

Assessment of value report

For the year to 31 December 2022



CCLA
GOOD INVESTMENT

Contents

Funds covered by this assessment	3
Introduction	4
Summary of our assessment	10
1. Quality of service	12
2. Fund performance	14
3. Active management	29
4. Authorised fund managers' costs	30
5. Economies of scale	32
6. Comparable services	34
7. Comparable market rates	36
8. Classes of units or shares	37
9. ESG metrics	38
Charges to investors	40
Board profiles	41

CCLA supports Koestler Arts

Koestler Arts is the UK's leading arts charity. It is nationally respected for its ground-breaking work using the arts as a catalyst for positive change in the lives of people within the criminal justice system and in the public's perception of their potential.

Cover image courtesy of Koestler Arts.
A Stamp on Industry, HM Prison Barlinnie

koestlerarts.org.uk

Funds covered by this assessment

Mixed funds

Catholic Investment Fund
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 CCLA Better World Global Equity Fund is not covered by this report, as it was launched in April 2022, during the assessment of value reporting period.

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 fourth annual assessment of value and covers the period up to the end of 2022.

The assessment of value was introduced by the Financial Conduct Authority (FCA) in September 2019, requiring fund managers, such as CCLA, to carry out an annual review of the pooled funds they manage to assess the overall value delivered to investors. We 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 aligned with our clients
- manage the funds at a cost that is fair and reasonable.

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

CCLA is bound to complete the annual assessment of value for its FCA regulated funds only. However, we recognise the importance of transparency to all our investors, whether in regulated vehicles or not, so this review covers all CCLA pooled funds managed by CCLA Investment Management Limited and CCLA Fund Managers Limited, together 'CCLA'.

CCLA's history

Founded in 1958, we are an investment manager well known for serving charities, religious organisations and the public sector. In 2022 we entered a new phase in our development as an organisation, welcoming a new type of investor with the launch of the CCLA Better World Global Equity Fund.

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 the costs to clients are fair and reasonable.

Responsible investment

As one of the pioneers of ethical and responsible investment, CCLA has a demonstrated history of helping lead the investment industry in collective action. Responsible investment is at the heart of our investment approach and philosophy.

Our approach focusses on preserving the long-term value of our clients' investments by driving change. We aim to protect short- and medium-term value by integrating environmental, social and governance (ESG) factors into our investment process across all asset classes.

This allows us to better assess and control financial risks that the lens of conventional financial analysis may miss. ESG standards at companies are of increasing importance as regulation, legislation and changing consumer preferences steadily shift to embrace sustainability.

CCLA's aim is to deliver returns to clients in a way that aligns with their values and furthers their mission. We believe we have a duty to go beyond the boundaries of traditional investor engagement and work with the industry to address systemic risks that threaten communities, the environment and ultimately investment markets. 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: Investing in a way that we believe is aligned with our clients.

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. Because the ability to drive change is central to our criteria, we reconsider investment in companies that are hesitant to engage or do not adequately respond on the most serious issues.

This helps us to control risk, deliver investment returns and contributes to our driving change ethos.

How we assess value

Value is a combination of factors. It is not limited to fees and performance, but also about ensuring that the quality of service is appropriate, risks are consistent with a fund's objectives and fees are fair relative to the costs of providing a service. We also believe it is about investing in a responsible manner.

Our assessment has contemplated value not only by including the seven criteria required by the FCA, but including a determination on whether CCLA is providing active management, since we charge for an active service, and an assessment of our ESG performance since responsible investment is integral to our value proposition. Like last year, we have conducted our assessment of value against nine assessment criteria:

-
1. **Quality of service** – How good is the service you receive from CCLA for administering 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. **Authorised fund managers' 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?
-

Accountability for the 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 on both company boards. Three of the non-executive directors on the CCLA Investment Management Limited board are representatives 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

Their 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 assumed collective responsibility for this assessment and ultimately determined the value rating for each fund.

Full profiles of all the executive and non-executive directors are available on page 41.

What has changed since last year?

Building on previous reports, this year's report includes:

- follow-up commentary on the actions taken to address any issues raised in last year's report
- further analysis of our fund costs
- an examination of the investment philosophy and process
- findings from the 2022 client consultation to gain insight into quality of service.

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 action or warrant further scrutiny.

New funds

The Catholic Investment Fund

The Catholic Investment Fund launched in April 2021 and was not included in full during last year's reporting period. Now, the fund has one year of investment performance history and is included throughout this report but has not been rated under the performance criteria. Whilst we have one year of performance data now available, the Board believe that one year is too short a period to properly assess whether the fund has provided value for money from a Performance perspective, given its recommended holding period is five years.

The boards have assessed the performance to the end of the year which shows that the fund was slightly behind the comparator benchmark over the one-year period. Costs were also reviewed, and the board is satisfied that both the AMC and OCF are reasonable.

The CCLA Better World Global Equity Fund

In April 2022, CCLA launched the CCLA Better World Global Equity Fund to bring its unique approach to ESG factors to individual investors for the first time. The fund incorporates environmental, social and governance (ESG) considerations for those seeking long-term capital growth. The fund is managed in line with CCLA's approach to investing for a better world as outlined in CCLA's Better World policy. The fund is sold to investors via intermediaries, including but not limited to independent financial advisers and investment platforms.

The fund is a UK UCITS and is suitable for all types of investors, with basic investment knowledge, seeking to invest in an actively managed fund pursuing the investment objective and policy of the fund. The term UCITS stands for Undertaking for Collective Investment in Transferable Securities. UCITS funds follow a set of rules that includes holding a diversified portfolio, publishing clear guidance on their charges, and taking steps to safeguard investors' money.

Investors should be looking to invest for at least five years and should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

Given its recent launch date, the fund is not included in this year's report.

Follow up actions on April 2022's report

The 2022 assessment of value (based on the December 2021 year end) identified three funds which were flagged as amber overall. The Diversified Income Fund remained on amber based on performance, after an improvement on the previous year but required further monitoring. Both the COIF Charities Fixed Interest Fund and the CBF Church of England Fixed Interest Securities Fund were flagged red based on performance versus benchmarks. Over 2021 and 2022, CCLA has taken corrective actions on all three funds and continue to monitor all three:

Diversified Income Fund

The Diversified Income Fund launched in December 2016. In April 2020, the boards identified the performance of the Diversified Income Fund as being of concern. Again in 2021, the assessment of value highlighted that the performance of the fund over the shorter periods has been below expectations when assessed against its comparator benchmark.

As a result of concerns over performance, in April 2021, the portfolio was repositioned to enhance expected total returns. CCLA changed the investment strategy to one that is less oriented on yield and looks to generate a higher total return within the target volatility constraint.

The fund now has a five-year track record of performance for both share classes. CCLA is encouraged with the change in investment strategy as it has materially improved the recent performance of the fund. 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.

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 and will keep the fund on amber this year too.

COIF Charities Fixed Interest Fund and the CBF Church of England Fixed Interest Securities Fund

The 2021 assessment of value report highlighted that the fixed interest funds had returned less than the comparator benchmark over all time periods and in some periods outside of an acceptable margin.

In 2022, it was agreed by shareholders at an extraordinary general meeting that the investment objective and investment policy of the funds would change to target a return of 1.75% per annum (net of fees and expenses) in excess of the returns available from cash, as measured by the Sterling Overnight Index Average (SONIA), which is administered by the Bank of England. SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors) over rolling three-year periods.

