CCLA
GOOD INVESTMENT

9 March 2022

Dear Unitholder,

Notice of Extraordinary General Meeting: COIF Charities Fixed Interest Fund (the "**Fund**")

The contents of this circular are important and we recommend that you read it carefully. If you are unclear about the matters set out in this circular, we strongly recommend you seek independent professional advice.

CCLA Fund Managers Limited (hereinafter referred to as "**Manager**" or "**we**" or "**our**") wishes to notify you of an extraordinary general meeting ("**EGM**") of the Fund which is to be held at 10.00 a.m. on Wednesday, 6 April 2022.

We write to seek your support for some important changes to the Fund. A resolution will be proposed at an EGM to approve changes to the Fund as described in Appendix 1 and summarised below. A notice of the EGM is enclosed at Appendix 3 to this circular ("**Notice**").

In summary, we propose to change the investment objective[1] and investment policy[2] of the Fund. In order to support this change, if it is approved, CCLA Investment Management Limited, the investment manager of the Fund, will appoint Hermes Investment Management Limited as sub-investment manager ("**Sub-Investment Manager**"), to provide portfolio management services to the Fund. CCLA Investment Management Limited will continue to have overall responsibility for the investment management of the Fund and oversight of the Sub-Investment Manager. The proposed changes will not affect the level of service you have come to expect as a Unitholder in the Fund from our dedicated Client Services Team and we, as the Manager, will retain overall responsibility for the operation of the Fund.

Full details of the proposed changes including rationale, the proposed timeline, potential implications, information on why we are seeking your approval, what we believe the benefits of this change will be to you and what you need to do next, are set out in Appendix 1. Please take the time to read this letter and its Appendices carefully as they provide you with important information.

We believe this proposal is in the best interests of Unitholders and encourage you to vote in favour of it by recording your vote online or by completing and returning the enclosed Voting Form. The Manager also recognises that not all Unitholders may agree with the proposal and therefore Unitholders will continue to be able to exercise their right to sell their units in accordance with the Scheme Particulars.

If the proposed changes are approved by Unitholders, we will make the changes on or shortly after 3 May 2022.

For further information on key dates, please refer to paragraph 16 of Appendix 1.

1. Extraordinary General Meeting (EGM)

The proposed changes require the approval of Unitholders by the passing of a resolution at an EGM on 6 April 2022. Investors are not required to attend the meeting in person and, due to concerns surrounding the safety of investors in the light of the COVID-19

---

[1] The statement that sets out what the Fund aims to achieve with your investment.

[2] The statement that sets out the parameters within which the Fund will operate to deliver the investment objective.

pandemic, you are strongly encouraged to return your vote by recording it online or by post using the enclosed Voting Form.

The procedure for the EGM is set out in Appendix 2 and the formal Notice, which sets out the wording of the proposal that investors will vote on at the EGM (also known as a 'resolution'), is in Appendix 3.

2. **Action to be taken**

We encourage you to vote in favour of the proposal to change the investment objective and investment policy of the Fund.

It is important that you exercise your right to vote and, in any event, your vote must be received before 5.00 p.m. on 4 April 2022. In order for the changes to take effect, at least three quarters by value (75%) of the votes validly cast at the EGM must be in favour of the changes.

You are not required to attend the EGM in person to exercise your vote and are strongly encouraged to return your vote by recording it online or by post using the enclosed Voting Form.

3. **Costs**

The legal costs and the costs and expenses of calling the EGM; and of the preparation and implementation of the proposed changes, including without limitation the costs and expenses of printing this document, will be borne by the Manager. If the proposal is approved there will be some realignment costs, please refer to paragraph 17 of Appendix 1 for further details.

4. **Updated documents**

If the proposal is approved at the EGM updated copies of the Scheme Particulars and the Key Information Document ("**KID**") for the Fund will be available to download from the Manager's website (https://www.ccla.co.uk/investment-solutions/fund/coif-charities-fixed-interest-fund) on or after 3 May 2022.

5. **More information**

If you are uncertain as to how to respond to this document, you should consult a financial advisor. If you do not have a financial advisor but would like to find one, please visit www.unbiased.co.uk which is a directory of independent financial advisors.

If you would like further information regarding the above, we can be contacted during normal business hours between Monday and Friday from 8.30 a.m. to 5.30 p.m. on 0800 022 3505 or by email at clientservices@ccla.co.uk.

Thank you for your continued investment.

