

Retirement Countdown Fund

As at 30 June 2024

Overview

The Retirement Countdown Fund (RCF) is designed to deliver returns that are expected to preserve the real value of member savings over the long-term, after the asset based charge. There may be some variability against this target, especially over shorter time periods. The RCF seeks to achieve its return objective by investing in liquid money market instruments and short-dated investment grade bonds. It is one of two funds forming part of a member's Lifecycle. The allocation to the RCF increases as a member approaches retirement.

The Fund places importance on responsible investment (RI) and is managed against explicit targets. Overtime, the RI allocation will fluctuate but is targeted to account for at

least 75% of the portfolio. Currently 100% of the assets are considered to be managed consistent with the RI objectives.

Lifecycle: The retirement Lifecycle is in three phases, from savings, to the glidepath phase, to retirement. During the glidepath phase the majority of member pension savings are gradually moved from the Diversified Growth Fund (DGF) to the RCF, over a 10-year period. At the end of the 10-years, 70% of a member's pension savings are invested in the RCF and 30% invested in the DGF.

Full details of lifecycle and fund objectives are set out in the Statement of Investment Principles, [here](#).

About the fund

The RCF typically invests in liquid 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: £318.4 million

Fund launch date: 24 July 2014

Base currency: GBP

Return objective: To deliver returns that are expected to preserve the real value of member savings over the long-term, after the asset based charge

Annual management charge: 0.30%

Unit price: 133.1617p

Valuation and dealing frequency: Weekly

Pricing basis: Single price

What happened over the quarter

The Bank of England continued to keep interest rates at 5.25%, a level which remains unchanged since August 2023.

Inflation still remains above target levels, however it showed signs of slowing over the quarter. The Bank of England indicated that falling inflation levels has been encouraging but still remained hesitant to cut interest rates too soon.

Short-dated bond returns have been overall positive in 2024.

Objectives

Return objective

To deliver returns that are expected to preserve the real value (as measured by CPI) of member savings over the long-term, after the asset based charge.

Risk objective

The expected risk, measured in terms of annual volatility, will have a range from 3% to 5% p.a.

Responsible Investment objective

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

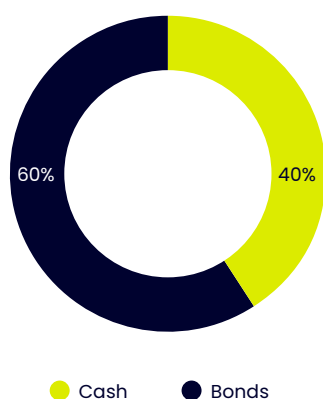
- Net Zero carbon emissions by 2050, with a 50% emissions reduction by 2030, based on 2019 levels
- At least 75% of the portfolio's net asset value in investments which support the Trustee's responsible investment beliefs as set out in the SIP

Fund returns

	Returns					Single-year member returns				
	3 months	12 months	3 years	5 years	Since inception *	2023	2022	2021	2020	2019
Fund (cumulative)	1.0%	4.8%	7.8%	8.2%	9.8%	4.5%	1.1%	-0.2%	0.3%	0.6%
Return objective (cumulative)	0.7%	5.0%	8.6%	9.3%	9.5%	4.7%	1.4%	0.1%	0.2%	0.7%
Fund (annualised)		4.8%	2.5%	1.6%	1.0%					
Return objective (annualised)		5.0%	2.8%	1.8%	0.9%					

Fund breakdown

Asset allocation by investment group



Source: Cardano Risk Management Limited and BNY Mellon. **Fund returns figures shown relate to past performance and are presented after investment fees. Past performance is not a reliable indicator of current or future performance.** The Return Objective is the return on SONIA since inception to 31 January 2024 and CPI from 1 February 2024 (net of the Asset Base Charge).

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

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