12 months	3 years	5 years	Since Inception *	2021	2020	2019	2018	2017
Fund (cumulative)	0.2%	0.0%	0.4%	1.1%	1.9%	-0.2%	0.3%	0.6%	0.3%	0.1%
Return objective (cumulative)	0.2%	0.3%	0.9%	2.0%	3.1%	0.1%	0.2%	0.7%	0.6%	0.2%
Fund (annualised)		0.0%	0.1%	0.2%	0.2%					
Return objective (annualised)		0.3%	0.3%	0.4%	0.4%					

Source: Cardano Risk Management Limited and BNY Mellon. **Fund returns figures shown relate to past performance and are presented net of investment fees. Past performance is not a reliable indicator of current or future performance.**

* Please note that Since Inception date used is 31 July 2014, instead of fund launch date.