Yours faithfully,

David Sloper
Director

For and on behalf of
CCLA Fund Managers Limited
Manager of the COIF Charities Fixed Interest Fund

APPENDIX 1

Important details of the proposals

1. **Background, description of/rationale for the change**

The Fund's current investment objective is to provide an income yield and a total return (i.e. the combination of income and capital gains) in excess of its target benchmark, which is a weighted composite benchmark consisting of 50% Markit iBoxx Sterling denominated Gilts Index and 50% Markit iBoxx Sterling denominated Non-Gilts Index.

The existing benchmark creates a bias to how the Fund is managed. The Fund's portfolio of assets has a long average life and currently has a low redemption yield (the yield being an indication of the return that can be expected over the life of the portfolio of assets held). For reference, the current portfolio has an average life of 8.5 years and a yield of 1.9%*.

*As at 28 February 2022 (Source: CCLA)

A consequence of the long average life of the portfolio is that the Fund's value has a relatively high sensitivity to interest rates. If market interest rates were to rise by 1% the value of the Fund would fall by approximately 6.8%. Relative to the expected return from the portfolio of 1.9% we believe this an unattractive risk/reward trade off.

We would also note that the Fund is currently making dividend distributions in excess of the yield on the portfolio. A consequence of this is that the capital value of the Fund is being gradually eroded each year. The current level of income distributions is not sustainable over the long-term.

Finally, the range of instruments the Fund uses is limited to gilts and investment grade Sterling denominated bonds. This means a number of investment opportunities in fixed income are overlooked, particularly those that could offer higher yields and a shorter average life.

We wish to adopt an investment policy and benchmark for the Fund that is more relevant to investors that have a medium-term investment horizon and are looking for a return that exceeds short-term cash. In addition, we want to adopt a strategy which we believe has a better trade-off between long-term returns relative to its exposure to rising interest rates than the existing one, and where returns are more sustainable.

The proposal has two elements:

a) To change the investment objective to target a total return of SONIA+1.75% per annum, net of fees and expenses. SONIA is the Sterling Overnight Index Average, an interest rate benchmark administered by the Bank of England and is an appropriate index to measure the return on cash.

b) At the same time the investment policy of the Fund will be modified (see the table below for the existing and proposed investment policy wording) to permit the Fund to utilise a wider range of fixed interest and debt instruments. These instruments may be purchased from anywhere in the world and in any currency and may include debt securities of issuers from emerging market countries (such as Brazil, Chile, Hungary etc).

This new strategy will, we believe, have greater long-term total return potential than the Fund's existing strategy. Overall, the new strategy will have less exposure to rising interest rates albeit with more credit risk (as a result of exposure to more corporate and non-investment grade debt securities) than the existing portfolio of the Fund.

2. **How will we manage the increased credit risk of the new strategy?**

Whilst the changes are designed to provide a more sustainable return, the Fund will take more credit risk to try and achieve this. In order to manage the level of risk in the Fund we will impose a number of constraints on the Fund's portfolio composition to maintain a high degree of diversity.

The constraints set out below will apply to the Fund. However, during periods of rapid credit rating downgrades and/or market illiquidity these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Fund's net asset value. Credit ratings used for measuring compliance with this rule are the are the highest of S&P Global Ratings', Fitch Ratings' and Moody's Investor Service long-term ratings. The higher the rating the lower the expected risk of the issuer not paying interest or repaying the loan. Non-investment grade bonds are higher risk and therefore have a higher expectation that the issuer may default on making interest payments or repaying the loan, but usually pay a higher amount of interest to reflect this higher level of risk.
- The maximum exposure to securities rated less than BB- is 5% of the Fund's net asset value. Securities that are rated less than BB- are considered to be highly speculative and therefore very high risk.
- The maximum exposure to unrated securities (including securities that the investment manager and/or Sub-Investment Manager have given a deemed rating) is 5% of the Fund's net asset value.

3. **Use of Derivatives**

The Fund may, going forward, use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

4. **Changes to the investment objective and investment policy of the Fund**

The table below shows the current investment objective and investment policy of the Fund, as described in the Fund's Scheme Particulars, and the proposed investment objective and investment policy:

