Assessment of value report

For the year to 31 December 2021

CCLA

GOOD INVESTMENT

Contents

Funds covered by this assessment

Mixed funds

COIF Charities Ethical Investment Fund
COIF Charities Investment Fund
Diversified Income Fund
The CBF Church of England Investment Fund

Equities

COIF Charities Global Equity Income Fund
The CBF Church of England Global Equity Income Fund
The CBF Church of England UK Equity Fund

Property

COIF Charities Property Fund
The CBF Church of England Property Fund
The Local Authorities' Property Fund

Cash and bonds

COIF Charities Deposit Fund
COIF Charities Fixed Interest Fund
The CBF Church of England Deposit Fund
The CBF Church of England Fixed Interest Securities Fund
The Public Sector Deposit Fund

Please note the newly launched Catholic Investment Fund is not fully covered by this report, as it was launched in April 2021, during the assessment of value reporting period. However, the boards have reviewed the data available, and provided a limited conclusion on page 6.

This report is published on behalf of CCLA Investment Management Limited and its wholly owned subsidiary CCLA Fund Managers Limited.

Introduction

This is CCLA's third annual assessment of value and covers the period up to the end of 2021.

The assessment of value was introduced by the Financial Conduct Authority (FCA) in September 2019, requiring fund managers like CCLA to carry out an annual review of the pooled funds they manage to assess the overall value delivered to investors. CCLA recognise that we are active stewards of our clients' assets and that our role is to help them achieve their financial goals. Central to that, we believe it is important that we can:

- deliver long-term risk-adjusted returns on the funds we manage
- deliver a high standard of client service in administration, oversight, information, and reporting
- manage our funds responsibly in a manner that is consistent with their ethical goals and objectives
- manage the funds at a cost that is reasonable.

The assessment of value continues to be an important document which allows us to demonstrate how we perform relative to these goals.

CCLA's purpose

Founded in 1958, we are an investment manager that serves charities, religious organisations and not-for-profit organisations – our resources are dedicated to the needs of these sectors. We are an active asset manager, which means that we will selectively choose the assets and market sectors in which we invest and avoid those we find unattractive.

By pooling investors' money, we aim to manage funds and provide professional investment management services to a wide range of investors – whether large or small. In doing so, we recognise that our products should be fairly priced, managed responsibly and in a manner consistent with our clients' investment and ethical objectives. Our clients are involved in every aspect of public life and their investments make an important contribution to their achievements.

One of the original objectives of establishing CCLA was to ensure smaller investors were also able to access professional asset management services typically only available to larger clients. This ethos has underpinned CCLA's mission, and CCLA seeks to ensure that the quality of investment service provided is largely independent of size and costs are fair and reasonable.

CCLA is a private limited company whose shares are predominantly owned by its clients in three of the Investment Funds.

The ownership base is stable and supportive and allows us to take a longer- term view consistent with the needs of clients.

Responsible investment

We believe investment markets are only as healthy as the people, communities and environments that support them. The delivery of long-term returns is a central requirement for our clients, so we assess environmental, social and governance (ESG) risks in conjunction with the financial position of their investments. High ESG risks will count against our assessment of companies and in some cases will be a critical factor in deciding not to invest.

CCLA's aim is to deliver long-term risk-adjusted returns to clients in a way that aligns with their values and furthers their mission. This is achieved through the following principles:

Act: We act as an agent for 'change' because investment markets can only ever be as healthy as the environment and communities that support them.

Assess: We assess environmental, social and governance (ESG) standards because we believe that a combination of legislation, regulation and changing societal preferences will impact negatively on the most unsustainable business models

Align: We invest in a way that is aligned with our clients, as we are the guardians, not the owners, of the assets that we manage.

ESG factors are integrated into our analysis of investment decisions and ethical exclusions are applied to many of the mandates and funds we manage. Furthermore, we actively engage with the companies in which we invest on topics relevant to our clients to further encourage firms to deliver long-term returns.

Our approach to responsible investment has been independently reviewed, and we are pleased to have achieved the highest possible grade (A+) in the most recent Principles for Responsible Investment survey (2020) and to be a signatory to the UK Stewardship code. More details on our approach to responsible investment and policies relating to ESG issues are available on our website.

Accountability for assessment of value

The assessment of value is the responsibility of the boards of directors of CCLA Investment Management Limited and CCLA Fund Managers Limited. The assessment reinforces the duties of the boards to look after the interests of investors.

CCLA has had non-executive directors since 1988 and these are in a majority on both company boards. Three of the non-executive directors on the CCLA Investment Managers Limited board are nominees of the three largest shareholders of CCLA.

The following independent non-executive directors have overseen CCLA's assessment of value:

Richard Horlick
Ann Roughead
Jonathan Jesty

Full profiles of all the executive and non-executive directors are available on page 37.

How we assess value

Value is a combination of factors, not solely just fees or performance. It's also about ensuring that the quality of service is appropriate, risks are consistent with a fund's objectives, fees are fair relative to the costs of providing a service and any differences between investors in similar funds or services can be justified. We also believe it is about investing in a responsible manner.

Our assessment has considered value by including the seven criteria required by the FCA and in addition includes a determination of whether CCLA is providing active management since we charge for an active service. This year, we have included a further assessment criterion on our ESG performance since responsible investment is integral to our value proposition. This year we have therefore conducted our assessment of value against nine assessment criteria:

1. **Quality of service** – How good is the service you receive from CCLA for administrating the funds?
2. **Fund performance** – How well do CCLA's funds perform relative to their investment objectives and their peers, and do they take an appropriate level of risk?
3. **Active management** – Are CCLA's funds actively managed or are they passively tracking an index?
4. **Costs** – Are the costs and charges investors pay for funds and services fair and reasonable?
5. **Economies of scale** – Has CCLA achieved economies of scale and have these been passed on to investors?
6. **Comparable services** – How do the costs you pay compare to those paid by clients receiving similar services?
7. **Comparable market rates** – How do CCLA's costs compare to those of similar funds offered by other fund managers?
8. **Classes of units** – Are you invested in the most appropriate unit or share class, and are differences in costs between share classes justified (if any)?
9. **ESG metrics** – Have CCLA's funds performed well against the sustainability characteristics of the relevant indices?

Our job, as the directors of the boards, is to consider whether the quality of the service you receive and the returns you see on your investments represent value given the costs and charges that you pay.

The boards, which includes three independent non-executive directors, assumed collective responsibility for this assessment and ultimately determined the value rating for each fund. As with last year's report, we have partnered with external agencies to provide further analytical support.

What has changed since last year?

Building on previous reports, and considering the industry-wide reviews of how assessments of value are conducted, we have made the following enhancements this year:

- Follow-up commentary on the actions taken to address any issues raised in last year's report.
- Environmental, social and governance (ESG) metrics have been considered as an additional criterion this year, which although not required by the FCA, forms an important part of CCLA's overall value proposition and is important to our clients. The ESG metrics assessment can be found on page 35.
- Under the criteria relating to authorised fund managers' (AFM) costs, we have reviewed transaction costs against peers for CCLA's multi-asset and equity funds.

As with previous reports, we have adopted a traffic-light system to show how we have rated CCLA's funds:

Provides value
Where we believe the fund provides value.

Requires action
Where we believe the fund provides overall value, but we have identified areas of improvement and note that additional monitoring is required.

Poor
Where we feel fair value has not been offered and immediate action(s) may be required.

We hope this makes it easier for investors to quickly identify those funds that we believe have required remedial action or warrant further scrutiny.

The Catholic Investment Fund

The Catholic Investment Fund launched on the 1 April 2021, during the assessment of value reporting year. The fund's objective is to provide capital growth and a growth in income, with the aim that a gross total return of 5% per annum net of inflation as measured by the increase in the Consumer Price Index is achieved over the long term (defined as five years). As the fund was launched in April, the December 2021 cut-off for the assessment of value report means that the fund has not been in existence for a year, which we believe is the minimum period over which a fund should be assessed. However, the boards have assessed the performance to the end of the year which shows that the fund was slightly ahead of the comparator benchmark over the nine-month period. Costs were also reviewed, and the board is satisfied that both the AMC and OCF are competitive.

The boards are satisfied with its performance progress and cost outlook to date.

Follow up actions on April 2021's report

Our last assessment of value identified two funds with a red rating and one fund with an amber rating. As a result, we have taken the following corrective actions since the last report.

Diversified Income Fund

The Diversified Income Fund was identified as having below-benchmark performance over shorter periods and relatively high costs versus peers and was rated as amber overall.

- Following a review of historical performance and investors' objectives for income, CCLA has repositioned the investment portfolio, increasing the exposure to global equities and reducing exposure to domestic fixed interest and alternative asset classes.

- Our expectation is that this will enhance expected total returns in future. While performance should be assessed over a longer time period, we are pleased to note that relative to the Fund's comparator benchmark, performance has improved significantly since the portfolio was repositioned and returns over the benchmark have been positive over the past 12 months.
- With respect to costs and charges, the portfolio changes have also begun to reduce the ongoing charges for this fund. We will, however, continue to keep these under review.

