CCLA
GOOD INVESTMENT

Summary of corporate announcement

About Jupiter

1. **Who owns Jupiter and are they profit driven? As far as I am aware Jupiter is a quoted company and although I do not know who the principle shareholders are they are bound to be profit orientated.**

Jupiter Fund Management plc is a public company, listed in the UK and a constituent part of the FTSE 250 Index. Jupiter was listed in 2010 but founded in 1985. As such, its ownership structure is very broad but typically the largest holders are other institutional investors as well as employee holdings. More than 97% of its shares are held by investment managers, trusts and similar institutions. Jupiter's largest shareholders are Silchester, TA Associates, Fidelity International and Aberforth.

While Jupiter has a different ownership structure from CCLA, Jupiter operates a very client-centric business model and describe themselves as a holding company for underlying investment businesses.

There will clearly be cost-savings that they wish to make – likely headcount in some of the operational and back-office departments of the business, however Jupiter has committed to retaining the CCLA brand, ethos, investment approach and client-servicing methods. This is particularly important for our Church of England and smaller Charity clients, many of which would struggle to find access to appropriate investment solutions elsewhere.

We approach this takeover with optimism that they will support CCLA and bolster our existing resources , and confidence that they will retain what is special about CCLA and its unique position in the servicing of not-for-profit organisations across the country.

2. **Given that Fitch withdrew the Jupiter credit rating in July, do you have any plans to procure a new credit rating and to achieve a higher rating than the BBB- last achieved?**

Jupiter is an investment grade organisation (BBB-) with a 'stable outlook'. It has net cash on its balance sheet of £400m and excess regulatory capital of £260m. They are spending £100m on CCLA leaving £160m of surplus cash over and above that which they are required to hold.

The reason that the Fitch rating has been withdrawn is that they have no outstanding bonds in issue so clearly it makes no commercial sense for them to pay Fitch and others to maintain coverage.

3. **I fully understand why with the increasingly complex financial regulations that keep on being brought in to force, it means that organisations such as CCLA need to be incorporated into larger organisations to ensure compliance. If I have one concern it is that whatever the terms of any takeover is there any risk in the long term of the CCLA ethos being diluted please? So often one finds when takeovers take place the purchaser is seeking to extract value from the purchase (EG Cadbury or the HP fiasco).**

In this process we have been very clear that we wanted to work with a business that complements our ethos and our focus on supporting the third sector. In this way, we do not expect there to be any changes to our investment process, our stewardship focus nor our client-facing teams.

What is a little different in this instance is that we are not joining existing teams. Jupiter does not have investors from charities or the Church of England so we are not looking at bending what we do to fit into their culture. Instead, we will be working alongside our new colleagues and whilst we can share ideas, the charity business that CCLA has built since the 1960s will continue. In addition, the CBF Trustee board and Jupiter have agreed that the CCLA culture of working with churches, charities, local authorities and other not-for-profit organisations will continue to be supported and that the CCLA approach to ethics and stewardship will be maintained.

The transaction

4. What is the impact on the value of the funds (how much did the fund own? What was the book value before the acquisition compared to the £100 million cost? When will the positive impact come through).

The value of CCLA in the funds is comprised of the acquisition price paid by Jupiter of £100m plus the surplus cash held in the business which will be distributed to shareholders. An interim dividend of 21p per share was distributed on the 21 November.

This total valuation of CCLA was updated in the funds' valuations on 14 July 2025. The actual sale of the asset for cash will not hit the funds until completion (post approval from the FCA).

CCLA shares in the COIF Investment Fund account for 0.73% of the fund, equating to a market value of £26 million. (As at 14 July 2025).

CCLA shares in the CBF Investment Fund account for 3.05% of the fund, equating to a market value of £63 million. (As at 14 July 2025).

The above figures are estimates and actual total value received may be different due to the actual surplus cash position at completion.

5. Who benefits from the purchase price paid by Jupiter? Do CCLA's clients benefit?

Yes, CCLA clients benefit as per the above value of the shares in the fund. In addition staff members who hold CCLA shares will also benefit from the sale

6. What will happen to the share capital?

Proceeds will be split proportionate to shareholding.

Following the conclusion of the process, Jupiter will own 100% of the shares in CCLA Investment Management Limited.

7. I am concerned that on an ongoing basis Jupiter will be taking money out of CCLA that would have remain part of it and so taking money from the clients.

No, that will not be the case. Once the sale completes, the shares are part of Jupiter.

8. Are there any negative implications of this change to your clients and specifically how our funds are managed?

We do not foresee any negative implications. Quite to the contrary, we believe this will be a very positive move forward for the business. Your funds will continue to be managed in the same way by the existing CCLA team. The CCLA brand will be maintained, and the investment teams and client-facing function will not be impacted following the acquisition.

From CCLA's perspective, there are some very clear advantages in Jupiter having acquired the shares. We stand to benefit from Jupiter's strength and resources. Its market-leading investment capabilities, including its 100-plus investment professionals, will add support to CCLA's existing investment team and product range. Jupiter's extensive distribution capacity both within the UK and abroad will help to facilitate CCLA's future growth, paving the way for us to expand into new markets, and to extend the reach of CCLA's stewardship approach. This decision has been taken by putting the interests of our clients front and foremost.