	Existing Fund information (as listed in the Scheme Particulars until 2 May 2022)	**Proposed Fund information (to be listed in the Scheme Particulars on or after 3 May 2022)**
Investment objective	The Fund aims to provide an income yield and a total return in excess of the target benchmark.	The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period. There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.
Investment policy	The Fund is an actively managed, diversified portfolio invested predominantly in sterling	The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by

	denominated fixed interest securities but may also include other asset classes, which may be either liquid or illiquid in nature. The Fund follows a client-driven ethical investment Policy.	corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature. The Fund is actively managed which means the Investment Manager/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective. The Fund will invest in instruments issued in a range of currencies and will hedge the non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%-105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations. The Fund may invest in instruments that are either investment grade (credit rating of BBB- or above) or non-investment grade (credit rating less than BBB-) as rated by one of S&P Global Ratings or Fitch Rating Services, or instruments with a credit rating of Baa3 or above (investment grade) or

		a credit rating of less than Baa3 (non-investment grade), as determined by Moody's Investors Service. Where an instrument does not have an explicit rating from one of these agencies ("**Unrated Securities**"), the Investment Manager or Sub-Investment Manager is permitted to calculate a deemed rating. The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time. • The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest of S&P Global Ratings', Fitch Ratings' and Moody's Investor Service long-term ratings. • The maximum exposure to securities rated less than BB- is 5% of the Net Asset Value of the Scheme Property. • The maximum exposure to Unrated Securities (including securities that the Investment Manager and/or Sub-Investment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property. • The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds. The Fund may use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient

		portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund. The Fund is managed in accordance with our ethical investment exclusions policy which is set out in further detail on our website at www.ccla.co.uk.

5. **Benchmark information**

	Existing Fund information (as listed in the Scheme Particulars until 2 May 2022)	**Proposed Fund information (to be listed in the Scheme Particulars on or after 3 May 2022)**
Benchmark	Markit iBoxx™ £ Gilts Index, 50%; Markit iBoxx™ £ Non-Gilts Index, 50%.	SONIA plus 1.75% per annum after fees and expenses.
Benchmark Type	Target	Target

6. **Ethical investment exclusions**

The Manager will apply its ethical investment exclusion policy to the Fund. Further information on our policies with respect to ethical investment are set out on our website, www.ccla.co.uk or are available from the Manager on request.

7. **Key additional risks**

As a result of the proposed changes to the investment objective and investment policy the following key risks would be added to the revised Scheme Particulars with effect from or after 3 May 2022. For a comprehensive list of risk factors applicable to the Fund, please request a copy of the draft Scheme Particulars.

Securitised Assets Risk
The Fund may purchase securitised products including asset backed or mortgage backed securities. These are debt instruments, typically issued by special purpose vehicles, that are backed by portfolios of largely financial obligations. These instruments are more complex than corporate debt securities and may exhibit variability or uncertainty of average life and market risks, furthermore they may be less liquid in more stressed market environments.

Leverage Risk
Leverage is a strategy that can be employed by the Fund in an effort to potentially increase income and enhance returns. Leverage can come in a variety of forms including debt and derivative instruments. For example, leverage risk may arise from a combination of holding a long position in a government bond in addition to a credit linked derivative. The use of

leverage is subject to risks, including the potential for higher Net Asset Value and market price volatility and fluctuations of distributions.

Leveraged Loans Risk
Leveraged loans are a type of syndicated loan for below investment grade companies (credit rating below BBB- or Baa3). A leveraged loan may be originated for a variety of reasons including general corporate purposes, refinancing of an existing loan etc. The risk inherent within leveraged loans reflects the perceived low credit rating of the borrower, indicating a higher risk of missed payments on the loan or full default on the principal amount of the loan. The Fund may have exposure to such leveraged loans and as such there is increased risk to the Fund in the event of end borrower default.

Equity Market Risk
The Fund will not purchase equity assets, however, a number of fixed interest securities may have contingent or option related equity risk. This may result in these securities having greater market value volatility than traditional corporate bonds.

8. **Summary Risk Indicator (SRI)**

	SRI (as shown in the KID until 2 May 2022)	**SRI (as shown in the KID on or after 3 May 2022)**
SRI	**3**	**2**

The updated KID for the Fund is enclosed with this circular and if approved will also be available to download from the Manager's website on or after 3 May 2022.

9. **Impact on costs and charges**

We do not anticipate any changes to the annual management charge or ongoing charges of the Fund to occur as a result of these changes.

10. **Impact on Fund distributions**

We believe the total return (comprising income plus price appreciation) expected from the new strategy (at SONIA + 1.75% per annum net of fees and expenses) will exceed the long-term returns that can be generated from the Fund's existing asset portfolio.

However, it is likely in the short-term the income distributions of the Fund will decrease. Current dividend distributions are high, and these distributions are being made at the expense of the capital of the Fund. This is not sustainable in the long-term.

The new strategy's portfolio is unlikely to have distributions as high as the existing portfolio, however we expect that the income payments made will be more sustainable over the target holding period.