COIF Charities Fixed Interest Fund & The CBF Church of England Fixed Interest Securities Fund

Last year's report revealed that the fixed interest funds had returned materially less than the comparator benchmark over all time periods, resulting in a red rating for both funds, which required immediate management attention.

During 2021, CCLA discussed solutions with a range of investors to clarify objectives and seek feedback on alternative courses of action. With the support of investors (approved at extraordinary general meetings of the funds) the investment objectives and policies of the funds will be changed. In the future, the objective of the funds will be to target a return of +1.75% per annum in excess of the returns available from cash (as measured by SONIA, the overnight inter-bank lending rate) over a rolling three-year period. Furthermore, the new strategy permits the funds to access a wider range of instruments in pursuit of the new objective. To support the implementation of the approved changes, CCLA have appointed an independent third party to provide investment management services to both funds.

This changes to the funds will take place in June and will take time to impact performance. In the interim, the boards will continue to closely review the performance of the fixed interest funds.

For now, the funds will remain on red for the performance criterion (as a reflection of past performance) but given the corrective action we have taken, we will move the overall rating to amber.

Summary of findings

Noting the actions taken on the funds previously identified as requiring attention, our overall conclusion is that CCLA's fund range provide good value to its investors for the assessment period. The key points can be summarised as follows:

- CCLA's fund costs and charges are reasonable relative to: the costs of providing those services, the returns generated and to their peers.
- Costs and charges differences between similar funds or services and share classes or units are appropriate.
- The performance of most of the funds meets or exceeds objectives without taking abnormal or excessive risks.
- Clients enjoy high-quality service regardless of the fund in which they are invested, or their size.
- All investors benefit from access to the expertise of the portfolio management team and the sustainability team, and the robust procedures and controls CCLA employs to deliver its investment services.

In the following pages we describe how our assessments have been made and share our key findings.

Richard Horlick
Chairman
CCLA Investment Management Limited
and CCLA Fund Managers Limited

Summary of our assessment

The outcome of our review for the year ending 31 December 2021 is summarised here.

This year, we will upgrade the overall rating of the fixed interest funds from red to amber.

While historical performance continues to be outside acceptable parameters for the reporting period (and therefore rated as red for the performance criterion specifically) we are actively taking remedial action to address the performance related issues.

The changes will take time to impact performance and are explained in more detail on page 24. In the interim, the boards will continue to closely monitor the objective and policy change and the outsourcing of portfolio management to a third party.

In light of the corrective action being taken, the boards have assigned an amber rating to the overall assessment. In this instance, an overall amber rating is indicative of a strategy that requires close monitoring, but for which clear corrective action is being taken.

The Diversified Income Fund will keep its overall rating as amber in line with last year.

The boards are encouraged that existing fund strategy changes are beginning to impact short-term performance positively and the boards will continue to keep it closely monitored. The portfolio repositioning has also improved the costs and charges of the fund.

The fund remains on amber overall, but the boards are encouraged by its overall improvement over the assessment of value reporting period.

Fund	Quality of service	Performance	Active management	AFM costs	Economies of scale	Comparable services	Comparable market rates	Classes of units or shares	ESG metrics	**Overall rating**
COIF Charities Ethical Investment Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
COIF Charities Investment Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
The CBF Church of England Investment Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
Diversified Income Fund	Provides value	Requires action	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action
COIF Charities Global Equity Income Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
The CBF Church of England Global Equity Income Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
The CBF Church of England UK Equity Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
COIF Charities Property Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action	Provides value
The CBF Church of England Property Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action	Provides value
The Local Authorities' Property Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action	Provides value
COIF Charities Deposit Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
COIF Charities Fixed Interest Fund	Provides value	Poor	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action
The CBF Church of England Deposit Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value
The CBF Church of England Fixed Interest Securities Fund	Provides value	Poor	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Requires action
The Public Sector Deposit Fund	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value	Provides value

Provides value
Where we believe the fund provides value.

Requires action
Where we believe the fund provides overall value, but we have identified areas of improvement and note that additional monitoring is required.

Poor
Where we feel fair value has not been offered and immediate action(s) may be required.

1. Quality of service

How good is the service you receive from us?

How have we assessed the quality of service?

The service CCLA offers to its investors encompasses a range of different activities, including helping clients' understanding of investment markets, support in making or redeeming investments, ongoing portfolio reporting, and providing regular updates on our ethical and responsible investment activity.

This sits alongside the investment management process, which focuses on the cash generation that underlies all our investment decision-making. We aim to ensure that the investments we hold are 'fit for purpose' and contribute to meeting our clients' needs. We look for investments that have transparent and predictable cash generation that is reflected in real capital growth and rising dividend income over time.

These investments are combined in portfolios that are intended to be well diversified and with an appropriate balance of risk and return. The solutions we provide are founded on a consistent investment approach.

With the support of third-party services, CCLA also provides the operating infrastructure that allows for the efficient management and administration of pooled funds. This is subject to oversight and control from appropriately resourced risk, compliance and administrative teams. For the key operating and administrative functions, whether these are provided internally or by third parties, CCLA has established a series of indicators which allows us to regularly monitor performance of these services to end clients.

For the purposes of this report, we have divided CCLA's business into several areas to review the quality of service that investors have received from CCLA or its appointed service providers:

1. **Client services:** We have looked at the size and experience of the teams dedicated to providing client support and service, and reviewed information such as how long it takes to reply to queries. The team is frequently praised for the high quality and efficient service provided to clients.
2. **Quality assurance:** This assigns a score to CCLA's ability to carry client transfer and payment instructions accurately. As in previous years, the actual rate was higher than the pass rate of 99.5%.
3. **Investment management services:** This refers to the provision of portfolio management services by appropriately experienced investment professionals and includes the input of the dedicated Sustainability Team.
4. **Dealing efficiency:** We have also looked at the efficiency by which asset transactions are executed in the markets, using data provided by an independent data supplier.
5. **Regulatory control:** We looked at data relating to any client complaints, how frequently errors were made and how efficiently or quickly these were resolved. The boards also looked at the number of active and passive breaches made over the period.

Summary of our assessment

The boards have concluded that the quality of service provided to clients is of a high standard. The combination of internal resources and external expertise provided value in the provision of investment management, and client and operational services. We are satisfied that the incidence of errors remains low, and complaints have been investigated and managed within the appropriate timescales.

The boards also note that CCLA's ESG activity has been independently recognised as being of the highest standard. The resources of the team, their application of ESG factors in investment decision making, and engagement with companies held in the funds is a service that is not separately charged for and benefits all investors in the fund range, regardless of their size.

The boards are pleased that CCLA periodically consult their clients to ensure their products continue to meet clients' value-based investment priorities. The 2022 Client Consultation is underway and involves conversations with various clients from different sectors to discuss and identify clients' wider priorities and to check customer satisfaction. The boards look forward to reviewing the results of the Client Consultation.

2. Fund performance

How well do our funds perform relative to their investment objectives and peers, and do they take an appropriate level of risk?

How have we assessed fund performance?

We have looked at each fund's performance across a range of measures and over several time periods, noting that CCLA's equity, multi-asset and property funds have a suggested minimum investment time horizon of five years and the fixed interest funds have a suggested minimum investment time horizon of three years. Our assessment has also considered the risk taken by each fund.

The boards considered the following metrics:

- Returns over any target benchmark defined in the fund's prospectus or scheme particulars.
- Returns over any comparator benchmark.
- Returns, volatility and ranking versus peers in the relevant comparable Investment Association (IA) fund sector.
- Returns relative to the fund's historic risk (the volatility of a fund's value).
- Volatility versus any benchmark or target.

Boundaries or parameters for each measure were established to highlight where performance or risk may be outside an acceptable range.

We further drew on independent analysis and data to compare the performance of CCLA's funds with those of relevant peers in the UK-based fund market.

In addition to the annual assessment of value, CCLA and the boards regularly evaluate fund performance. This ensures that there is ongoing oversight to assess whether the funds are performing against their objectives.