The new strategy permits the funds to access a wider range of instruments in pursuit of the new objective. CCLA identified that it did not have the requisite resources in-house to implement such a strategy and so the management of the funds' asset portfolios was delegated to Hermes Investment Management Limited, who were selected based on their appropriate expertise and resources, their overall ESG capabilities and their willingness to work with CCLA to create a bespoke mandate to suit client needs. CCLA continues to manage and operate the funds in all other respects and have oversight of the appointed external investment manager, who began managing the fund in August 2022.

The boards believe it is too early to reach a conclusion on the performance of the new strategy. As the improvement action has now taken place on the fixed interest funds they should continue to be monitored and CCLA is encouraged by an uplift in performance over the short term.

For now, the funds will remain on amber as their overall rating.

Summary of findings

CCLA's pooled funds have not been immune to the dramatic change in the interest rate environment, challenging inflationary pressures and associated market volatility seen in 2022. The multi-asset and equity funds have felt the pressure particularly keenly, which is reflected in their one-year performance figures.

Despite being a volatile year for markets, 2022 also saw the launch of the new CCLA Better World Global Equity Fund, which leads CCLA's foray into the UK wealth market and permits retail customers to access CCLA products for the first time. Given its recent launch date, the fund is not included in this year's report.

Noting the actions taken on the funds previously identified as requiring attention, our overall conclusion is that CCLA's fund range continue to provide fair value to its investors in the context of fees charged, for the assessment period.

The key points can be summarised as follows:

- CCLA's fund costs and charges remain reasonable relative to the costs of providing those services, the quality of services provided and their peers.
- Costs and charges differences between similar funds or services and share classes or units are justifiable,
- The performance of most of the funds remains competitive without taking abnormal or excessive risks.
- Clients enjoy high-quality service regardless of the fund in which they are invested, or their size, confirmed by positive results from the client consultation.
- All investors benefit from access to the expertise of the portfolio management team and the Sustainability team.

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

Richard Horlick

Chair

CCLA Investment Management Limited
and CCLA Fund Managers Limited

Summary of our assessment

The outcome of our review for the year ending 31 December 2022 is summarised here.

This year, the overall rating of the COIF Charities Fixed Interest Fund and the CBF Church of England Fixed Interest Securities Fund will remain on amber, the same as last year.

The changes made in August 2022 to the investment strategy of the funds will take time to impact performance. The boards believe it is too early to reach a conclusion on the performance of the new strategy. As the improvement action has now taken place on the fixed interest funds they will continue to be monitored.

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

While performance should be assessed over a longer time period, the boards are pleased to note that relative to the fund's comparator benchmark, performance has improved since the portfolio was repositioned but should continue to be monitored.

The portfolio changes also continue to reduce the ongoing charges for this fund.

All other funds have been rated as 'green'.

● 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.

Overall rating		Quality of service	Performance	Active management	AFM costs	Economies of scale	Comparable services	Comparable market rates	Classes of units or shares	ESG metrics
●	Catholic Investment Fund	●	NR*	●	●	●	●	●	●	●
●	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	●	●	NR	●	●	●	●	●	●
●	The CBF Church of England Property Fund	●	●	NR	●	●	●	●	●	●
●	The Local Authorities' Property Fund	●	●	NR	●	●	●	●	●	●
●	COIF Charities Deposit Fund	●	●	NR	●	●	●	●	●	●
●	COIF Charities Fixed Interest Fund	●	●	●	●	●	●	●	●	●
●	The CBF Church of England Deposit Fund	●	●	NR	●	●	●	●	●	●
●	The CBF Church of England Fixed Interest Securities Fund	●	●	●	●	●	●	●	●	●
●	The Public Sector Deposit Fund	●	●	NR	●	●	●	●	●	●

NR Not rated

NR* The period of review for the Catholic Investment Fund is too short to adequately assess performance.

1. Quality of service

How good is the service you receive from us?

Quality of service	
●	Catholic Investment Fund
●	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 the quality of service?

The service CCLA continues to offer to its investors involves a range of 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.

CCLA periodically consults its clients to check that its products continue to meet clients' value-based investment priorities. The 2022 client consultation involved various clients from different sectors to discuss and identify clients' wider priorities and to check customer satisfaction. When asked to score CCLA's funds on value for money in the context of fees from 1 to 5 (5 being the highest value for money), the average answer was just over 4, which indicates that most respondents are satisfied that value is being provided by investing with CCLA.

This sits alongside the investment management process, which focuses on the cash generation that underlies all our investment decision-making. We believe investing in high-quality companies that can grow returns consistently at valuations that are attractive should lead to outperformance over the long-term. We look for companies which in our opinion:

- demonstrate an enduring competitive advantage, measured by their cash flow return on investment and a strong track record of shareholder value creation
- benefit from clear long-term growth trends
- benefit from superior financial strength, with a strong balance sheet
- have sound environmental, social and governance (ESG) practices
- are trading at valuations that are attractive

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 and philosophy.

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.

Like last year, 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 analysed results from the client consultation which was sent out in 2022.
2. **Quality assurance:** This assigns a score to CCLA's ability to carry client transfer and payment instructions accurately.
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. This year we have also reviewed the investment process and philosophy of the funds, and whether they have remained consistent over the period.
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, confirmed by excellent client survey results, with over 99% of clients that responded recommending CCLA.

The combination of internal resources and external expertise provided value in the provision of investment management and client and operational services. The boards are satisfied that the incidence of errors continues to remain low, and any complaints have been investigated and managed appropriately within the appropriate timescales.

The boards also note that CCLA's ESG activity has been independently recognised as being of high standard. CCLA received the highest possible grade (5 stars) in the most recent survey by the Principles for Responsible Investment (PRI) for their approach to stewardship and ESG integration, in both listed equity and property, and wider responsible investment strategy and governance. The resources of the team, their application of ESG factors in investment decision making, engagement with companies and leading on industry-wide initiatives comprise a service that is not separately charged for and benefits all investors in the fund range, regardless of their size.

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?

Performance

NR*	Catholic Investment Fund
●	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

NR Not rated

NR* The period of review for the Catholic Investment Fund is too short to adequately assess performance.

How have we assessed fund performance?

We assess each of our pooled fund's performance across a range of measures and over several time periods. In our review, we consider 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. The boards consider the following results:

- Returns in relation to any target benchmark defined in the fund's prospectus or scheme particulars.
- Returns in relation to any comparator benchmark.
- Returns and volatility ranking versus peers in a comparable Investment Association (IA) fund sector.

- Returns relative to the fund's historic risk (the volatility of a fund's value).
- Volatility versus any relevant target or comparator benchmark.

CCLA have established parameters and thresholds for each above measure to identify where performance or risk may be outside an acceptable range.

To ensure constant oversight and assess whether the funds are performing against their objectives, CCLA and the boards regularly evaluate fund performance in addition to the annual assessment of value.