11. **Impact on Fund structure and client relationship management**

The proposed changes will, if approved, result in a change to the composition of the Fund's investment portfolio. The Fund's legal structure and your unit holdings will not change. There will also be no change to the client support, client relationship management and fund reporting functions.

12. **Why are you appointing Hermes Investment Management Limited as sub-investment manager?**

We recognise that managing a more diversified portfolio with different fixed income security types and a greater spread of credit risk requires a wider set of portfolio management and research resources than CCLA currently possesses. CCLA Investment Management Limited therefore decided to appoint a sub-investment manager with the required resources and with a track record of managing similar fixed interest mandates.

The detail of the proposed strategy has been specifically created for CCLA following extended discussions with the Sub-Investment Manager. CCLA Investment Management Limited will have ongoing responsibility to monitor the performance of the Sub-Investment Manager and their compliance with the investment objective and investment policy of the Fund.

Finally, it should be noted that selection and appointment of the Sub-Investment Manager is a responsibility of the Manager and is therefore not subject to Unitholder approval.

13. **Environmental, social and governance factors**

One of the most important considerations in choosing the Sub-Investment Manager and designing the strategy was to ensure that their approach to integration of Environmental, Social and Governance (ESG) risk factors was aligned with our own and that the application of any investment exclusions used a similar methodology. CCLA will review the Fund's portfolio on a regular basis and retains the right to instruct the Sub-Investment Manager to sell any position it deems to be ineligible or inappropriate.

The investment exclusions applied to the Fund and our policies with respect to ESG are set out more on our website.

14. **Information about the Sub-Investment Manager**

CCLA Investment Management Limited, the Fund's investment manager, has selected Hermes Investment Management Limited (a majority owned subsidiary of Federated Investors, Inc) as sub-investment manager. Federated Investors, Inc has approximately $625bn of assets under management. The team that will be responsible for managing the Fund's portfolio comprises over 20 investment and research professionals.

Importantly, Hermes Investment Management Limited has an excellent reputation in the field of investor engagement and ESG integration and is an organisation which we have worked closely with on a number of occasions in the past. More information about Hermes Investment Management Limited can be found on their website www.hermes-investment.com.

15. **What will the Sub-Investment Manager do?**

The Sub-Investment Manager will undertake portfolio management and trade execution for the Fund; identifying the assets to be purchased or sold and executing trades with market counterparties. They will be appointed to act on behalf of the Fund under the terms of a contractual investment management agreement.

However, it is important to note that we will retain our existing infrastructure in respect of custody arrangements, fund administration, client relationship management and reporting etc. Furthermore, CCLA Investment Management Limited will continue to be accountable as the Fund's investment manager and for the supervision and oversight of the Sub-Investment Manager.

16. **Key information and dates**

The changes to the Fund's investment objective and investment policy require the approval of Unitholders by the passing of an extraordinary resolution at an EGM. We have, therefore, arranged for an EGM to be held at 10.00 a.m. on Wednesday, 6 April 2022.

The procedure for the EGM, including details of the various consents and a list of the documents relating to the proposals which are available for inspection, is detailed in Appendix 2.

The formal Notice of the EGM and the extraordinary resolution to be considered are detailed in Appendix 3.

A summary of the key dates is as follows:

Qualification date for investors to vote	28 February 2022
Despatch of this letter to qualifying investors	9 March 2022
Final date for receipt of Voting Form	4 April 2022
Date of Extraordinary General Meeting	6 April 2022
Effective date of the change to the investment objective and investment policy	On or after 3 May 2022

If the proposals are approved at the EGM, the changes will become effective on or after 3 May 2022 and Unitholders will be informed via a notice on our website, www.ccla.co.uk/about-us/annoucements, shortly thereafter.

These changes will be implemented across all unit classes in the Fund and will not change the ISIN, SEDOL or any other associated codes. The table below outlines each of these unit classes:

Unit Class Name	**ISIN**
COIF Charities Fixed Interest Fund - Income Units	GB0001878734
COIF Charities Fixed Interest Fund - Accumulation Units	GB0001877876

17. **Costs**

As referred to in the letter above, the legal costs and the costs and expenses of calling the EGM and any adjourned EGM; and of the preparation and implementation of the proposed changes, including without limitation the costs and expenses of printing this document, will be borne by the Manager.

The Fund would pay the cost of changing the composition of its portfolio to fit the new investment objective and investment policy. This cost (comprised of broker commissions, taxes and estimated spreads) will be a function of market conditions at the time but is estimated to be approximately 0.45% of the value of the Fund. So, for every £100 invested, the cost would be approximately 45p.