Fund performance summary

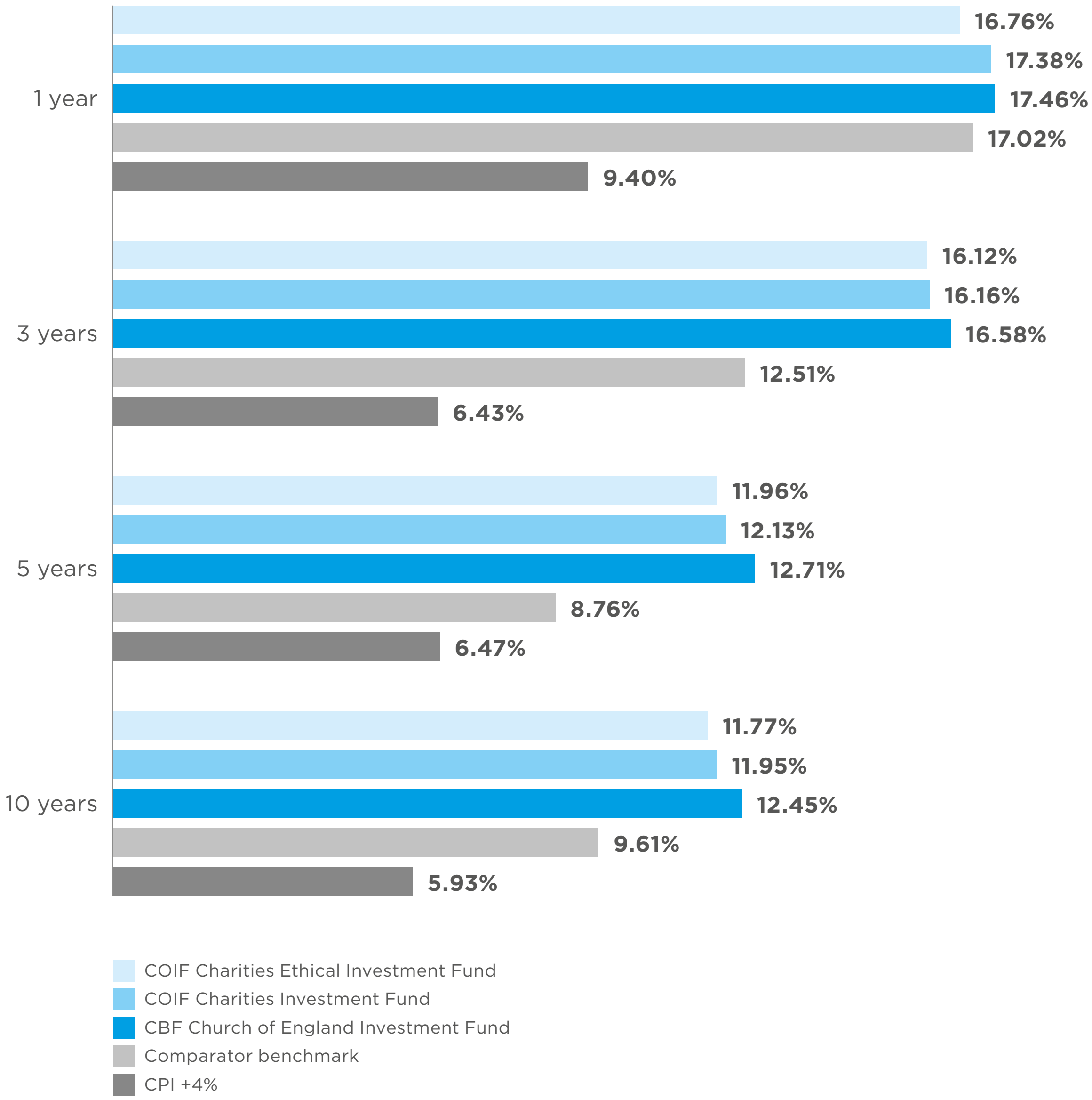
Rating/Fund	Inc/Acc	1 year		3 years		5 years		10 years	
		Return (annualised) %	Benchmark return (annualised) %	Return (annualised) %	Benchmark return (annualised) %	Return (annualised) %	Benchmark return (annualised) %	Return (annualised) %	Benchmark return (annualised) %
Mixed funds									
COIF Charities Ethical Investment Fund	Inc/Acc	16.76	17.02	16.12	12.51	11.96	8.76	11.77	9.61
COIF Charities Investment Fund	Inc/Acc	17.38	17.02	16.16	12.51	12.13	8.76	11.95	9.61
The CBF Church of England Investment Fund	Inc/Acc	17.46	17.02	16.58	12.51	12.71	8.76	12.45	9.61
Diversified Income Fund (unit class 2)	Inc	9.70	4.06	6.52	7.19	–	–	–	–
Diversified Income Fund (unit class 3)	Inc	9.65	4.06	6.48	7.19	–	–	–	–
Equity funds									
COIF Charities Global Equity Income Fund	Inc/Acc	18.80	22.94	22.91	19.23	15.55	12.94	14.00	14.71
The CBF Church of England Global Equity Income Fund	Inc/Acc	19.20	22.94	23.05	19.23	15.74	12.94	14.21	14.71
The CBF Church of England UK Equity Fund	Inc/Acc	21.25	18.66	15.77	7.42	10.81	4.79	11.49	7.2
Property funds									
COIF Charities Property Fund	Inc	19.75	18.02	6.94	5.93	7.76	7.14	8.34	7.83
The CBF Church of England Property Fund	Inc	19.74	18.02	6.98	5.93	7.82	7.14	8.22	7.83
The Local Authorities' Property Fund	Inc	18.98	18.02	6.56	5.93	7.39	7.14	8.45	7.83
Cash and bond funds									
COIF Charities Deposit Fund	Inc	0.02	0.05	0.28	0.23	0.31	0.26	0.42	0.31
COIF Charities Fixed Interest Fund	Inc/Acc	-4.06	-4.13	2.92	4.00	2.22	2.92	3.78	4.15
The CBF Church of England Deposit Fund	Inc	0.06	0.05	0.41	0.23	0.4	0.26	0.49	0.31
The CBF Church of England Fixed Interest Securities Fund	Inc/Acc	-4.17	-4.13	2.87	4.00	2.22	2.92	3.73	4.15
The Public Sector Deposit Fund (share class 4)	Inc	0.04	0.05	0.36	0.23	0.38	0.26	–	–

Source: CCLA, data as at 31 December 2021. Total return performance is shown net of management fees and expenses with gross income reinvested. Past performance is not a reliable indicator of future returns.

Mixed funds

- COIF Charities Ethical Investment Fund
- COIF Charities Investment Fund
- The CBF Church of England Investment Fund

Annualised performance



Source: CCLA. Annualised total return performance shown after management fees and other expenses with gross income reinvested. Comparator benchmark – composite: from 01.01.21 MSCI World 75%, MSCI UK Monthly Property 5%, Markit iBoxx £ Gilts 15% & Sterling Overnight Index Average 5%. To 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, Markit iBoxx £ Gilts 15% & 7 Day LIBID 5%. To 31.12.17 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, IPD UK Monthly Property 5%, Markit iBoxx £ Gilts 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5%. Past performance is not a reliable indicator of future results.

These multi-asset funds have been grouped together as they share a common investment objective, target, and comparator benchmark. For peer group analysis, the IA Sector used was Mixed-Asset – Flexible Investment.

In managing these funds, CCLA also aims for a portfolio that has an appropriate level of volatility.

Investment objective
To provide a long-term total return comprising growth in capital and income.

Comparator benchmark
MSCI World ex UK 75%, MSCI UK Monthly Property 5%, Markit iBoxx £ Gilts 15% & SONIA 5% (as of 1 January 2021)

Target benchmark
Gross returns of CPI+5%
Note: CPI+4% has been used for the performance charts to give a comparable net figure by assuming 1% costs

Recommended holding period
At least five years

Summary of our assessment

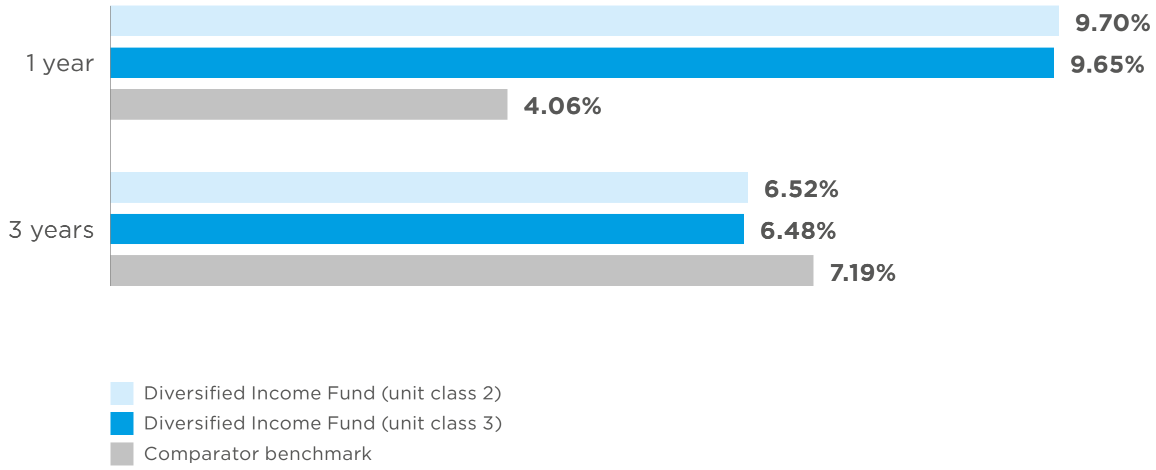
The boards have concluded that value has been demonstrated through strong performance:

- The COIF Charities Investment Fund and the CBF Church of England Investment Fund are performing with returns in excess of target and comparator benchmarks over all time periods.
- The COIF Charities Ethical Investment Fund has performed with returns in excess of the comparator benchmark over all time periods, except over one-year. The differences in performance between the funds can be attributed to the ethical restrictions on the COIF Charities Ethical Investment Fund and the relative weighting of alternatives.
- Relative to peers, all three funds have top quartile performance over all time periods.
- The funds' volatility is low relative to peer group.
- The funds' risk-adjusted returns are high and positive over all time periods (except the COIF Charities Ethical Investment Fund over the one-year period)

Mixed funds (continued)

Diversified Income Fund

Annualised performance



Source: CCLA. Annualised total return performance shown after management fees and other expenses with gross income reinvested. Comparator benchmark – composite: from 02.12.16 MSCI UK IMI 20%, MSCI North America 6.67%, MSCI Europe ex UK 6.67%, MSCI Pacific 6.67%, Markit iBoxx £ Gilts 30% & Markit iBoxx £ NonGilts 30%. Past performance is not a reliable indicator of future results.

