



## **Press release**

**10 November 2009**

### **CCLA launches innovative fund to meet the evolving needs of charity and faith investors in National Ethical Investment Week**

Leading charity fund manager, CCLA, today announces the launch of the COIF Charities Ethical Investment Fund, part of a programme of change that will enable more clients to align their investments with their mission and wider ownership responsibilities.

The new fund has been developed in response to findings of an 18-month client consultation, which explored how charities' attitudes to ethical and responsible investment (ERI) are evolving. Parallel client-driven changes are being made to the COIF Charities Investment Fund, which will have far fewer exclusions from 2010 and focus on engaging with companies that do not reach international norms in areas like human rights.

The new COIF Charities Ethical Investment Fund will exclude companies with significant exposure to contentious products and services. The areas of greatest concern to clients who favour this approach are alcohol, arms, gambling, tobacco and pornography. This group of clients also wants to avoid companies that support regimes that are widely considered to be oppressive, like those in Burma and Sudan.

In a first for the UK, both COIF Charities Investment Funds will ultimately exclude the "worst of the worst" if engagement fails. For the existing fund this process will focus on human rights, climate change and alcohol abuse. The new ethical fund will also focus on companies with limited exposure to pornography and gambling.

"When looking at issues like pornography, gambling and alcohol some of our clients are increasingly concerned about the potential damage that very large companies with limited exposure can cause. Clients in the new ethical fund want us to engage, but ultimately divest, if supermarkets and mobile companies fail to meet basic

minimum standards that protect children and the vulnerable”, adds Helen Wildsmith, Head of Ethical & Responsible Investment.

Some of CCLA’s largest Catholic, United Reformed Church and Quaker clients helped develop the final policies for the new COIF Charities Ethical Investment Fund based on the results of the survey that was sent to 2000 clients.

Michael Quicke CCLA’s chief executive says, “CCLA is owned by its charity and faith clients and we are therefore very committed to help them balance their values with their need for financial return. It’s rare for a fund manager to canvass its clients and respond in this way, but we strongly believe the new fund and parallel changes to the existing funds are the most effective way of ensuring that we continue to meet our clients’ different and evolving needs.”

The new fund will be run using the same investment strategy applied to the COIF Charities Investment Fund with a focus on delivering a growing income, together with attractive long-term capital growth.

CCLA Chief Investment Officer, James Bevan says: “There is a perception that investing ethically means compromising on performance. However, we now have much richer data that allows us to exclude particular stocks or sectors, but retain desirable characteristics that those stocks represented. Engaging with companies to raise standards in corporate practice in areas like climate change also means we are working towards more sustainable investments that bring about secure long-term returns.”

**Ends**

**For further details of the COIF Ethical Investment Fund and COIF Investment Fund please visit [www.ccla.co.uk](http://www.ccla.co.uk)**

**For further press information please contact Helen Bishop at Society Media on 020 8533 8893 / [helen@societymedia.co.uk](mailto:helen@societymedia.co.uk) or Hilary Carter on 0789 013 074/[hilary@societymedia.co.uk](mailto:hilary@societymedia.co.uk)**

## Notes to editors

### About CCLA

CCLA is the leading manager of UK charity investments by assets under management or number of clients \*. We offer pooled and segregated funds, and our funds are designed to meet the needs of our charity clients. CCLA is a pioneer of ethical and responsible investment, and is a signatory to several high profile global investor groups, including the International Investors Group on Climate Change (IIGCC), the United Nations Principles of Responsible Investment (UNPRI) and the Carbon Disclosure Project, all of which aim to tackle key social and environmental issues. We are also one of the headline sponsors of this year's National Ethical Investment Week ([www.neiw.org](http://www.neiw.org)) which runs from 8-14 November. For further details of CCLA events during NEIW please visit our website.

CCLA is owned by its not-for-profit sector clients and is authorised and regulated by the Financial Services Authority. For further information visit [www.ccla.co.uk](http://www.ccla.co.uk)

\*Charity Finance Fund Management Survey 2008

### About the COIF Charities Ethical Investment Fund & changes to the COIF Charities Investment Fund

- Both the COIF Charities Ethical Investment Fund and Charities Investment Fund will have the same investment strategy to deliver high and rising dividends and long-term capital growth.
- Both funds benefit from the same low management fees.
- Fund exclusion & engagement policies

The COIF Charities Ethical Investment Fund	The COIF Charities Investment Fund (from 2010)
The <b>ethical fund</b> will exclude all companies with <b>any involvement</b> in supporting oppressive regimes (currently <b>Burma</b> and <b>Sudan</b> ) or the production of <b>landmines</b> , <b>cluster bombs</b> or <b>nuclear weapons</b> .	<b>Any involvement</b> by companies in the production of <b>landmines</b> or <b>cluster bombs</b> will lead to exclusion from the <b>existing funds</b> .
Companies with <b>significant involvement</b> in <b>tobacco</b> , <b>alcohol</b> , <b>pornography</b> , <b>gambling</b> and <b>conventional weapons</b> will also be excluded.	Companies with <b>significant involvement</b> in <b>tobacco</b> , the <b>production of pornography</b> , and <b>online gambling</b> will also be excluded.
Company <b>engagement</b> (which could lead to exclusion from 2013) will focus on poor practice in any remaining companies with exposure to the areas above, and violations of international conventions and norms in the areas of <b>human rights</b> , <b>employment practices</b> and <b>climate change disclosure</b>	Company <b>engagement</b> (which could lead to exclusion from 2013) will focus on poor sales and marketing practices relating to <b>alcohol</b> , and violations of international conventions and norms in the areas of <b>human rights</b> , <b>employment practices</b> and <b>climate change disclosure</b> .
Asset classes and investment themes will be incorporated into the fund that simultaneously strengthen the overall	Asset classes and investment themes will be incorporated into the fund that simultaneously strengthen the overall risk/return characteristics and

risk/return characteristics and provide social and/or environmental benefits, e.g. <b>micro-finance; timber; green technologies</b> and <b>infrastructure</b>	provide social and/or environmental benefits, e.g. <b>micro-finance; timber; green technologies</b> and <b>infrastructure</b>
---	---

We have a strategic partnership with Ethical Investment Research Service (EIRiS), a not-for-profit research provider. EIRiS was established over 25 years ago to help charities and churches invest in line with their values. In addition to access to their company database, we have a consultancy budget which allows us to find out information that our clients have requested (e.g. the distinction between online and other gambling).