18. **Terms**

"Unitholder" means each person who holds units in the Fund as at 28 February 2022 and who remains a unitholder until the effective date of the changes.

"Voting Form" means the enclosed voting form.

Any terms not defined in this letter or its Appendices will have the meaning given to them in the Fund's Scheme Particulars.

APPENDIX 2

Procedure for Extraordinary General Meeting

Quorum

The quorum (the minimum number of participants) for the extraordinary general meeting (the "**EGM**") is two Unitholders, which can include Unitholders represented by a proxy. Any decision to postpone the extraordinary general meeting will be published on our website, www.ccla.co.uk/about-us/announcements.

Unless otherwise specified, the replacement general meeting to consider the extraordinary resolution will be held at Senator House, 85 Queen Victoria Street, London EC4V 4ET on Wednesday, 6 April 2022 at 10.00a.m. At an adjourned EGM if a quorum is not present within fifteen minutes from the time appointed for the EGM one person entitled to be counted in a quorum present at the EGM shall be a quorum.

Chairperson

HSBC Bank Plc, the Trustee and depositary of the Fund (the "**Trustee**"), has appointed a duly authorised representative of the Manager, to be the chairperson of the EGM and any adjourned EGM.

Voting

The resolution will be proposed as an "extraordinary resolution" and must be approved by a majority in favour of at least three quarters by value (75%) of the total number of votes validly cast at the EGM.

Persons who are Unitholders on 28 February 2022, but excluding persons who are known to the Manager not to be Unitholders at the time of the EGM, are entitled to vote and be counted in the quorum. Once passed, an extraordinary resolution is binding on all Unitholders in the Fund.

In view of the importance of the proposals, the chairperson of the EGM will order a poll to be taken in respect of the resolution. On a poll, each Unitholder may vote either in person or by proxy. However, as mentioned above, due to concerns surrounding the safety of investors in the light of the COVID-19 pandemic, investors are not required to attend the meeting in person and are strongly encouraged to vote online or by using the enclosed Voting Form.

A Unitholder entitled to more than one vote need not use all their votes or cast all the votes they use in the same way.

The Manager is only entitled to be counted in the quorum and vote at the EGM in respect of the units it holds on behalf of or jointly with another person who, if themself the registered Unitholder, would be entitled to vote and from whom the Manager has received voting instructions.

Associates of the Manager are entitled to be counted in a quorum. They may vote at the EGM in respect of units which they hold on behalf of or jointly with a person who, if themself the registered holder, would be entitled to vote and from whom they have received voting instructions.
Proxy votes (using the Voting Form) must be received by 5.00pm on 4 April 2022. Otherwise, they will not be counted. A proxy vote may only be withdrawn with the Manager's consent.

<u>Consents and clearances</u>

The Trustee

In accordance with normal practice, HSBC Bank Plc, the Trustee of the Fund, whilst neither recommending or offering an opinion on the merits of the proposal, which is a matter for each Unitholder's judgement, has informed the Manager by letter that it has no objection to the proposal being placed before Unitholders for their consideration.

The Trustee has also informed the Manager by letter that it consents to the references made to it in this document in the form and context in which they appear.

Documents available for inspection

Subject to COVID-19 restrictions, copies of the following documents are available for inspection upon request from the Manager until the date of the EGM or of any adjourned EGM:

1. the letter from HSBC Bank plc to the Manager referred to under "Consents and Clearances" above;
2. the current and a draft amended Scheme Particulars of the Fund; and
3. the current and amended KID for the Fund (the latter of which is enclosed with this circular).

APPENDIX 3

Notice of Extraordinary General Meeting of Unitholders

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Unitholders of the COIF Charities Fixed Interest Fund (the "**Fund**") will be held at Senator House, 85 Queen Victoria Street, London EC4V 4ET on Wednesday, 6 April 2022 at 10.00 a.m., to consider and vote on the following resolution which will be proposed as **EXTRAORDINARY RESOLUTION**:

EXTRAORDINARY RESOLUTION

THAT the investment objective and investment policy of the Fund be changed to the following:

Objective: The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period.

There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

Policy: The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature.

The Fund is actively managed which means the Investment Manager/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective.

The Fund will invest in instruments issued in a range of currencies and will hedge the non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%-105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations.