Investment objective
To provide income and the potential for capital growth over the long-term from an actively managed diversified portfolio.

Comparator benchmark
MSCI UK IMI (20%), MSCI North America (6.67%), MSCI Europe ex UK (6.67%), MSCI Pacific (6.67%), Markit iBoxx £ Gilts (30%) & Markit iBoxx £ Non-Gilts 30%) (as of January 2021)

Recommended holding period
At least five years

In managing this fund, CCLA also aims for a portfolio that has an appropriate level of volatility.

Summary of our assessment

The Diversified Income Fund launched in December 2016 and has not yet reached the end of its recommended holding period of five years for the current available unit classes 2 and 3. The oldest unit class, class 1, did not quite reach five-year performance history and was closed in May 2021.

Following last year's changes, the funds' performance has improved, and has now outperformed the comparator benchmark over a one-year period but has not yet caught up over the three-year period.

In the previous assessment of value reports, the boards had identified the Diversified Income Fund as requiring closer monitoring. As identified above, following an extensive review of historical performance and the investment strategy, we have implemented a repositioning of the investment portfolio.

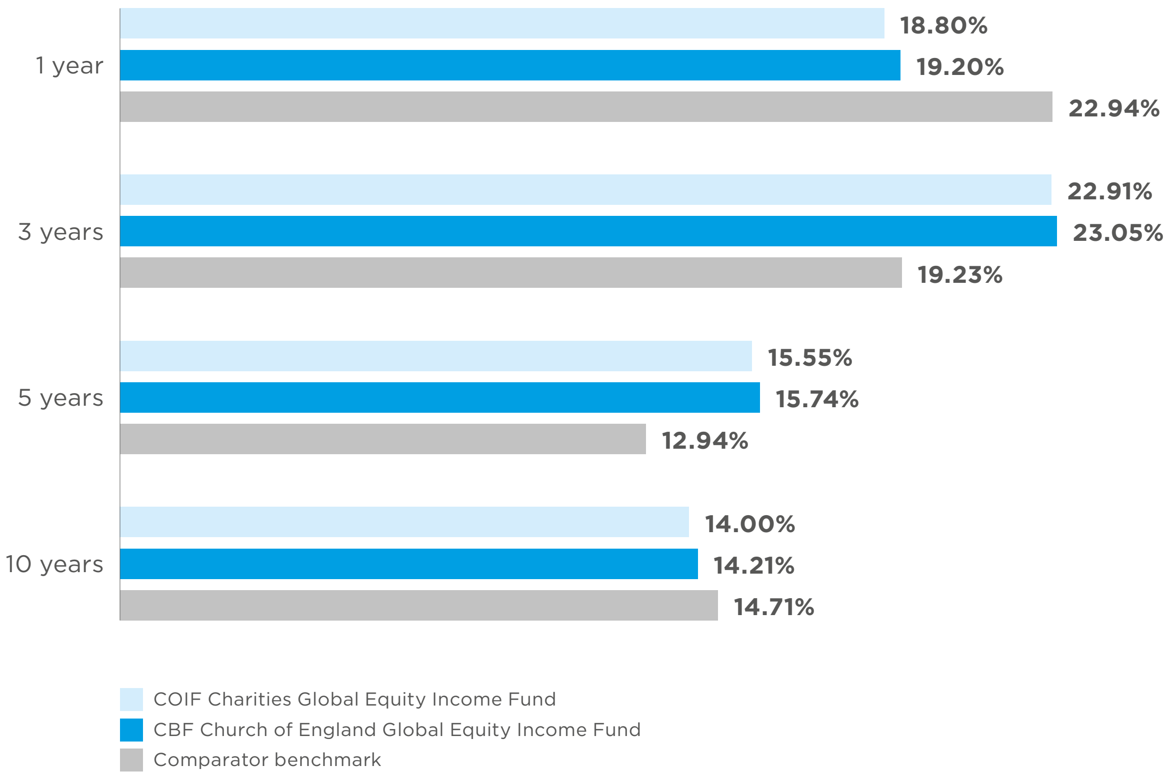
This increased the percentage of global equities in the portfolio and reduced domestic fixed interest and alternative asset class exposures.

Any improvement in performance will take time to materialise and we will continue to monitor this closely, but the boards are encouraged by the one-year performance figures.

Equities

- COIF Charities Global Equity Income Fund
- The CBF Church of England Global Equity Income Fund

Annualised performance



Source: CCLA. Annualised total return performance shown after management fees and other expenses with gross income reinvested. Comparator benchmark – from 01.01.16 MSCI World. To 31.12.15 MSCI World 50% Currency Hedged. Past performance is not a reliable indicator of future results.

These global equity funds have been grouped together as they share a common investment objective and comparator benchmark. For peer group analysis, the IA Sector used was Equity Sector – Global Equity Income.

Investment objective
To provide a high level of income with long-term capital growth.

Note: This assessment of value report covers the annual period ending 31 December 2021. With effect from 8 April 2022, the CBF Church of England Global Equity Income Fund's investment objective changed. The fund's updated Scheme Information and Key Information Document which reflect these changes can be viewed at https://www.ccla.co.uk/investment-solutions/fund/the-cbf-church-of-england-global-equity-income-fund

Comparator benchmark
MSCI World Index (£)

Recommended holding period
At least five years

Summary of our assessment

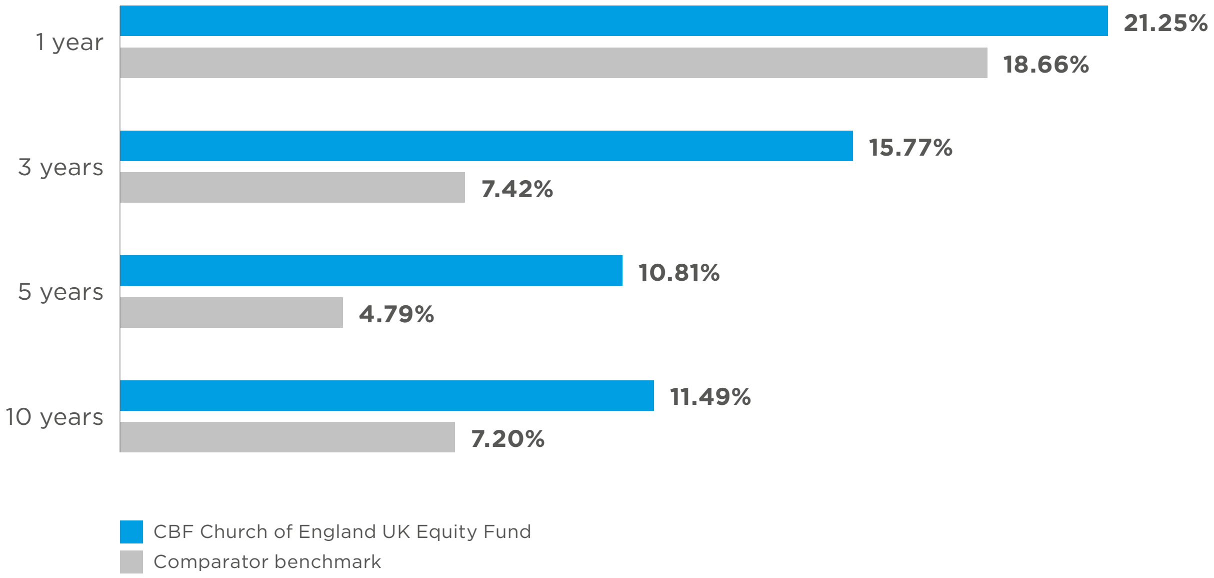
The boards have concluded that value has been demonstrated through its long-term performance over the recommend holding period of five years. Despite having a challenging past year, the benchmark underperformance is considered short-term (one year) and both funds are deemed to have satisfied their investment objectives over the recommended holding period.

- Both funds have returns greater than the comparator benchmark over a three- and five-year time horizon. Over one-year and ten-year periods the funds have underperformed the benchmarks.
- Relative to peers, the funds have top quartile performance over the recommend holding period but have slipped to the third quartile (COIF Charities Global Equity Income Fund) and the second quartile (CBF Church of England Global Equity Income Fund) over the one-year period. Over the ten-year period, both the COIF Charities Global Equity Income Fund and the CBF Church of England Global Equity Income Fund have dropped to the second quartile.
- Both funds have low volatility compared to the peer group.
- The funds' risk adjusted returns are negative over the one-year and ten-year time periods, due to underperformance against the benchmark over the periods.

Equities (continued)

The CBF Church of England UK Equity Fund

Annualised performance



Source: CCLA. Annualised total return performance shown after management fees and other expenses with gross income reinvested. Comparator benchmark – from 01.01.16 MSCI UK IMI. To 31.12.15 MSCI UK All Cap. To 30.11.14 MSCI UK All Cap adjusted for EIAG Ethical Restrictions. Past performance is not a reliable indicator of future results.

