Investment objective

The B&CE Pre-Retirement Fund seeks to provide a balance between capital growth and capital preservation and is intended to be suitable for UK pension scheme members who are approaching retirement and have not yet decided what they want to do with their investments at retirement. The fund aims to achieve a return of approximately 1% (before deduction of fees) in excess of Consumer Price Index inflation, over the medium term.

Cumulative performance (as at 31/12/2019)

<table>
<thead>
<tr>
<th>1m</th>
<th>3m</th>
<th>6m</th>
<th>1y</th>
<th>3y</th>
<th>5y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>-0.12%</td>
<td>-0.82%</td>
<td>2.33%</td>
<td>8.58%</td>
<td>10.60%</td>
</tr>
<tr>
<td>Sector</td>
<td>-0.77%</td>
<td>-2.73%</td>
<td>2.33%</td>
<td>9.05%</td>
<td>11.35%</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Discrete performance (as at 31/12/2019)

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>8.58%</td>
<td>-2.23%</td>
<td>4.18%</td>
<td>20.47%</td>
</tr>
<tr>
<td>Sector</td>
<td>9.05%</td>
<td>-1.41%</td>
<td>3.57%</td>
<td>13.14%</td>
</tr>
</tbody>
</table>

Source: FE fundinfo. Fund, Sector and Index performance is shown in local currency, on a single price basis with income re-invested into the fund.
Region breakdown
- UK: 85.2%
- Europe ex UK: 4.9%
- North America: 4.9%
- Asia Pacific ex Japan: 2.5%
- Japan: 2.5%

Asset breakdown
- Global Corporate Fixed Interest: 30.1%
- UK Gilts: 30.0%
- UK Equities: 5.0%
- Europe ex UK Equities: 4.9%
- North American Equities: 4.9%
- Asia Pacific ex Japan Equities: 2.5%
- Japanese Equities: 2.5%
- Money Market: 20.1%

Sector breakdown
- Financials: 22.9%
- Industrials: 14.3%
- Consumer Goods: 14.1%
- Health Care: 11.3%
- Technology: 10.3%
- Consumer Services: 9.8%
- Oil & Gas: 5.8%
- Basic Materials: 5.5%
- Utilities: 3.3%
- Telecommunications: 2.8%

Current top 10 holdings
Top holdings not available.

Contributions are currently invested on B&CE’s behalf by State Street Global Advisors (SSGA)

Market commentary
Global developed equities performed well in the fourth quarter, particularly those of the UK. A “Phase One” US-China trade deal announced in December, a UK general election victory for the Conservative Party spurring hopes of an orderly Brexit, and improved optimism about emerging market trade were among the reasons for the strong performance. The Bank of England raised their GDP growth forecast at the end of 2020 and they expect a growth rate of over 2% by the end of 2022. It was a challenging quarter for global government bonds. The US Fed cut interest rates by 0.25% for the third time in a row before deciding to leave rates unchanged at the final meeting of the year in December. The Bank of England held rates steady but softened its policy stance during the quarter. Italian yields rose significantly at political risk resurfaced. Corporate debt fared slightly better but still ended the quarter slightly negative.