The Fund may invest in instruments that are either investment grade (credit rating of BBB- or above) or non-investment grade (credit rating less than BBB-) as rated by one of S&P Global Ratings or Fitch Rating Services, or instruments with a credit rating of Baa3 or above (investment grade) or a credit rating of less than Baa3 (non-investment grade), as determined by Moody's Investors Service. Where an instrument does not have an explicit rating from one of these agencies ("**Unrated Securities**"), the Investment Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest of S&P Global Ratings', Fitch Ratings' and Moody's Investor Service long-term ratings.
- The maximum exposure to securities rated less than BB- is 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that the Investment Manager and/or Sub-Investment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property.
- The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds.

The Fund may use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

The Fund is managed in accordance with our ethical investment exclusions policy which is set out in further detail on our website at www.ccla.co.uk.

and that the Scheme Particulars of the Fund be amended accordingly.

By Order of the Board

David Sloper
Director

For and on behalf of
CCLA Fund Managers Limited
Manager of the COIF Charities Fixed Interest Fund
Senator House, 85 Queen Victoria Street, London EC4V 4ET

9 March 2022

Notes:

1. A Unitholder who is entitled to attend and vote at the extraordinary general meeting can appoint someone to attend the meeting as their representative and vote instead of them (a proxy). The proxy does not need to be a Unitholder.

   PLEASE NOTE: Due to concerns surrounding the safety of Unitholders in light of the COVID-19 pandemic, Unitholders are not required to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf by returning the enclosed Voting Form for direct investors.

2. A Voting Form is enclosed. Unitholders are requested to complete and return it by 5.00 p.m. on 4 April 2022 via post to the address provided or alternatively record their vote online. Voting Forms will only be valid if properly and fully completed in accordance with the instructions on the form and accompanying notes.
3. The minimum number of participants (quorum) for a meeting of Unitholders is any two Unitholders attending the meeting, or represented by proxy.
4. The Trustee of the COIF Charites Fixed Interest Fund has appointed a duly authorised representative of CCLA Fund Managers Limited, to be chairperson for the Investor Meeting. In the event of (i) a tied vote at the Investor Meeting; or (ii) the Investor Meeting being duly convened with a quorum present but at which no investors vote, the chairperson will be entitled to a casting vote. It is expected that any such casting vote would be exercised in favour of the resolution.
5. A Unitholder entitled to more than one vote does not have to use any or all of their votes or cast all of their votes in the same way.
6. The majority required for the passing of the extraordinary resolution is 75 percent or more (weighted by investment value) of the total of votes cast (whether for or against the resolution).
7. At the meeting, the vote will be taken by poll. On a poll, each unit’s voting rights is determined by that unit’s price in relation to the total price of all units.
8. CCLA Fund Managers Limited may, if necessary, postpone (or ‘adjourn’) or cancel the extraordinary general meeting. Any decision to postpone the extraordinary general meeting will be published on our website, www.ccla.co.uk/about-us/announcements. Unless otherwise specified, the replacement general meeting to consider the extraordinary resolution will be held at Senator House, 85 Queen Victoria Street, London EC4V 4ET on Wednesday, 6 April 2022 at 10:00 a.m.

Voting form

Please read the notes on the following page.

This voting form (or form of proxy) is for use at the meeting of Unitholders of the COIF Charities Fixed Interest Fund, to be held at Senator House, 85 Queen Victoria Street, London EC4V 4ET on Wednesday, 6 April 2022 at 10.00am.

Before filling in this form read the letter and its Appendices and the notes on the next page.

Client Name (or Client Number(s))

Your proxy

Tick the appropriate box to choose your representative (proxy) for the meeting and at any adjournments of it (see Note 1):

The meeting Chairperson (default)

The person named below

Representative's name and address

Vote

Tick the appropriate box to indicate how your representative (proxy) should vote in respect of the resolution.

In respect of the resolution set out in the meeting notice, I direct my representative (proxy) to vote as follows (see Notes 2 and 3).

For the resolution

Against the resolution

Please complete and return this voting form by 5.00 p.m. on 4 April 2022 via post to the address provided or alternatively record your vote online.

Signatures of authorised signatories

Date

Notes:

For your vote to count, this Voting Form must be properly completed and received no later than 5.00 p.m. on 4 April 2022. If you do not return this form (or do not complete it properly), your representative (proxy) will not be able to vote on your behalf, and your vote may not count.

Please return the form via post using the enclosed reply paid envelope or alternatively record your vote online.

1. Please indicate whether you wish to appoint the meeting chairperson or another person as your representative (proxy) for the EGM. The person you choose does not need to be a Unitholder but must attend the EGM to represent you. If you do not make a selection, by default the chairperson will be appointed as your proxy.