Investment objective
To provide growth in capital and income over the long-term.

Comparator benchmark
MSCI IMI UK

Recommended holding period
At least five years

Summary of our assessment

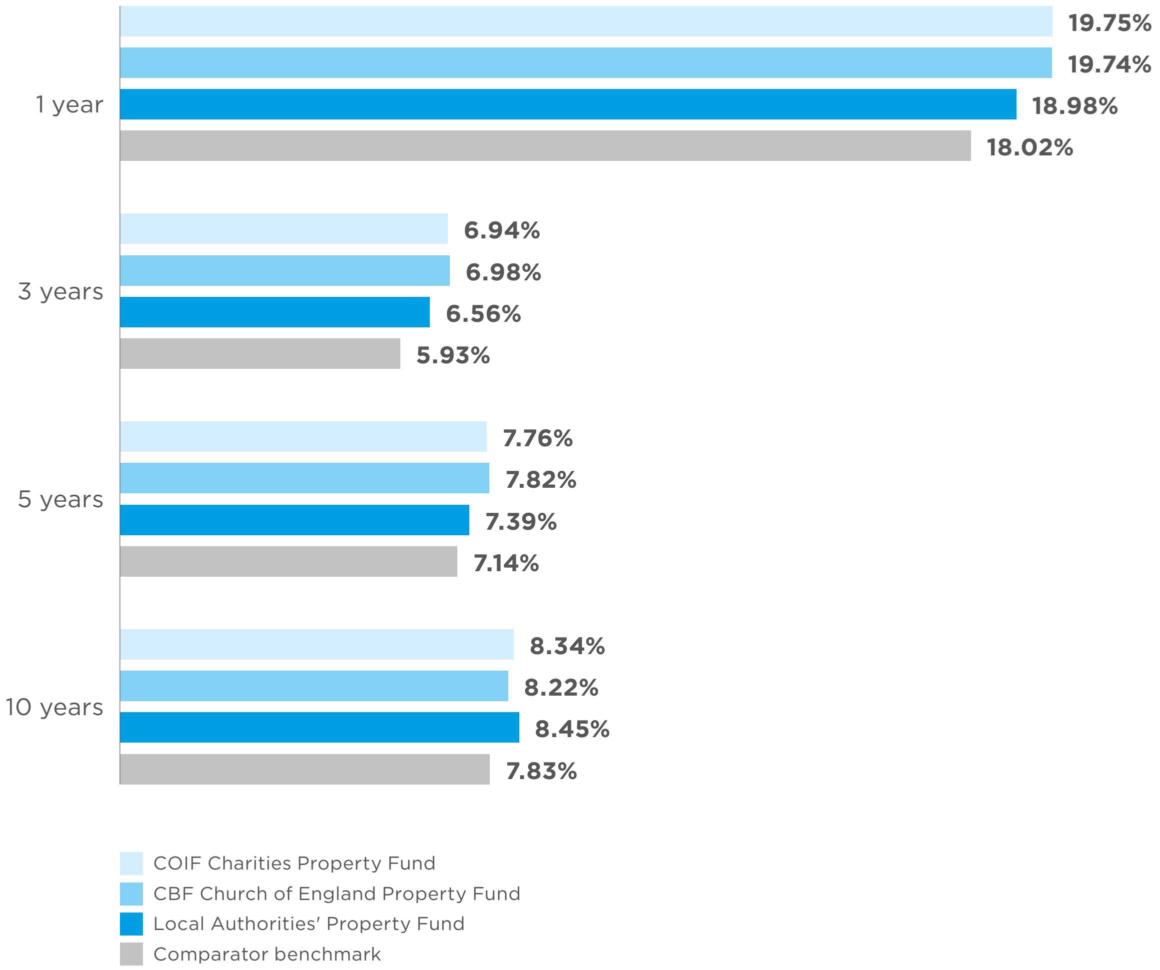
The boards have concluded that value has been demonstrated through strong performance. The fund has:

- delivered returns in excess of the comparator benchmark over all time periods
- top quartile performance over all time periods relative to peers in the comparable IA sector (Equity Sector – UK Equity)
- low volatility relative to its peer group.
- has high risk-adjusted returns, which have been positive over all time periods.

Property

- COIF Charities Property Fund
- The CBF Church of England Property Fund
- The Local Authorities' Property Fund

Annualised performance



Source: CCLA. Annualised performance figures are shown on a NAV-to-NAV basis and are shown after management fees and other expenses. Comparator benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Past performance is not a reliable indicator of future results.

These property funds have been grouped together as they share a common investment objective and comparator benchmark. For peer group analysis, the IA Sector used was Specialist Funds – UK Direct Property.

Investment objective
To provide investors with a high level of income and long-term capital appreciation.

Comparator benchmark
MSCI/AREF UK Other Balanced Quarterly Property Fund Index

Recommended holding period
At least five years

Summary of our assessment

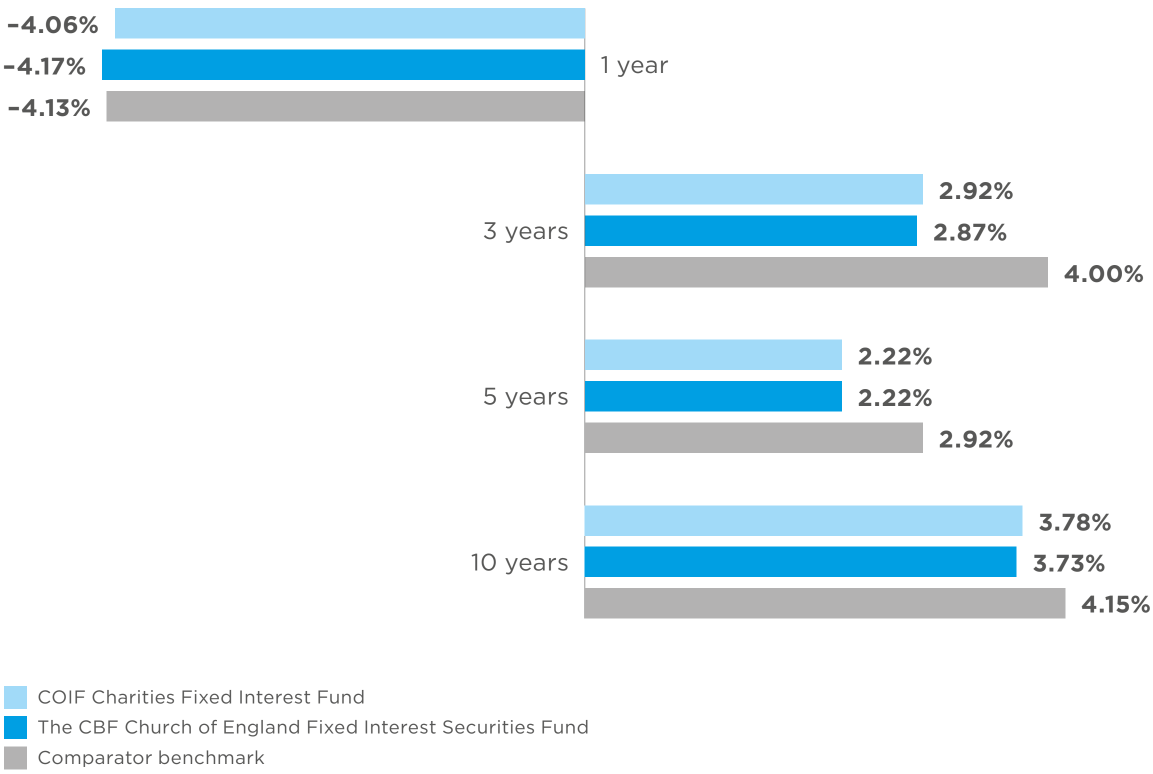
The boards have concluded that value has been demonstrated through strong performance.

- The funds have returned more than the comparator benchmark, over all time periods, which is an improvement on last year, where ten-year performance was below benchmark
- All three funds have seen first quartile performance relative to their IA Sector peers over all time periods.
- All three funds have generally low historical volatility which is broadly comparable to the peer group.

Cash and bonds

- COIF Charities Fixed Interest Fund
- The CBF Church of England Fixed Interest Securities Fund

Annualised performance



Source: CCLA. Annualised total return performance shown after management fees and other expenses with gross income reinvested. Target benchmark – composite: from 01.01.16 Markit iBoxx £ Gilts 50% and Markit iBoxx £ Non-Gilts 50%. To 31.12.15 Barcap £ Gilt 50% and £ Agg 100mm Non-Gilt 50%. Past performance is not a reliable indicator of future results.

These fixed interest funds have been grouped together as they share a common investment objective and comparator benchmark. For peer group analysis, the IA Sector used was Fixed Income Sector – Sterling Strategic Bond.

Investment objective
Aims to provide an income yield and a total return in excess of the target benchmark.

Target benchmark
Markit iBoxx £ Gilts Index (50%) and
Markit iBoxx £ Non-Gilts Index (50%)

Recommended holding period
At least three years

Summary of our assessment

While both funds produced negative returns in the year the COIF Charities Fixed Interest fund has outperformed the target over the past year while the CBF Church of England Fixed Interest Fund slightly underperformed.