Fund performance summary

Rating/Fund	Inc/ Acc	1 year		3 years		5 years		10 years	
		Return (annualised) %	Comparator Benchmark return (annualised) %	Return (annualised) %	Comparator Benchmark return (annualised) %	Return (annualised) %	Comparator Benchmark return (annualised) %	Return (annualised) %	Comparator Benchmark return (annualised) %
Mixed funds									
● Catholic Investment Fund	Inc/Acc	-11.34	-10.10	-	-	-	-	-	-
● COIF Charities Ethical Investment Fund	Inc/Acc	-9.71	-10.10	4.98	3.03	7.27	4.32	9.17	7.35
● COIF Charities Investment Fund	Inc/Acc	-9.00	-10.10	5.45	3.03	7.48	4.32	9.44	7.35
● The CBF Church of England Investment Fund	Inc/Acc	-9.16	-10.10	5.55	3.03	7.94	4.32	9.84	7.35
● Diversified Income Fund (unit class 2)	Inc	-9.53	-14.18	-0.78	-2.11	1.67	0.79	-	-
● Diversified Income Fund (unit class 3)	Inc	-9.62	-14.18	-0.85	-2.11	1.63	0.79	-	-
Equity funds									
● COIF Charities Global Equity Income Fund	Inc/Acc	-11.81	-7.83	8.75	8.37	10.56	8.66	10.79	12.30
● The CBF Church of England Global Equity Income Fund	Inc/Acc	-11.60	-7.83	8.94	8.37	10.83	8.66	10.94	12.30
● The CBF Church of England UK Equity Fund	Inc/Acc	-16.87	1.60	0.53	2.08	4.26	2.59	7.76	6.21
Property funds									
● COIF Charities Property Fund	Inc	-7.95	-8.72	3.11	2.16	4.06	3.12	7.30	6.82
● The CBF Church of England Property Fund	Inc	-7.80	-8.72	3.19	2.16	4.14	3.12	7.38	6.82
● The Local Authorities' Property Fund	Inc	-7.70	-8.72	3.02	2.16	3.77	3.12	7.19	6.82
Cash and bond funds									
● COIF Charities Deposit Fund	Inc	1.21	1.40	0.48	0.49	0.50	0.50	0.45	0.40
● COIF Charities Fixed Interest Fund	Inc/Acc	-10.12	-10.70	-2.75	-2.45	-0.52	0	2.03	2.49
● The CBF Church of England Deposit Fund	Inc	1.30	1.40	0.59	0.49	0.60	0.50	0.53	0.40
● The CBF Church of England Fixed Interest Securities Fund	Inc/Acc	-11.09	-10.70	-3.11	-2.45	-0.77	0	1.87	2.49
● The Public Sector Deposit Fund (share class 4)	Inc	1.31	1.40	0.55	0.49	0.59	0.50	0.47	0.40

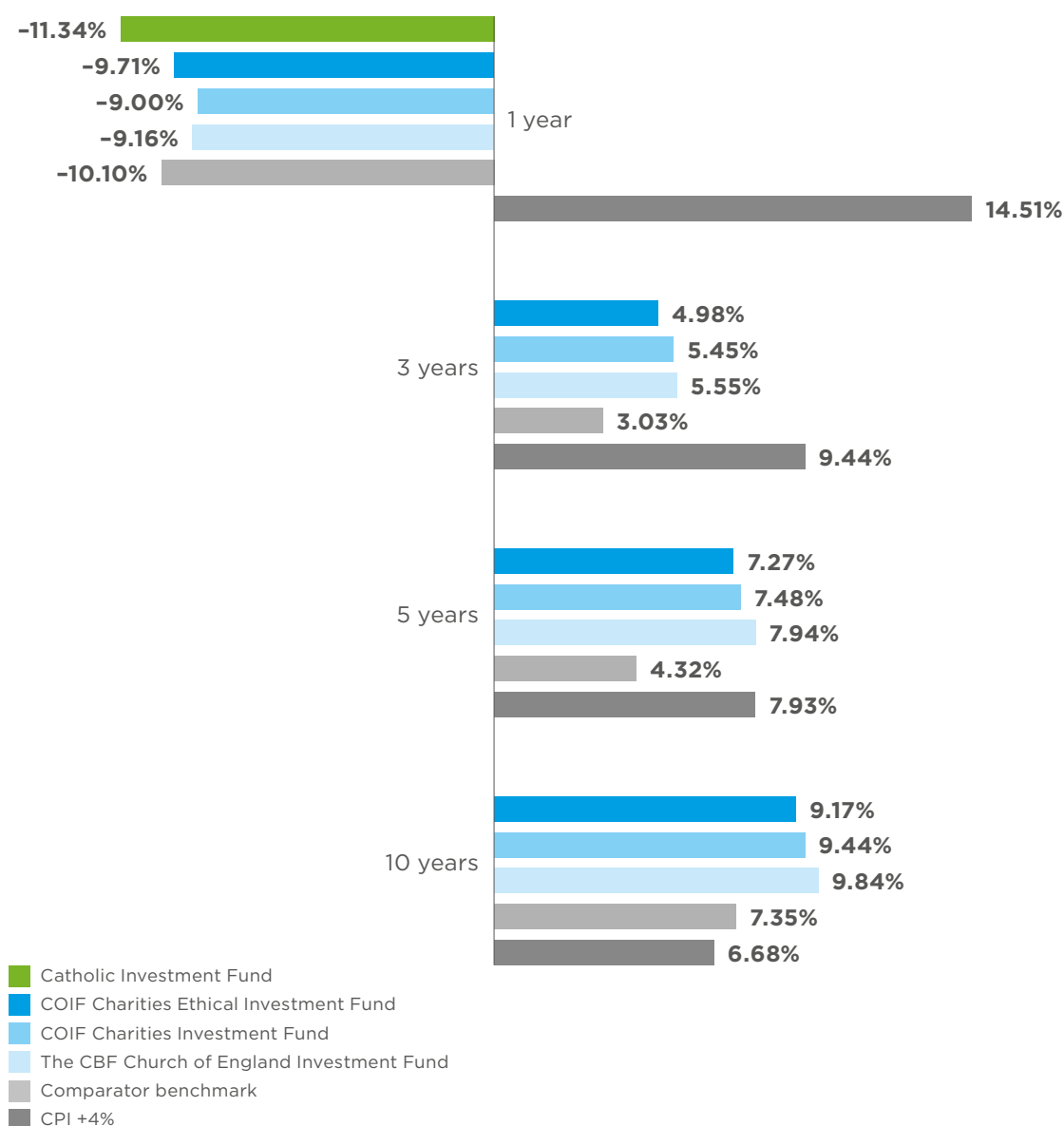
Source: CCLA, data as at 31 December 2022. Total return performance is shown net of management fees and expenses with gross income reinvested. Past performance is not a reliable indicator of future returns.

Mixed funds

NR*	Catholic Investment Fund
●	COIF Charities Ethical Investment Fund
●	COIF Charities Investment Fund
●	The CBF Church of England Investment Fund

NR* The period of review for the Catholic Investment Fund is too short to adequately assess performance.

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%, 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 Investment 40-85% Shares.

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 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%

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 the following:

- The COIF Charities Investment Fund, the COIF Charities Ethical Investment and the CBF Church of England Investment Fund have underperformed the target benchmark of CPI+5% over the one-year period, three-year period and five-year period (with exception to the the CBF Church of England Investment Fund over the five-year period). However, the funds have all outperformed the target benchmark over the ten-year period.
- The COIF Charities Investment Fund, the COIF Charities Ethical Investment Fund and the CBF Church of England Investment Fund are performing with returns in excess of their comparator benchmarks over all time periods.

- Relative to peers all three Investment Funds have top quartile performance over the three-year, five-year, and ten-year periods. Over the one-year period, all funds have dropped to the second quartile against peers.
- The funds' volatility remains low relative to peers.