   PLEASE NOTE: Due to concerns surrounding the safety of Unitholders in light of the COVID-19 pandemic, Unitholders are not required to attend the EGM in person and are strongly encouraged to appoint the chairperson as a proxy to vote on their behalf. If you designate a person other than the chairperson as your proxy, they may not be able to attend the meeting in person and, therefore, your vote may not be counted.

2. Please indicate how you wish to vote in relation to the resolution. If this form is signed and returned without instructions for voting, the representative (proxy) is able to vote or abstain from voting as they see fit.

3. Voting on the resolution will be by a 'poll' and your rights to vote relate to the value your units bear in proportion to all of the units in issue. You do not have to use all of your voting rights or vote them all in the same way. Please contact CCLA Fund Managers Limited (using the contact details provided in the letter sent to you) if you want to split your votes.

A Voting Form may be revoked only with the consent of the Manager.

KEY INFORMATION DOCUMENT

CCLA

Purpose

This document provides you with key information about this investment product. It is not marketing material.The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Fund Name	**COIF Charities Fixed Interest Fund**
Accumulation Units (ISIN)	GB0001878734
Income Units (ISIN)	GB0001877876
Name of manufacturer	CCLA Fund Managers Limited (the "Manager")
Website	**www.ccla.co.uk**
Client Services	**0800 022 3505**

The Manager is authorised and regulated by the Financial Conduct Authority (FCA).

This document is dated [ ]

What is this product?

Type

The COIF Charities Fixed Interest Fund (the "Fund") is a Common Investment Fund, governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. The Fund is managed as an Unregulated Collective Investment Scheme and as a UK Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive (AIFMD) Legislation as defined in the Scheme Particulars.

Objectives

- The Fund aims to generate a total return (income plus capital growth) of cash (represented by the Sterling Overnight Index Average "SONIA") plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period.
- There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

Investment policy

- The Fund will invest in a range of fixed interest and floating rate debt securities (also known as bonds) and/or debt related instruments issued in a range of currencies by corporates and governments including leveraged loans (a type of loan given to companies that already have a considerable amount of debt or poor credit history), inflation-linked securities, money market instruments and asset backed or other securitised products. Asset backed or securitised products are financial instruments backed by income generating assets, such as mortgages and student loans.
- The Fund can invest in instruments issued by issuers located in developed markets (e.g. the UK, USA, Germany) and emerging markets (e.g. Brazil, Chile and Hungary).
- Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the sub-investment manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds.
- The Fund may invest in instruments that are either investment grade or non-investment grade as rated by one of S&P Global Ratings, Fitch Rating Services or Moody's Investors Service. Where an instrument does not have an explicit rating from one of these agencies, the investment manager or sub-investment manager is permitted to calculate a deemed rating. The value of an instrument may be affected by its credit rating. In general, non-investment grade bonds have a higher risk of defaulting.
- The Fund is actively managed. The investment manager and sub-investment manager use their expertise to select investments for the Fund and have the discretion to invest without the need to adhere to a particular benchmark.
- The Fund may use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management (for example hedging, to reduce currency risk).
- The Fund is managed in accordance with the Manager's ethical investment exclusions policy which is set out in further detail on our website.
- The return achieved by the Fund is dependent on the performance of the assets that the Fund invests in after deducting the costs, expenses and fees of running the Fund.

Benchmark

The Fund's performance can be assessed by reference to the target benchmark, SONIA plus 1.75% per annum after fees and expenses.

Intended retail investor

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least three years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

Term

The Fund has no fixed maturity date and cannot be terminated unilaterally by the Manager.The Fund may be wound up if the Trustee holds the opinion that winding up the Fund is in the interests of investors.

What are the risks and what could I get in return?

Risk indicator

1	2	3	4	5	6	7

Lower risk — Higher risk

The risk indicator assumes you keep the product for the recommended holding period (RHP) of three years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

- The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.The risk of the Fund may be significantly higher than the one represented in the summary risk indicator where the Fund is not held for the recommended holding period.
- The Fund should be considered illiquid as it is not admitted to trading on a secondary market and no alternative liquidity facility is promoted by the

Manager or a third party.

- We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity of the Manager to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.
- A more detailed description of risk factors that apply to this product is set out in the latest Scheme Particulars, which is available on the Manager's website or by request.
- This product does not include any protection from future market performance, so you could lose some or all of your investment.
- If we are not able to pay you what is owed, you could lose your entire investment.
- However, you may benefit from a consumer protection scheme (see the section 'What happens if the Manager is unable to pay out?'). The indicator shown above does not consider this protection.