- Relative to peers in the IA Sector, the funds have been third or fourth quartile over all periods reviewed.
- The funds historical volatility has been below that of the comparator benchmark over all time periods.
- The funds volatility has been low relative to peer group.

As mentioned at the beginning of the report, CCLA have discussed solutions with a number of investors to ensure that their objectives were correctly identified, and these could be met by the funds. After the consultation, it has been decided (with investor approval) to change the investment objectives and policies of the funds. The new strategies permit the funds to access a wider range of instruments in pursuit of the new objective. We believe the new strategy is more appropriate to meet investors objectives, for a lower risk investment that generates a positive return over cash. To support the approved changes, CCLA have appointed a third-party external manager to provide portfolio management services to the two funds. The external manager was selected to provide expertise and resources that CCLA IM do not currently have. These changes will take place in June and will take time to impact performance, but in the interim, the boards will continue to closely review the performance of the fixed interest funds, which for now will remain on red for the performance criterion.

Cash and bonds (continued)

- COIF Charities Deposit Fund
- The CBF Church of England Deposit Fund
- The Public Sector Deposit Fund

These deposit funds have been grouped together as they share a common investment objective and comparator benchmark.

Investment objective

COIF & CBF Deposit Funds
To provide a high level of capital security and a competitive yield

Public Sector Deposit Fund
To maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high-quality sterling denominated deposits and instruments.

Comparator benchmark
SONIA (as of January 2021)

Recommended holding period
No minimum

Summary of our assessment

The boards have concluded that the funds offer value by reference to their performance:

- Noting that sterling money market rates have been abnormally low over the past 12 months, the money market funds have an acceptable performance relative to benchmark (SONIA return was 0.05% over the reporting period).
- CBF Deposit Fund: Over the reporting period the fund's declared interest rate averaged 0.0523%. As of 31 December 2021, the declared rate was 0.20%.
- COIF Deposit Fund: Over the reporting period the fund's declared yield averaged 0.0144%. As of 31 December 2021, the declared yield was 0.0798%.
- Public Sector Deposit Fund: Over the reporting period the fund's declared yield averaged 0.0364%. As of 31 December 2021, the declared yield was 0.1300%.

Source: CCLA. Performance shown after management fees and other expenses. Comparator benchmark – SONIA from 01.01.2021. Prior to that was 7-Day LIBID.

3. Active management

Are the funds actively managed or are we passively following an investment index?

Consideration of 'active management' is not one of the original value criteria specifically identified by the FCA when it set out the terms of the value assessment process, however we believe it is relevant when considering value, and has become a topic for wider discussion in the asset management industry.

At CCLA we charge fees that are typically higher than a passive alternative and more comparable to other 'active' managers. As such, we believe it is important that we can demonstrate that we are acting as active managers.

How have we assessed active management?

Where applicable, the boards have reviewed whether the funds are 'closet' trackers using the following statistical measures, with reference to the Europe Securities and Markets Authority's (ESMA) Supervisory Work on Potential Closet Index Tracking 2012 guidelines:

- correlation of performance with that of a fund's benchmark
- volatility of a fund's returns relative to that of its benchmark
- overlap of the portfolio between a fund and its benchmark.

Summary of our assessment

The boards were satisfied that all funds are actively managed and do not simply track index returns. The data reinforces CCLA's knowledge of the investment process for these funds: use of ethical screens and exclusions, bottom-up stock selection, with a focus on quality stocks and strategic and tactical asset allocation decisions.

The ESMA guidelines provide suggested parameters for equity funds. The COIF Charities Fixed Interest and the CBF Church of England Fixed Interest Securities Fund can be assessed for active management by looking at the portfolio positioning relative to their benchmark.

4. Authorised fund managers' costs

Are the costs and charges investors pay for funds and services fair and reasonable?

- COIF Charities Ethical Investment Fund
- COIF Charities Investment Fund
- The CBF Church of England Investment Fund
- Diversified Income Fund
- COIF Charities Global Equity Income Fund
- The CBF Church of England Global Equity Income Fund
- The CBF Church of England UK Equity Fund
- COIF Charities Property Fund
- The CBF Church of England Property Fund
- The Local Authorities' Property Fund
- COIF Charities Deposit Fund
- COIF Charities Fixed Interest Fund
- The CBF Church of England Deposit Fund
- The CBF Church of England Fixed Interest Securities Fund
- The Public Sector Deposit Fund

How have we assessed cost of funds?

Please see page 36 for the costs and charges associated with CCLA's funds.

In reviewing costs, we have taken into consideration four factors:

1. The overall profitability of CCLA and whether it earns abnormally high profit margins relative to the asset management industry.
2. The profitability of CCLA by investment capability.
3. An independent review of the share of total and returns in excess of the benchmarks for each fund that is earned by investors.
4. The composition of all costs and charges levied on the funds.
5. Whether the transaction costs are high versus peers.

How are costs and charges applied on CCLA's funds?

Investors in CCLA's funds benefit from access to a professionally managed and diversified portfolio of investments, with ongoing administrative and operating services. A number of costs and charges are deducted from the funds in return for these services.

The typical components of the ongoing charges figure (OCF) are shown in the facing illustration.

Summary of our assessment

The board was satisfied that the charges paid by clients are reasonable across the fund range.

Since the last assessment of value report, any changes in fund OCFs are mainly attributable to changes in other costs and 'costs of underlying investments.' Apart from the COIF Charities Property Fund and the CBF Church of England Property Fund which have seen a modest increase in other costs, OCFs have generally declined.

Fund management fee	Cost of underlying investments (when investing in other funds)	Ongoing charges figure
Annual management charge (AMC) Value added tax (VAT), if applicable Trustee/depositary, custody and audit fees and expenses Payments to legal and professional advisers	Cost of holding other underlying funds and investments, such as investment trusts and limited liability partnerships	The OCF covers the actual day-to-day costs of running a fund. This is the total charge you'll pay over a year for as long as you hold your investment.

The AMC of the Public Sector Deposit Fund was slightly reduced over the period. Likewise, the CBF Church of England Deposit Fund and the COIF Charities Deposit Fund were managed with an AMC lower than that permitted by their prospectuses. This was driven by a desire to reduce costs to investors in a low interest rate environment,

The boards are reassured that CCLA is taking steps to ensure costs remain low and it continues to seek operational efficiencies to reduce the cost of providing services.

CCLA's own profit margin has remained stable over the past five years and would be considered low relative to the industry average. Management charges are not considered excessive relative to costs.

Other costs include depository, custodian, legal and accounting fees. CCLA has negotiated competitive service costs, while transfer agency, directors' expenses, marketing, and other costs to their fund ranges are absorbed by CCLA.

When reviewed against peers, transaction costs for CCLA equity funds or funds with an equity component are low. We can conclude that CCLA funds are not generating excessive trading fees. Comparable transaction cost analysis is not readily available for property funds, cash funds or fixed interest funds.

Last year, the Diversified Income Fund was identified as having relatively high costs and was rated as 'amber'. This was in part due to higher administrative costs, and (relative to peers) how costs are calculated, but largely attributed to the fund's investment in other, externally managed, funds or trusts. These aid portfolio diversification but do attract charges which add to the total cost of the fund. Recent portfolio changes have meant that the cost of underlying investments is now less, and we have seen the OCF reduce over the period as a result. The boards note that the AMC charged to the Diversified Income Fund is in line with peers and other multi-asset funds managed by CCLA.

The boards note that CCLA discloses its costs and charges, broken down by component, prominently on its website.

We continue to search for efficiencies and monitor the fees CCLA charges across all existing and new funds to ensure benefits are appropriately shared.

5. Economies of scale

Has CCLA achieved economies of scale and have these been passed on to investors?

How have we assessed economies of scale?

We have analysed whether CCLA has achieved any savings and benefits from economies of scale and whether these have been shared with investors. CCLA can continue to offer competitive fees and is able to realise economies in a number of areas:

- Where possible, investment trading costs are kept to a minimum by entering the same trade across several funds. The order management system infrastructure brings economies of scale to multiple funds and volume trades.
- CCLA continues to negotiate good terms with brokers for trading commissions and research.
- Rates for fund administration services are negotiated by CCLA with its outsourced service provider for fund accounting, middle office and performance measurement. The rate card is market competitive and includes a sliding scale on ad-valorem depository fees for increased fund sizes.

Fund OCFs will decline with scale as fixed administrative expenses are amortised over a larger fund base. CCLA have seen a modest decrease to other costs on larger funds over the 2021 assessment of value reporting period.

To date CCLA has not applied a sliding scale on annual management charges (AMCs) by fund for two reasons.

- Firstly, as evidenced by CCLA's historic and current profit margin (which has remained relatively static despite growth in AUM), the firm is yet to realise significant economies of scale as a result of absorbing higher expenses and other costs associated with operational enhancements. We believe that this is in part due to the fragmented and diverse nature of our investor base. Since CCLA absorbs many of the administrative expenses of managing the funds out of its own revenue, growth attracts fewer economies than for a manager that charges such expenses to their funds.
- We service three distinct distribution channels: Charities, Churches and Local Authorities and offer a range of funds to each channel. Many investors have holdings across several funds. With the support of our fund boards, we are encouraged to price each fund competitively, regardless of size. Within each fund range it is acknowledged that the larger funds allow the smaller ones to be offered to the same clients at a reasonable cost.