While the funds' one-year underperformance relative to the target benchmark is substantial, this is principally due to the sharp rise in inflation and not as a result of poor stock selection or asset allocation by CCLA. The funds performed reasonably against the comparator benchmark in the year, considering the scale of disruption to both bond and equity markets in the face of high inflation, rising interest rates and a potential recession.

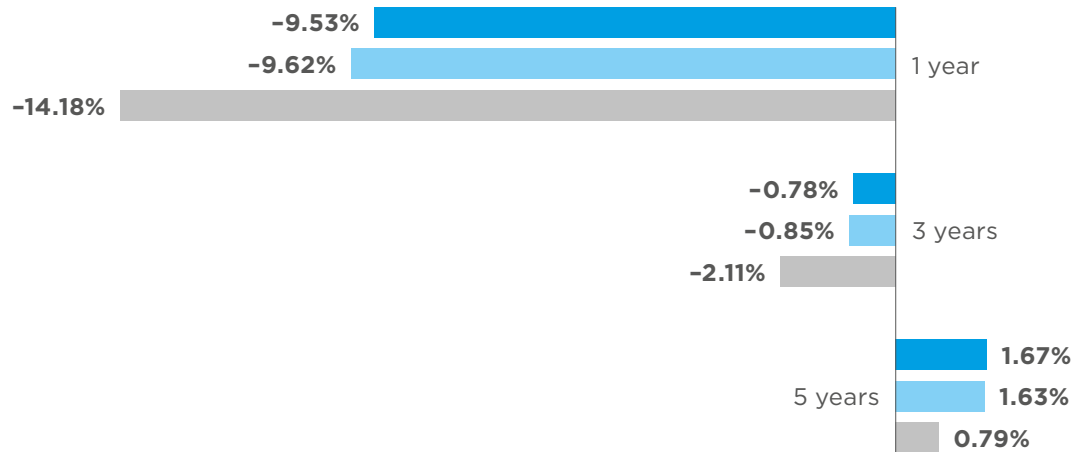
Since the recommended holding period for the funds is five years and longer, the boards feel it is appropriate to put more emphasis on the review of performance over the longer-term time periods. The boards have noted the modest underperformance relative to the target benchmark over five years and more material underperformance over shorter periods, but do not believe a lower rating for performance is justified at this time. Therefore, the boards continue to keep the funds on a 'green' rating.

Note: The Catholic Fund was launched on 1 April 2021. CCLA believes the period since launch is too short to properly review the fund's performance, given the recommended holding period. The fund is therefore 'not rated'.

Mixed funds (continued)

● Diversified Income Fund

Annualised performance



- Diversified Income Fund (unit class 2)
- Diversified Income Fund (unit class 3)
- Comparator benchmark

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%)

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 now reached its recommended holding period of five years with both available share classes.

In the previous assessment of value reports, the boards had identified the Diversified Income Fund as requiring closer monitoring. Following an extensive review of historical performance and the investment strategy, CCLA implemented a repositioning of the investment portfolio which has increased the percentage of global equities and reduced domestic fixed interest and alternative asset class exposures.

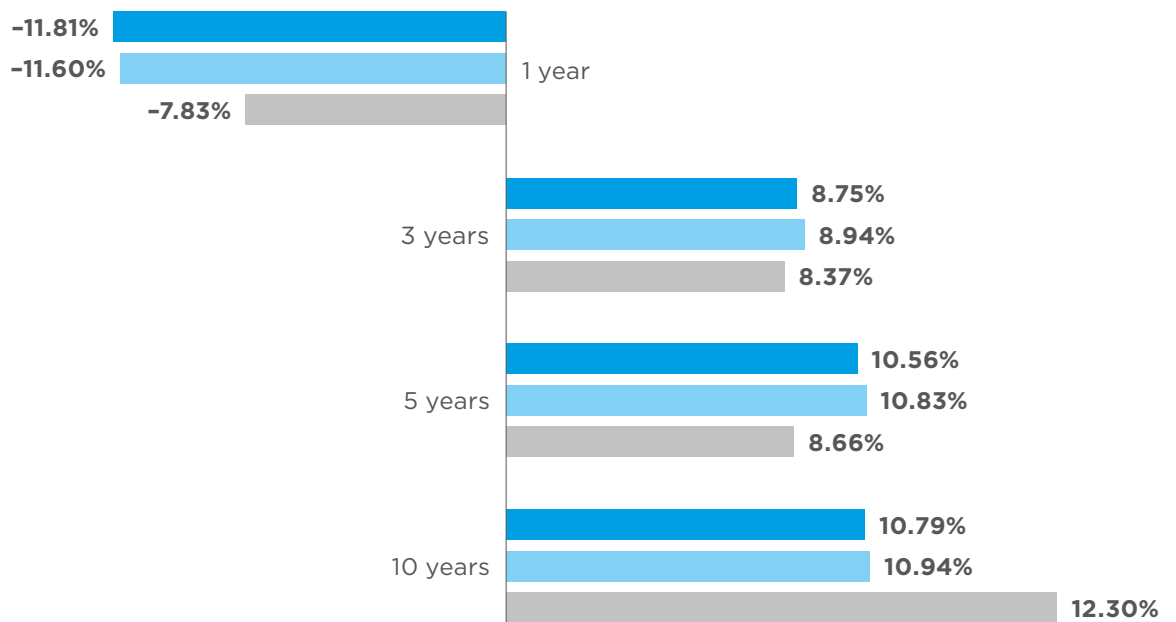
The boards are encouraged that fund has now outperformed the comparator benchmark over all available time periods.

The boards agree that any portfolio changes will take time to fully materialise and desire to more closely monitor how performance evolves following the changes made in 2021. Therefore, it is proposed to maintain the performance rating as 'amber' this year. It is noted, however, that performance has exceeded the comparator over all time available periods.

Equities

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

Annualised performance



■ COIF Charities Global Equity Income Fund
■ The CBF Church of England Global Equity Income Fund
■ Comparator benchmark

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. The CBF Church of England Global Equity Income Fund's investment policy changed with effect from April 2022 when the Fund invested in the CCLA Better World Global Equity Fund, therefore past performance before that date was achieved under circumstances that no longer apply.

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

CBF Church of England Global Equity Income Fund

The fund aims to provide income with long-term capital growth (defined as any rolling period of five years). The fund invests at least 90% of its assets by value in units of the CCLA Better World Global Equity Fund. While it is envisaged that the fund will normally be fully invested in the CCLA Better World Global Equity Fund, the fund may also hold up to 10% of its assets by value in cash.

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

COIF Charities Global Equity Income Fund

Aims to provide a high level of income with long-term capital growth.