Performance scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes. As the Fund has a new strategy, these scenarios are based on the returns from relevant indices that represent the strategy of the Fund's portfolio. Actual returns could be lower.

Investment of £10,000 Scenarios		1 year	(RHP) 3 years	5 years
Stress scenario	**What you might get back after costs** Average return each year	£8,556 -14.44%	£8,648 -4.73%	£8,291 -3.68%
Unfavourable scenario	**What you might get back after costs** Average return each year	£9,489 -5.11%	£9,177 -2.82%	£8,976 -2.14%
Moderate scenario	**What you might get back after costs** Average return each year	£9,973 -0.27%	£10,001 0.00%	£10,030 0.06%
Favourable scenario	**What you might get back after costs** Average return each year	£10,477 4.77%	£10,894 2.90%	£11,201 2.29%

- This table shows the money you could get back over the next 1, 3 and 5 years, under different scenarios, assuming that you invest £10,000.
- The scenarios illustrate how your investment could perform. You can compare them with the scenarios of other products.
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. As future returns are unlikely to mirror the last 5 years, investors should treat these illustrations with caution. What you get will vary depending on how the market performs and how long you keep the product.
- The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.
- The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if the Manager is unable to pay out?

The assets of the Fund are held for the benefit of investors by HSBC Bank plc (the "Trustee"), and so are held separately from the assets of the Manager. In the event of insolvency of the Manager, the Fund's assets in the safekeeping of the Trustee will not be affected. However, in the event of insolvency of the Trustee, or its delegates, the Fund could suffer a loss.

If the Manager cannot meet its obligations (for example, where the Manager has stopped trading and there is insufficient assets to meet their obligations), investors in the Fund may be eligible to claim compensation up to a maximum of £85,000 from the Financial Services Compensation Scheme. For further information about the Financial Services Compensation Scheme please refer to www.fscs.org.uk or phone 0800 678 1100.

What are the costs?

Presentation of costs

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the Fund itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment of £10,000			
Scenarios	If you cash in after 1 year	If you cash in after 3 years (RHP)	If you cash in after 5 years
Total costs	£78	£138	£198
Impact on return (RIY) per year	0.78%	0.46%	0.40%

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories:

This table shows the impact on return per year			
One-off costs	Entry costs	0.24%	The impact of the costs you pay when entering your investment. These are already included in the price.
	Exit costs	0.24%	The impact of the costs you pay when exiting your investment. These are already included in the price.
Ongoing costs	Portfolio transaction costs	0.00%*	The impact of the costs of us buying and selling underlying investments for the product.

	Other ongoing costs	0.30%*	The impact of the costs that we take each year for managing your investments including custody costs.
Incidental costs	Performance fees	N/A	The impact of performance fees on your investment.
	Carried interests	N/A	The impact of carried interests on your investment.

*This figure is calculated from annualised historical data and therefore the actual costs paid by an investor may differ.

How long should I hold it and can I take money out early?

Recommended holding period is at least three years.

The Fund is intended for medium term investors with an investment horizon of three years.This reflects the investment objective of the Fund and the likely strategies used by the Manager.There is no minimum holding period and investors can request redemption of their units to be carried out onany dealing day without penalty.

The Fund deals on a weekly basis. Redemption requests must be received no later than 5.00pm on the business day prior to the dealing day.

How can I complain?

Complaints concerning the operation of the Fund should be referred to The Head of Client Services at CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET, by email to client.services@ccla.co.uk or The Compliance Officer, HSBC Bank plc, Trustee of the COIF Charities Funds, 8 Canada Square, London E14 5HQ.

The complaints policy is available on the Manager's website.

If you were advised on investing into the Fund, any complaints regarding that advice should be taken up with the party who provided it.

Other relevant information

Income and accumulation units are available for investment. Income units provide regular income distributions on a quarterly basis. Accumulation units do not distribute income, instead the distributions accumulate within the Fund and are reflected in the unit price.

Income is paid for the preceding quarter at the end of February, May, August and November.

The minimum initial investment in the Fund is £1,000; there is no minimum for subsequent investments.

CCLA have not considered the suitability or appropriateness of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Scheme Particulars for the Fund which is available on the Manager's website or by request.

As set out in the Scheme Particulars, investment in the Fund is only available to charities in England and Wales within the meaning of Section 1(1) of the Charities Act 2011; or an "appropriate body" within the meaning of Section 97(3) of the Charities Act 2011. If you are unsure of your eligibility, please contact Client Services on 0800 022 3505 or by email to client.services@ccla.co.uk.

This Key Information Document is updated at least every twelve months.