We would also note that CCLA is majority owned (over 90%) by its clients. The two largest holders of CCLA's shares are the COIF and CBF Investment Funds – any increase in CCLA's profitability indirectly benefits these funds and their investors.

Summary of our assessment

Where CCLA has achieved economies of scale, many benefits have already been shared with investors. We will continue to monitor the impact of the growth in assets under management on the cost of services provided and CCLA will also continue its engagement with third-party suppliers to negotiate preferential terms.

6. Comparable services

How do the costs you pay compare to those paid by clients who access similar CCLA services?

- COIF Charities Ethical Investment Fund
- COIF Charities Investment Fund
- The CBF Church of England Investment Fund
- Diversified Income Fund
- COIF Charities Global Equity Income Fund
- The CBF Church of England Global Equity Income Fund
- The CBF Church of England UK Equity Fund
- COIF Charities Property Fund
- The CBF Church of England Property Fund
- The Local Authorities' Property Fund
- COIF Charities Deposit Fund
- COIF Charities Fixed Interest Fund
- The CBF Church of England Deposit Fund
- The CBF Church of England Fixed Interest Securities Fund
- The Public Sector Deposit Fund

How have we assessed comparable services?

CCLA offer both pooled funds and segregated investment services. We have compared the costs of both services across client types to ensure all client types are treated fairly.

We have assessed the costs of services applied to each fund and compared these to:

- other CCLA managed funds with similar investment strategies
- charges paid by clients with segregated investment services offered by CCLA.

CCLA management charges for funds have been set at a level that are designed to be competitive relative to fees charged for segregated investment services.

Funds with comparable investment strategies have similar annual management charges (AMC). Where they differ, the variations are considered appropriate:

- The difference in the AMC of the deposit funds between the Public Sector Deposit Fund and the COIF and CBF versions is a function of the more concentrated investor base of the Public Sector Deposit Fund, which significantly reduces associated service costs.

We believe the lower AMC on the CBF Investment Fund in comparison to the COIF Charities Investment Fund is accounted for by the greater marketing and sales effort required to support a more disparate investor base in the COIF Investment Fund than the CBF Investment Fund.

With respect to administrative expenses:

- Depository and custodian rate cards for the equity, fixed interest and multi-asset funds (except the Diversified Income Fund) are the same. For these funds any difference in other costs can largely be accounted for by the impact of larger funds on any fixed expenses.
- The Diversified Income Fund, as a more administratively complex fund structure, has a higher rate card than CCLA's other funds.

We have reviewed the discounts applied to an 'average' large investor in the pooled investment funds, relative to the reduced average costs of servicing these clients, and conclude that as average rebates are appropriate, smaller clients do not appear to be unfairly charged relative to the larger ones.

Summary of our assessment

The boards have concluded that CCLA offers value to all client types. We monitor the funds' charges to ensure they remain reasonable relative to those paid by other clients accessing comparable CCLA products and services.

7. Comparable market rates

How do CCLA's costs compare to those of similar funds offered by other fund managers?

How have we assessed comparable market rates?

We analysed the total charges on CCLA's funds compared to similar share classes of other UK-based funds in a comparable IA sector. We have reviewed:

- data provided by an independent source, showing share class costs relative to returns for the sector
- data showing the ongoing charges versus fund size for the relevant comparable IA sector, with a quartile ranking.

Summary of our assessment

Last year, the Diversified Income Fund had ongoing charges that were fourth quartile. As noted at the time, the methodology for calculating the ongoing charges figure for the Diversified Income Fund created an upward bias in costs and charges relative to the bulk of the IA sector. The AMC of the fund remains competitive relative to peers.

This year, the Diversified Income Fund has moved to the third quartile after a reduction in OCF. The decrease has come from a reduction in costs of underlying investments (i.e. third-party managed funds, investment trusts) and other costs. Recent portfolio changes have increased the percentage of direct holdings and reduced the number of underlying investments, which in turn has decreased the total costs.

Since the last assessment of value report, OCFs have generally reduced or remained the same over the period, with exception the of the COIF Charities Property Fund and the CBF Church of England Property Fund which have seen a marginal increase in other costs, but costs remain top quartile against peers. The boards have concluded that when comparing the charges paid by clients in CCLA funds to similar UK-based funds in comparable IA sectors, the CCLA range offers value. CCLA regularly review the fees and costs charged to clients for investing in our funds.

8. Classes of units or shares

Are you invested in the most appropriate unit or share class and are differences in share or unit class costs justified?

How have we assessed classes of units or shares?

CCLA continue to offer both income and accumulation unit or share classes for most funds – a choice for each client based on whether they would prefer to receive periodic distribution of income or choose to have their income earned automatically reinvested. The costs and charges for both income and accumulation unit or share classes are identical and the minimum investment requirements are the same.

The only exception is the Diversified Income Fund, which is a tax transparent fund – an investing client is placed in the appropriate class based on their tax characteristics. Even with this restriction, the minimum investment amount and the annual management charge are identical for each unit class.

For its charity, church, and local authority clients, CCLA does not have multiple classes. Some of its funds offer these clients access to a lower management fee through a rebate arrangement directly with CCLA. As part of the Comparable Services criterion, the rebate structure has been reviewed and the boards have concluded that it remains appropriate given the lower average costs of servicing these clients.

The Public Sector Deposit Fund has two share classes. The publicly available share class 4 is included in the performance and costs table in this report. Share class 1 is for internal use by CCLA and has a 0% AMC to avoid double charging.

Summary of our assessment

The unique client base for CCLA's funds determines that multiple classes are generally not required. Income and accumulation classes are constantly monitored to ensure there is no difference in cost, performance, or barriers to entry between them.

9. ESG metrics

Have CCLA's funds performed well against the sustainability characteristics of the relevant indices?

How have we assessed ESG metrics?

This year, we have included a new assessment criterion to demonstrate our ESG performance for each fund – since responsible investment is integral to our value proposition.

CCLA's aim is to deliver long-term risk-adjusted returns to clients in a way that aligns with their values and furthers their mission. The Sustainability team screen and research companies both held by CCLA funds as well as those that are not. To ensure compliance with the ethical requirements of each fund, the Sustainability Team owns the ultimate responsibility and final approval of all permissible investments.

CCLA has assessed each funds sustainability characteristics against their respective indices, including carbon emissions per fund, engagement statistics and MSCI portfolio scores. We have also taken into consideration that the team are actively leading industry-wide initiatives, such as encouraging companies to focus on the mental health of their employees and to identify and address modern slavery issues in their supply chains,

Summary of our assessment

The boards are satisfied that ESG metrics examined are at positive levels, relative to relevant benchmarks. While the boards note that property received an A+ in the most recent PRI report, the GRESB* report score is below the average investment score which has resulted in an amber rating for the COIF Property Fund, CBF Property Fund and Local Authorities' Property Fund. The boards note that the Property team are liaising with an outsourced provider to build a process with a view to improving this scoring.

*GRESB is the Global Real Estate Sustainability Benchmark. Real estate funds, Real Estate Investment Trusts, property companies, real estate developers, infrastructure fund managers and asset operators use GRESB to assess their ESG performance. This is done in a standardized, globally recognised framework so both investors and managers can act on ESG data and insights. The data is then validated and scored into a benchmark to provide business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers and the wider industry.

Charges to investors

Rating/Fund	Annual management charge (AMC)	Other costs	**Fund management fee (FMF)**[1]	Cost of underlying investments (when investing in other funds)[2]	**Ongoing charges figure (OCF)**	Portfolio transaction costs[3]
Mixed funds						
Catholic Investment Fund	0.60%	0.05%	**0.65%**	0.26%	**0.91%**	0.27%
● COIF Charities Ethical Investment Fund	0.60%	0.14%	**0.74%**	0.26%	**1.00%**	0.28%
● COIF Charities Investment Fund	0.60%	0.14%	**0.74%**	0.26%	**1.00%**	0.27%
● The CBF Church of England Investment Fund	0.55%	0.13%	**0.68%**	0.22%	**0.90%**	0.28%
● Diversified Income Fund	0.60%	0.04%	**0.64%**	0.59%	**1.23%**	0.36%
Equity funds						
● COIF Charities Global Equity Income Fund	0.75%	0.09%	**0.84%**	0.00%	**0.84%**	0.20%
● The CBF Church of England Global Equity Income Fund	0.75%*	0.08%	**0.83%**	0.00%	**0.83%**	0.19%
● The CBF Church of England UK Equity Fund	0.50%	0.15%	**0.65%**	0.06%	**0.71%**	0.11%
Property funds						
● COIF Charities Property Fund	0.65%	0.06%	**0.71%**	0.00%	**0.71%**	0.48%
● The CBF Church of England Property Fund	0.65%	0.02%	**0.67%**	0.00%	**0.67%**	0.48%
● The Local Authorities Property Fund[4]	0.65%	0.07%	**0.72%**	0.00%	**0.72%**	0.46%
Cash and bond funds						
● COIF Charities Deposit Fund	0.20%	0.04%	**0.24%**	0.00%	**0.24%**	0.00%
● COIF Charities Fixed Interest Fund	0.22%	0.08%	**0.30%**	0.00%	**0.30%**	0.00%
● The CBF Church of England Deposit Fund	0.20%	0.04%	**0.24%**	0.00%	**0.24%**	0.00%
● The CBF Church of England Fixed Interest Fund	0.22%	0.13%	**0.35%**	0.00%	**0.35%**	0.00%
● The Public Sector Deposit Fund (share class 4)	0.05%	0.01%	**0.06%**	0.00%	**0.06%**	0.00%

*The AMC of the CBF Church of England Global Equity Income Fund was reduced on April 8 2022, after the reporting period of the Assessment of Value.