Comparator benchmark

MSCI World Index (£)

Recommended holding period

At least five years

Summary of our assessment

The board have concluded that:

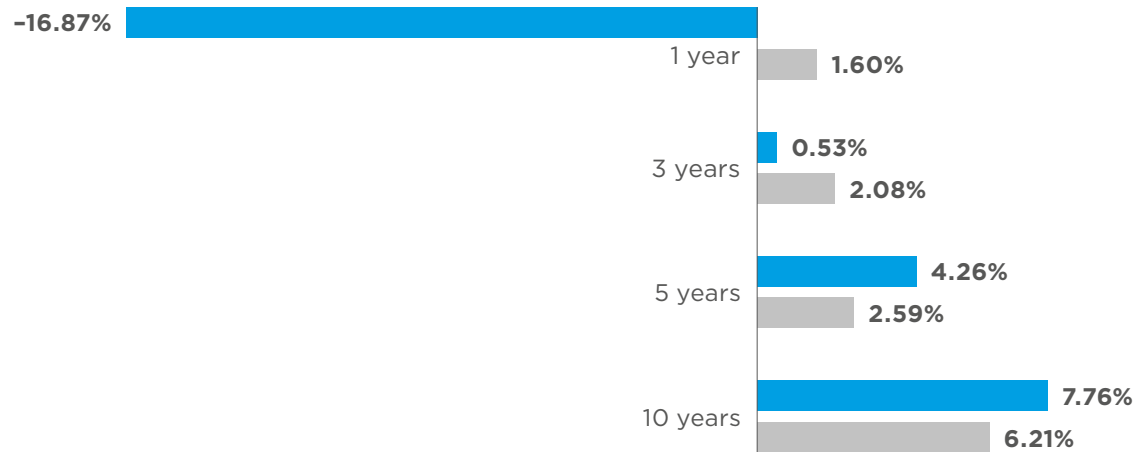
- Both global equity funds are behind the comparator over the one-year period and ten-year period, but have outperformed the comparator over the three-year and five-year periods.
- Relative to peers, both funds have top quartile performance over the three-year and five-year periods. Both funds continue to have low volatility compared to peers.

The boards believe value has been demonstrated through long-term performance over the recommend holding period of five years, for both funds. Despite having endured a challenging and volatile past year, both funds have satisfied their investment objectives over the recommended holding period and are both rated as 'green'.

Equities (continued)

● The CBF Church of England UK Equity Fund

Annualised performance



■ The CBF Church of England UK Equity Fund
■ Comparator benchmark

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 UK IMI

Recommended holding period

At least five years

Summary of our assessment

The boards have concluded that:

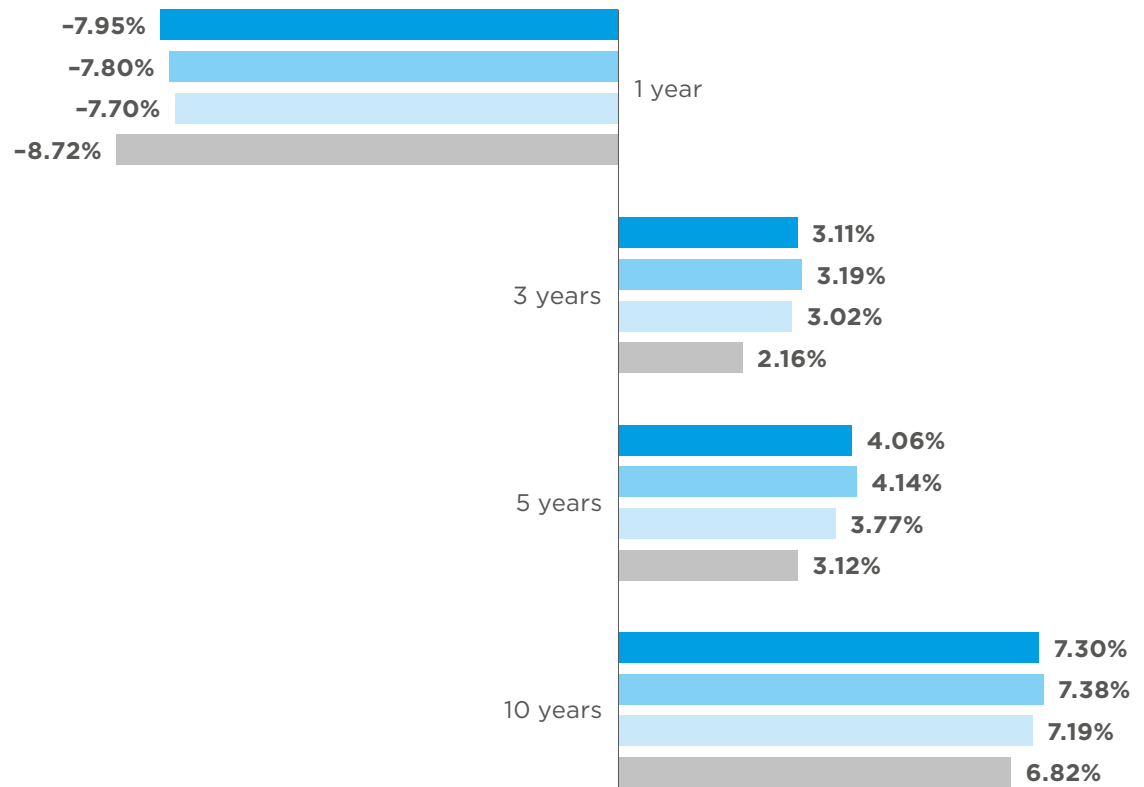
- Over the target holding period the fund has outperformed its comparator, but over the one-year and three-year periods the fund is below the comparator benchmark. Over the longer time periods, which includes the recommended holding period, the fund has outperformed the comparator.
- Over the one-year period the fund has dropped to the third quartile against the IA Sector, second quartile over the three-year period and remains in the top quartile over the five-year and ten-year periods. The recommended holding period is five years.

The poor one-year performance is a feature of the strong relative performance of stocks in sectors that are contrary to CCLA's ESG policies and the values of the fund's investors. The boards note that the fund has continued to outperform its comparator over the recommended holding period and is rated as 'green'.

Property

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

Annualised performance



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

Source: CCLA. Property performance is shown after management fees and other expenses (net). 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

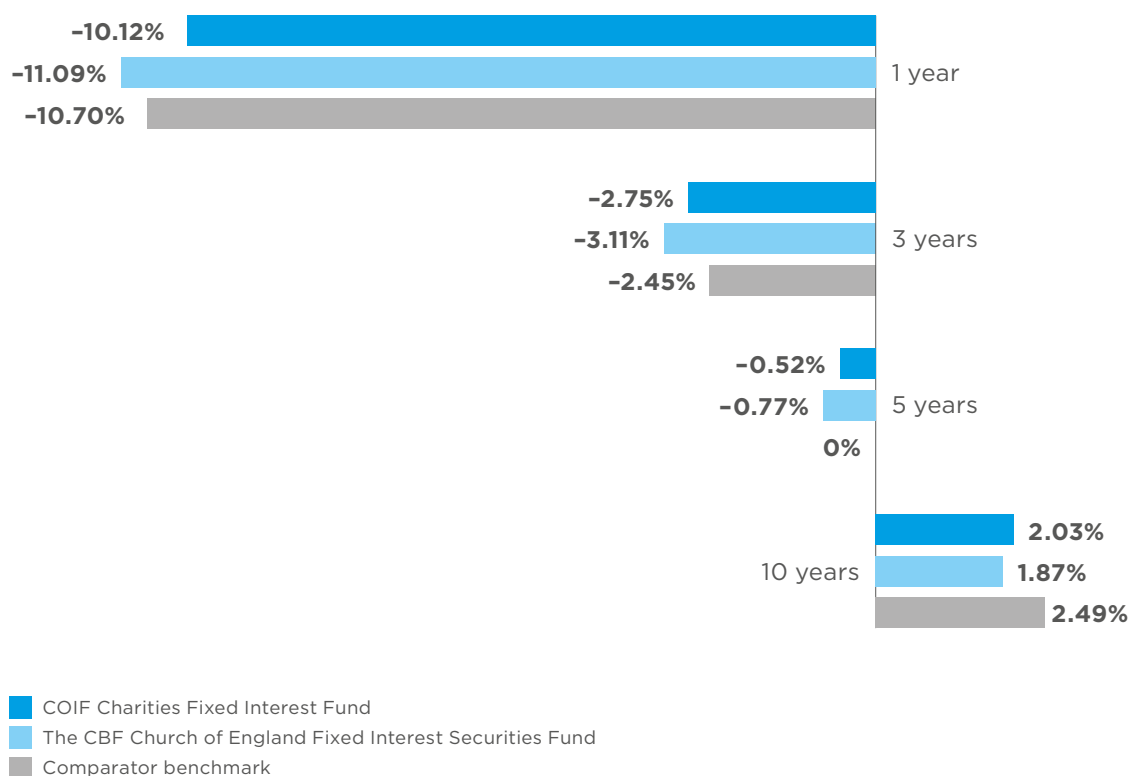
The boards have concluded that value has been delivered through strong performance:

- The funds' returns have been better than the comparator benchmark, over all time periods.
- 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



Performance shown after management fees and other expenses with gross income reinvested. Target Benchmark - composite: From 27.07.22 SONIA plus 1.75% per annum after fees and expenses. To 26.07.22 Markit iBoxx £ Gilts 50% and Markit iBoxx £ Non Gilts 50%. Past performance is not a reliable indicator of future results. The CBF Church of England Fixed Interest Securities Fund and the COIF Charities Fixed Interest Fund had their investment objective and policy changed with effect from July 2022, therefore past performance before that date was achieved under circumstances that no longer apply. Source: CCLA.

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

Both funds' investment objective and investment policy formally changed on 27 July 2022. Before this date, the investment objective of both funds' was: "The fund aims to provide an income yield and a total return in excess of the target benchmark."

Both funds' investment objective is now: "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."

Target benchmark

The funds' performance can be assessed by reference to the target benchmark, SONIA plus 1.75% per annum after fees and expenses. Prior to 27 July 2022, the target benchmark was 50% Markit iBoxx £ Gilts Index and 50% Markit iBoxx £ Non-Gilts Index.

Recommended holding period

At least three years

Summary of our assessment

The 2021 Assessment of Value report revealed that both fixed interest funds had returned less than the comparator benchmark over all time periods and in some periods outside of an acceptable margin. As a result, both funds were flagged as 'red' in the performance criteria and overall.

As noted earlier, in 2022, it was agreed by shareholders at an extraordinary general meeting that the investment objective and investment policy of the funds would change to target a return of 1.75% per annum (net of fees and expenses) in excess of the returns

available from cash, as measured by "SONIA", (SONIA stands for Sterling Overnight Index Average and is administered by the Bank of England. SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors) over a rolling three-year period.

The new strategy permits the funds to access a wider range of instruments in pursuit of the new objective. CCLA identified that it did not have the requisite resources in-house to implement such a strategy and so the management of the funds' asset portfolios was delegated to Hermes Investment Management Limited who were selected on the basis of their appropriate expertise and resources, their overall ESG capabilities and their willingness to work with CCLA to create a bespoke mandate to suit client needs. CCLA continue to manage and operate the funds in all other respects and have oversight of the appointed external investment manager, who began managing the funds in August 2022.

- This year, over the three-year, five-year and ten-year periods, both funds have underperformed the comparator benchmark, and this is reflected by fourth or third quartile positioning against peers in the IA Sector.
- The COIF Charities Fixed Interest Fund is showing encouraging results by slightly outperforming the comparator benchmark over the one-year period. The CBF Church of England Fixed Interest Securities Fund is slightly behind the comparator benchmark over the one-year period.
- The funds' volatility has been low relative to peer group.

The boards believe it is too early to reach a conclusion on the performance of the new strategy. As the improvement action has now taken place on the fixed interest funds, they will continue to be monitored. For now, the funds will remain rated as 'amber' for performance.

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

Recommended holding period

No minimum

Summary of our assessment

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

In an environment where interest rates are increasing, the comparator benchmark return (which closely tracks the official bank rate) will increase more quickly than the average rate on the funds, where it takes time for all the existing assets to mature and be reinvested at higher rates. 2022 was such an environment. The funds aim to provide a rate

of return on investment, consistent with their primary aim of maintaining capital, while ensuring that underlying assets can easily be bought or sold in the market in normal market conditions. Despite slightly underperforming their comparator benchmarks in 2022, the funds have delivered a positive return while also delivering on their objectives of capital preservation and offering liquidity during a year which contained huge uncertainty and market turbulence.

• CBF Church of England Deposit Fund:

Over the reporting period the fund achieved a total annual return after expenses of 1.30%; the return of the comparator benchmark, the Sterling Overnight Index Average (SONIA), was 1.40%. As of 31 December 2022, the fund's declared yield was 3.20%.

• **COIF Charities Deposit Fund:** Over the reporting period the fund achieved a total annual return after expenses of 1.21%; the return of the comparator benchmark, SONIA, was 1.40%. As of 31 December 2022, the fund's declared yield was 3.16%.

• **Public Sector Deposit Fund:** Over the reporting period the fund achieved a total return after expenses of 1.31%; the return of the comparator benchmark, SONIA, was 1.40%. As of 31 December 2022, the fund's declared yield was 3.31%.

The boards concluded that all three funds should continue to be rated as 'green'.

3. Active management

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

Active management

●	Catholic Investment Fund
●	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
NR	COIF Charities Property Fund
NR	The CBF Church of England Property Fund
NR	The Local Authorities' Property Fund
NR	COIF Charities Deposit Fund
●	COIF Charities Fixed Interest Fund
NR	The CBF Church of England Deposit Fund
●	The CBF Church of England Fixed Interest Securities Fund
NR	The Public Sector Deposit Fund

NR Not rated

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 as 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 multi-asset, equity and fixed interest funds are actively managed using the following statistical measures:

- 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.

The money market funds and the property funds are not in scope of the metrics used for determination of active management and are therefore 'not rated'. The boards note that these funds invest in a select portfolio of direct holdings and cannot replicate the market. Both use active management in their selection and ongoing management of assets.

Summary of our assessment

The boards were satisfied that all funds in scope 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. All funds in scope continue to be rated as 'green'.

4. Authorised fund managers' costs

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

AFM costs

●	Catholic Investment Fund
●	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 40 for the costs and charges associated with CCLA's funds.

