



Press Release

22 January 2010

CCLA's new ethical investment fund attracts £63m

CCLA defines a new direction for charity ethical and responsible investment

Strong charity demand for ethical investment, combining engagement and exclusion has been shown by the rate of take-up for CCLA's new COIF Charities Ethical Investment Fund.

The fund has attracted £63 million from 165 charities since it launched at the beginning of the New Year.

The ethical fund excludes companies with significant exposure to contentious products and services such as alcohol, conventional arms, gambling, tobacco, and pornography as well as companies, which produce indiscriminate weapons or support oppressive regimes such as Burma or the Sudan.

CCLA's faith clients from the Catholic, Quaker and United Reform Church communities helped develop the ethical fund's final policies.

An eighteen-month consultation with over 2,000 CCLA clients has defined a new direction for ethical and responsible investment.

CCLA has responded to the differing needs of its charity client base by reducing the number of ethical exclusions across its range of charity funds alongside launching the new ethical fund.

All CCLA's charity funds will now focus their engagement attention on what one client describes as the "worst of the worst". Areas of focus range from human rights, carbon reduction plans to alcohol abuse. Coalition building, working with other organisations and following the United Nations Principles of Responsible Investment will be an important part of the work. Failure by companies to respond to persistent engagement could lead to divestment in due course.

The reduction in exclusions across CCLA's other charity funds was also driven by the client survey: a tobacco screen will remain, and companies involved with weapons that have been banned by international treaties will also be excluded.

CCLA's Head of Ethical and Responsible Investment Helen Wildsmith said, "We are delighted with the feedback we've received. Having two different exclusion policies allows us to meet the needs of many more charities. In combining engagement and the ultimate sanction of divestment, our clients have chosen a powerful way to address their concerns about human rights, climate change and contentious products like alcohol.

CCLA Chief Investment Officer James Bevan said, "There is a perception that excluding tobacco stocks and producers of illegal weapons means compromising on performance. However, we now have much richer data that allow us to exclude particular stocks or sectors, but retain desirable characteristics that those stocks can represent. By investing in climate-friendly assets, like sustainable timber, and engaging with companies to reduce emissions we are pursuing more sustainable capital allocation that we are confident will deliver more secure long-term returns."

Both CCLA's Investment Funds focus on delivering a growing income together with attractive long-term capital growth. The funds invest across a wide range of assets, seeking the optimum risk and return characteristics, and without compromising social and environment benefits. These include equities, property, other real assets and bonds.

Ends

For further details of the COIF Ethical Investment Fund and COIF Investment Fund please visit www.ccla.co.uk

For further press information please contact: Helen Bishop at Society Media on 020 8533 8893 / helen@societymedia.co.uk or Hilary Carter on 0789 [013074/hilary@societymedia.co.uk](tel:01307413074)

Notes to editors

About CCLA

CCLA is the leading manager of UK charity investments by assets under management or number of clients *. The company offers pooled and segregated funds, and funds are designed to meet the needs of charity clients. CCLA is a pioneer of ethical and responsible investment, and is a signatory to several high profile global investor groups, including the Institutional Investors Group on Climate Change (IIGCC), the United Nations Principles of Responsible Investment (UNPRI) and the Carbon Disclosure Project (CDP), all of which aim to tackle key social and environmental issues.

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

*Charity Finance Fund Management Survey 2008