1 The fund management fee (FMF) includes CCLA's annual management charge (AMC), VAT payable thereon where applicable (including any VAT reclaims received during the accounting period that the FMF is based on), trustee/depositary costs, audit, custody, legal and professional, and may include other charges such as Fitch Rating fees if applicable.

2 The underlying investment costs are the pro-rata amount of charges of relevant underlying investments (e.g. funds, LLPs).

3 Portfolio transaction costs include direct fund transactions costs (such as commissions/taxes and market impact/slippage) plus the pro-rata amount of portfolio transaction costs of relevant underlying investments (e.g. funds, LLPs)

4 The FMF of the Local Authorities' Property Fund is the total of the AMC (0.65%) and a representative other costs figure of 0.07% (based on previous years prior to the Covid-19 pandemic).

Board profiles

CCLA Investment Management Limited and CCLA Fund Managers Limited

Non-executive directors

Richard Horlick*
Chair of CCLA Investment Management Limited and CCLA Fund Managers Limited

Richard has 35 years' investment management experience in both the UK and the US. After spending three years in corporate finance at Samuel Montagu & Co, Richard joined Newton Investment Management in 1984 as Director of Pension Portfolios.

In 1994, Richard became President of Institutional Business at Fidelity International Ltd (UK) until 2001, where he was made Chief Executive and President of Fidelity Management Trust Co, the Trust Bank of the Fidelity mutual funds in the US and the US institutional business. He then became a main Board Director of Schroders plc following his appointment as Chief Executive of Schroder Investment Management Ltd from 2002 to 2005.

Richard has held previous non-executive director roles with Pensato Capital LLP,

Tau Capital plc and Pacific Assets Trust plc. Richard was appointed non-executive director and Chairman of CCLA in January 2017.

Jonathan Jesty*
Chair of the Audit and Risk Committee and Director of CCLA Investment Management Limited and CCLA Fund Managers Limited.

Jonathan has 35 years' corporate, professional services and regulatory experience in the financial services industry. Jonathan has worked in asset management throughout his career, most recently at Schroders as Global Head of Compliance until he retired from his executive career in 2018. He was for many years an audit and advisory partner at KPMG.

Jonathan graduated with an MA from Cambridge University, qualified as a chartered accountant and holds an MBA from London Business School. Jonathan joined the board of CCLA as a non-executive director in April 2020.

Christine Johnson
Director of CCLA Investment Management Limited

Christine was Senior Fund Manager and Head of Fixed Income at Old Mutual Global Investors until 2017. Previous fund manager appointments include HSBC and Investec. She was appointed to the board of Invesco Enhanced Income Limited in January 2019.

Christine was appointed as a trustee director to the CBF Funds Trustee Board in November 2017. She joined the board of CCLA Investment Management Limited as non-executive director in June 2018.

Christopher West
Director of CCLA Investment Management Limited

Chris joined the board of CCLA Investment Management as a non-executive director in April 2021. Chris spent most of his career working in local authorities in a range of roles but specialising in Finance.

He is a Fellow of CIPFA and has been Secretary and President of the Society of Municipal Treasurers. Prior to taking early retirement in 2017, he spent 10 years as Director of Finance/Resources at Coventry City Council. Since leaving Coventry he has established a consultancy company specialising in local government finance working for clients including CIPFA, the LGA and individual Councils.

He also has a portfolio of Non-Executive Director Roles, including Midland Heart Housing Association and the Heart of England Community Foundation, where he is Vice Chair. In March 2021 Chris was appointed as the LAMIT nominee on the Board of CCLA Investment Management Limited.

Board profiles as at 31 December 2021.
*indicates an independent non-executive director

Julia Hobart
Director of CCLA Investment Management Limited

Julia joined the board of CCLA Investment Management Limited as a non-executive director in October 2021. Julia is a Partner at Oliver Wyman, having worked in the investment field for over 25 years as a portfolio manager and as an investment consultant before becoming a strategy consultant. In her current role she advises asset owners (pension funds, insurance companies, Sovereign Wealth Funds) and asset managers on business and strategy.

Julia started her career at SG Warburg and became a portfolio manager for its asset management subsidiary, Mercury Asset Management (now BlackRock). She moved to Mercer to head their Investment Consulting business in Continental Europe and went on to set up and run Mercer's Manager Advisory practice globally before transitioning the business to Oliver Wyman.

Julia is a member of Advisory Committee for The Diversity Project (promoting improved diversity in the investment industry) as well as the Advisory Council for AIMSE Europe (an investment industry body). She has a degree in Mathematics and Computer Science from Cambridge University.

Ann Roughead*
Chair of the Remuneration and Nominations Committee and Director of CCLA Investment Management Limited and CCLA Fund Managers Limited

Ann is a non-executive director and Chair of the Customer Focus committee at Columbia Threadneedle Investment, on the board of the Rock Trust, a youth Homeless Charity and an adviser to Saphira Group. She has over 30 years of experience in the investment and finance sector.

Previous board positions include BNY Mellon Investments, Lighthouse Group, Funds Rock Partners and the Rugby Players Association. She has chaired audit, risk and remuneration committees. In her executive career she was CEO of LV= Asset Management and CEO of Ellis Clowes & Company, a London-based Lloyds Insurance Broker. At Citi she was, Chief Operating Officer of the Private Bank (Europe), Head of Smith Barney (Europe),

Head of Investment for Citi's Retail Bank and Head of UK Wealth Management and Banking. She was Head of European Product Development and Strategy for JP Morgan Asset Management.

She is qualified as a solicitor and is a member of the Ethics Committee of the Chartered Institute of Securities and Investments (CISI). Ann joined the board of CCLA in April 2020 as an independent non-executive director.

Board profiles as at 31 December 2021.
*indicates an independent non-executive director

Executive directors

Peter Hugh Smith
Chief Executive and Director of CCLA Investment Management Limited

Peter Hugh Smith was appointed Chief Executive of CCLA in 2019 and is responsible to the CCLA Board for the overall performance of the business and quality of our service for clients.

He has more than 25 years' experience in the investment management industry, most recently as Managing Director of the fund services business Link Fund Solutions. His experience has ranged from wholesale relationship management at Russell Investments to establishing an asset management business for Hong Kong conglomerate Seapower.

He is also Chair of Governors at Bishopswood School, a local authority maintained special education needs school in Oxfordshire.

David Sloper
Head of Product and Chief Executive of CCLA Fund Managers Limited

David Sloper was appointed Chief Executive of CCLA Fund Managers Limited in 2021 and is responsible to the CCLA board for the overall performance of the business and quality of service for clients.

He is also Head of Product of CCLA Investment Managers Limited, having joined CCLA in November 2020.

He has more than 35 years' experience in the financial services industry, most recently as Head of Product at BMO Global Asset Management. His experience includes fixed income trading and investment management at Abbey National Treasury Services and BMO Capital Markets London.

Elizabeth Sheldon
Chief Operating Officer and Director of CCLA Investment Management Limited and CCLA Fund Managers Limited

Elizabeth is responsible for all financial and operational matters at CCLA on behalf of clients. She was appointed Chief Operating Officer of CCLA in November 2018. Having qualified as a chartered accountant with an audit practice specialising in the not-for-profit sector, Elizabeth joined the financial services audit team at Ernst and Young. From there she moved on to Man Group working in a number of areas including operations and a large outsourcing project.

Elizabeth is fellow of the Institute of Chartered Accountants and has a BSc in geography from University College London. She was appointed as an executive director of CCLA in December 2018.

Andrew Robinson
Director, Market Development and Director of CCLA Investment Management Limited

Andrew Robinson is responsible for marketing and sales, client relationship management, service and public affairs.

Previously he was the Head of Community Development Banking for RBS and NatWest. He was the founding director of the UK's first loan fund for voluntary and community organisations working in the UK's most disadvantaged communities.

Currently Andrew is a trustee of RBS Social and Community Capital and an Advisor to Switchback. Previously he was the Chairman of the Community Development Foundation; Vice Chairman of the Lankelly Chase Foundation; a trustee of the Local Trust; a trustee of Locality, having been a trustee of both the Development Trusts Association and Bassac.

He is a fellow of the Royal Society of the Arts and was recognised with an MBE for services to community and social enterprise in 2003. He was appointed as an executive director of CCLA in 2006.

Disclaimer

CCLA

BECAUSE GOOD IS BETTER