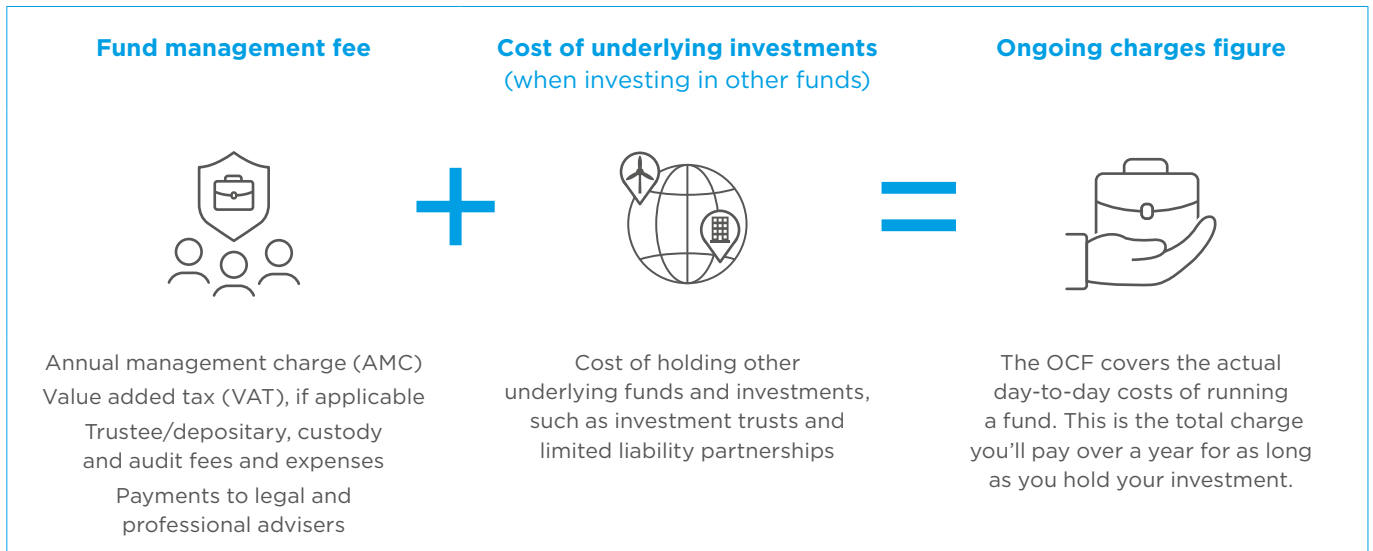
In reviewing costs, we have taken into consideration four factors:

1. The costs of management relative to the fund's charges.
2. A review of the share of returns in excess of the benchmarks for each fund that is earned by investors.
3. The composition of all costs and charges levied on the funds.
4. The overall profitability of CCLA and whether it earns abnormally high profit margins.

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

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



Summary of our assessment

The boards are satisfied that the charges paid by clients are transparent and reasonable across the pooled fund range.

Since the last assessment of value report, OCFs have generally declined over the reporting period, with the exception of the fixed interest funds and the Public Sector Deposit Fund, which have seen a marginal increase in overall costs.

The annual management charge (AMC) of the Public Sector Deposit Fund was increased slightly over the period causing in an increase in the fund's OCF. Previous discretionary reductions used to offset lower market rates were removed.

There have been marginal increases to the OCFs of the fixed interest funds over the period due to a one basis point increase in 'other costs' per fund.

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 covered within the funds' AMC.

The boards are reassured that CCLA continues to seek operational efficiencies to reduce the cost of providing services. Importantly, no funds are retaining a disproportionate percentage of excess returns generated.

CCLA's own profit margin has remained stable over the past five years and is relatively low compared to the industry average. Management charges are not considered excessive relative to the costs of managing the funds.

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

This year, all funds are rated as 'green'.

5. Economies of scale

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

Economies of scale

●	Catholic Investment Fund
●	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 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.

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 has seen a modest decrease to other costs on larger funds over the 2022 assessment of value reporting period.

CCLA's largest funds do generate certain further economies of scale in relation to CCLA's own costs of management. To date, CCLA has decided not to pass these economies onto investors in these funds, for example by way of applying a sliding scale on annual management charges, for two reasons:

Firstly, we primarily service three distinct distribution channels, charities, churches and local authorities and offer a range of funds to the eligible investors in 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 or the costs of operating these funds. Therefore, within each fund range it is acknowledged that the economies of scale of the larger funds allow CCLA to offer the smaller funds to clients at a competitive cost, despite these funds providing no or limited economic benefit to CCLA.

Secondly, 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. 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 would also note that CCLA is majority owned by its clients. The two largest holders of CCLA's shares are the COIF Charities Investment Fund and the CBF Church of England Investment Fund. Any increase in CCLA's profitability indirectly benefits these funds and their investors.

Summary of our assessment

At a firm-wide level, CCLA has not experienced significant economies of scale.

Where CCLA has achieved economies of scale at a fund level, these are not being directly passed on to investors owing to the wider benefits identified above. 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?

Comparable services

●	Catholic Investment Fund
●	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. Like previous years, 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 pooled 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. Where they differ, the variations are considered appropriate:

- The difference in the AMC 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 Church of England Investment Fund in comparison to the COIF Charities Investment Fund is justified by the greater marketing and sales effort required to support a more disparate investor base in the COIF Charities Investment Fund than the CBF Church of England Investment Fund.

- CBF Church of England Global Equity Income Fund incurs a lower AMC than the COIF Charities Global Equity Income Fund. A reduction in the AMC for the CBF Church of England Global Equity Income Fund was implemented at the time that it invested in the new CCLA Better World Global Equity Fund. The reduction was implemented to compensate investors in CBF Church of England Global Equity Income Fund for the loss of certain tax benefits.
- Diversified Income Fund (share class 2) has 'other costs' which are lower than share class 3, which causes the difference in OCF. There is additional reporting required for charities (investing in share class 3) which is not relevant to local authorities (investing in share class 2) that results in increased costs for share class 3.

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.

Summary of our assessment

This year again, 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?

Comparable market rates

●	Catholic Investment Fund
●	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 market rates?

Like last year, we have analysed the total charges of CCLA's funds compared to similar share classes of other UK-based funds in a comparable IA sector. We have reviewed data showing the ongoing charges versus fund size for the relevant comparable IA sector, with a quartile ranking.

Summary of our assessment

The boards have concluded that when comparing the AMC and the OCF paid by clients in the CCLA funds to similar UK-based funds in comparable IA sectors, the CCLA range offers value and all funds are rated as 'green'. CCLA regularly reviews 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?

Classes of units or shares

●	Catholic Investment Fund
●	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 classes of units or shares?

CCLA continues 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.

For its charity, church, and local authority clients, CCLA does not generally have multiple classes. Some of its funds offer these clients access to a lower management fee through a rebate arrangement directly with CCLA.

However, the Diversified Income Fund, which is a tax transparent fund, places an investing client 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.

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 use by CCLA and its other funds and has a 0% AMC to avoid double charging.

Summary of our assessment

The 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 material 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?

ESG metrics

●	Catholic Investment Fund
●	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 ESG metrics?

Last year, CCLA introduced a new 'ESG metrics' as a category of assessment. There is currently no assessment of value requirement for firms to publish any metrics related to ESG or sustainability, but we choose to since responsible investment is integral to our value proposition.

Over 2022, the Sustainability team has led on a number of initiatives:

Cost-of-living crisis

CCLA and the Church Investors Group wrote to the largest publicly listed employers about their response and asking them, among other things, whether they had taken any steps to support their lowest paid employees through the winter or if they had any plans to be implemented over the following weeks? The intention of this engagement was and continues to be to encourage large employers to respond and to evaluate how businesses are addressing the challenges of the cost-of-living crisis.

Modern slavery

Goal 8.7 of the UN Sustainable Development Goals calls for 'immediate and effective measures to eradicate forced labour and end modern slavery and human trafficking'. To support this goal, CCLA developed the 'Find it, Fix it, Prevent it' collaborative engagement initiative. We believe that companies have an obligation to work to find, and then support the provision of remedy to, victims of modern slavery in their supply chain and direct operations.

Mental health

In May 2022, the CCLA Corporate Mental Health Benchmark UK 100 was launched and in October 2022, the CCLA Corporate Mental Health Benchmark Global 100 was launched. On behalf of our founding signatories, we wrote to all of the company CEOs in the 2022 CCLA Mental Health Benchmark UK Report and 2022 CCLA Mental Health Benchmark Global Report to ensure that they optimise their organisation's performance by eliminating avoidable costs associated with mental ill-health and by taking concerted efforts to create the working conditions under which every individual can thrive.

As well as considering the above, CCLA has assessed each fund's sustainability characteristics against their respective indices, including carbon emissions per fund, engagement statistics and MSCI portfolio scores.

Summary of our assessment

CCLA continues to lead and be involved in several industry-wide sustainability initiatives and all funds perform well against the above metrics. All funds are rated green except the property funds.

The property funds are flagged as 'amber' due to their lower GRESB* rating again this year, which will continue to be monitored by the boards. The property team is liaising with BNP Paribas Real Estate Services to identify the actions that can be taken to improve this score. Since last year there has been a very small improvement.

*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%	0.21%	0.86%	0.27%
COIF Charities Ethical Investment Fund	0.60%	0.05%	0.65%	0.24%	0.89%	0.26%
COIF Charities Investment Fund	0.60%	0.08%	0.68%	0.23%	0.91%	0.26%
The CBF Church of England Investment Fund	0.55%	0.05%	0.60%	0.17%	0.77%	0.26%
Diversified Income Fund (class 2)	0.60%	0.06%	0.66%	0.37%	1.03%	0.22%
Diversified Income Fund (class 3)	0.60%	0.10%	0.70%	0.37%	1.07%	0.22%
Equity funds						
COIF Charities Global Equity Income Fund	0.75%	0.05%	0.80%	0.00%	0.80%	0.25%
The CBF Church of England Global Equity Income Fund	0.60%	0.03%	0.63%	0.03%	0.66%	0.24%
The CBF Church of England UK Equity Fund	0.50%	0.14%	0.64%	0.05%	0.69%	0.11%
Property funds						
COIF Charities Property Fund	0.65%	0.04%	0.69%	0.00%	0.69%	0.68%
The CBF Church of England Property Fund	0.65%	0.02%	0.67%	0.00%	0.67%	0.68%
The Local Authorities Property Fund ⁵	0.65%	0.07%	0.72%	0.00%	0.72%	0.35%
Cash and bond funds						
COIF Charities Deposit Fund	0.20%	0.00%	0.20%	0.00%	0.20%	0.00%
COIF Charities Fixed Interest Fund	0.22%	0.09%	0.31%	0.00%	0.31%	0.00%
The CBF Church of England Deposit Fund	0.20%	0.01%	0.21%	0.00%	0.21%	0.00%
The CBF Church of England Fixed Interest Fund	0.22%	0.14%	0.36%	0.00%	0.36%	0.00%
The Public Sector Deposit Fund (share class 4)	0.08%	0.00%	0.08%	0.00%	0.08%	0.00%

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), and other costs and expenses of operating and administering the fund such as trustee/ depositary, audit, custody, legal, regulatory and professional fees, and may include other charges such as Fitch Rating fees if applicable.

2 The underlying investments' costs are the impact to the fund of pro-rata costs incurred in other funds or similar investments (e.g. investment trusts, LLPs) which the CCLA fund invests in.

3 Portfolio transaction costs include direct fund transaction costs (such as commissions/taxes and market impact/ slippage) plus the pro-rata amount of portfolio transaction costs incurred in other funds or similar investments (e.g. investment trusts, LLPs) which the CCLA fund invests in.

4 Estimations are used for new fund launches to give a best estimate of the costs and charges to be incurred on an investment in the fund within the first year of launch. In addition to fixed costs such as the AMC, variable costs such as transaction fees are also incurred. We use past actual comparable data for estimating costs and charges.

With effect from 8 April 2022, the CBF Church of England Global Equity Income Fund began investing at least 90% of its assets by value in units of the CCLA Better World Global Equity Fund. The fund therefore has a restated, estimated OCF which is based on the new AMC of the fund and the estimated costs of the underlying CCLA Better World Global Equity Fund, which launched on 8 April 2022.

5 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 over 40 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 when 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 Head of Investment Worldwide and Chief Executive of Schroder Investment Management Ltd from 2002 to 2005.

Richard was appointed non-executive director and Chair of CCLA in January 2017. He also serves as Chair of BH Macro Limited and of Riverstone Energy Limited.

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.

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 the Chartered Institute of Public Finance and Accountancy (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 Local Government Association, the Department for Education and individual councils.

He also has had a portfolio of non-executive director roles in the charity and private sectors. Currently he is Chair of the Heart of England Community Foundation. In March 2021 Chris was appointed to the board of the Local Authorities' Mutual Investment Trust (LAMIT) and as the LAMIT nominee on the board of CCLA Investment Management Limited.

Board profiles as at 31 December 2022.

*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. After 18 years as a Partner at Oliver Wyman, Julia is now Partner Emeritus at Oliver Wyman, working on selected projects and clients, covering business and strategy topics, and thought pieces in the investment industry. She has been active in the investment field for over 30 years as a portfolio manager and as an investment consultant before becoming a strategy consultant.

Julia started her career at SG Warburg, becoming 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 trustee director of the COIF Charity Funds and is on the Advisory Committee for the Diversity Project (promoting improved diversity in the investment industry). 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 also Chair of Handelsbanken ACD and a non-executive director of Columbia Threadneedle Investment. Chairing the Independent Client Focus Group, she is a member of various audit and risk committees and is the Consumer Duty Champion for all three companies. Ann is on the board of the Rock Trust, a youth homeless charity in Scotland.

Ann has over 30 years' experience in the financial sector, and her previous board positions include BNY Mellon Investments, Lighthouse Group, Funds Rock Partners and the Rugby Players Association. In her executive career, Ann 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 also Head of European Product Development and Strategy for JP Morgan Asset Management.

Ann is a qualified solicitor and was a member of the Ethics Committee for 11 years. She is now a member of Disciplinary Committees of the Chartered Institute of Securities and Investments.

Executive directors

Peter Hugh Smith

Chief Executive

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 the quality of service for clients.

He has more than 25 years' experience in the investment management industry, more 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.

Peter is a trustee of the charity Mary Ward Loreto (UK), a charity that endeavours to combat modern slavery in Albania and the UK through the eradication of poverty, which is the primary cause of human trafficking.

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 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 adviser to Switchback. Previously he was the Chair 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.

Important information

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice.

To ensure you understand the risks and whether a CCLA product is suitable, please read the relevant funds' key information documents, scheme information, scheme particulars or prospectus as appropriate. CCLA strongly recommends you seek independent professional advice prior to investing. Investors should consider the funds' risk factors identified in the scheme information, scheme particulars or prospectus as appropriate. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money.

Any forward-looking statements are based upon CCLA's current opinions, expectations and projections. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

CCLA Investment Management Limited (registered in England and Wales number 2183088) and CCLA Fund Managers Limited (registered in England and Wales number 8735639), whose registered address is One Angel Lane, London EC4R 3AB, are authorised and regulated by the Financial Conduct Authority.

CCLA

BECAUSE GOOD IS BETTER