9. I have always thought the ownership structure of CCLA was an important and indeed, attractive, differentiator for the business. What made the boards decide that this was no longer a strength in the industry?

Our historic ownership structure has served us well but regulatory and commercial pressures have required us to reconsider if this remained the best structure for CCLA going forward. From CCLA's perspective, there are some very clear advantages in Jupiter having acquired the shares. We stand to benefit from Jupiter's strength and resources. Its market-leading investment capabilities, including its 100-plus investment professionals, will add support to CCLA's existing investment team and product range. Jupiter's extensive distribution capacity both within the UK and abroad will help to facilitate CCLA's future growth, paving the way for us to expand into new markets, and to extend the reach of CCLA's stewardship approach. This decision has been taken by putting the interests of our clients front and foremost.

10. **What happens to the 25-year agreement to keep the CCLA name etc. if Jupiter is taken over. This is a distinct possibility with heavy consolidation in the sector and the fact that Jupiter's top four shareholders account for circa 46% of the company.**

If Jupiter as an entity was acquired then the acquirer would acquire all of the assets, liabilities and legal obligations of the business, including the 25-year agreement.

11. **Do Jupiter see this as an 'acquisition' or a 'partnership.' Matt has talked about 'acquiring' CCLA but Peter talked about CCLA merging with Jupiter. Which is it, a takeover or a merger of equals?**

It would be fair to say it is all of these.

We want to emphasise that this sale was not a rescue or a hostile takeover. It was a proactive decision; with the support of institutions in the City, CCLA sought to find the right buyer of its shares. For instance, one which would be willing to agree to a 25-year commitment and one that was not a competitor.

Jupiter is technically acquiring CCLA's shares which have a monetary value, however, in many respects it is a partnership because Jupiter is buying a successful business which it wants to continue.

Operational questions

12. **Can you clarify what will be the corporate structure of CCLA IM and FM in relation to Jupiter? What will be the role of the church, charity and LA boards going forward? Or will there be a change to those boards as well? Essentially, I want to understand the governance structure moving forward.**

There are currently no plans to change CCLA's corporate structure, CCLA IM and FM will remain as standalone corporate entities with CCLA IM reporting up to Jupiter. Until the COIF and CBF funds convert to CAIFs , their independent trustee boards will also remain in place. The LAPF fund under will remain under the oversight of the LAMIT board which is not intended to change. Following the conversion of the COIF funds to CCLA FM will be the Authorised Fund Manager for all CAIFS as they convert with CCLA IM as the investment manager which as it is now for the majority of our funds. Advisory committees will be set up as part of the transition to the new fund structures and further details on these will be available closer to the time of transition.

13. **Will the CCLA funds be ring-fenced? Are we exposed to Jupiter's wider fund-management risk, or does the fund remain purely a ring-fenced vehicle?**

Yes. HSBC Bank plc provides custody services to pooled portfolios managed by CCLA. As such, they hold and safeguard the assets held by the portfolios. These are ring-fenced from the custodian's own assets and subject to the standard client money rules for our client's protection.

Assets are held in the name of the funds by HSBC and therefore not at risk should CCLA, Jupiter or HSBC experience financial difficulties.

14. **Will Jupiter be the authorised fund management company of the CAIFs you launch?**

No. CCLA Fund Managers Limited will be the authorised fund management company for all of the CAIFs.

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15. **CCLA continue to operate as an individual company or will CCLA be merged into Jupiter, this is around whether we need to novate the contract we have in place.**

CCLA will continue as a legal entity within Jupiter therefore there will be no need to novate your contract.

16. **Please comment on any changes to systems, reporting and custody arrangements, including policies for cash held within client portfolios, that might change under the new arrangements.**

Under the new CAIF structure, there are no foreseeable plans to change systems, reporting or custody. Custody will remain with HSBC and the transfer agency will continue to be FNZ. The cash limit in the portfolios remains at 10% of the portfolio in money market instruments, cash and near-cash investments. This limit is the same as the current scheme particulars.

Through our partnership with Jupiter, we anticipate that a process to integrate core aspects of CCLA's operational and technology infrastructure into Jupiter's operating model and infrastructure is likely in future periods, noting that continuity and consistency of client service for both CCLA and Jupiter's clients throughout the process is essential and will underpin all integration considerations.

17. **Will there be any change to the methodology for deciding on distributions? The free cash flow quasi total return approach is serving us well.**

No, there are no plans to change the methodology for deciding distributions. Forecasts for 2026 are available here.

Implications for team and process

18. **What are the terms of the retention/lock in arrangements for the investment team?**

Steps have been taken to maintain stability throughout the business. However, we cannot disclose specifics.

19. **Has staff turnover increased or decreased since the acquisition?**

There have been no material changes to staff turnover since the announcement and no departures from the investment, client services or relationship management teams.

20. **What will be the effect on the CCLA investment team of Piers Hillier, Jupiter's CIO? Will the team report into him?**

Effective February 2026, Piers Hillier will be joining Jupiter as CIO reporting to Matt Beesley. Piers previously served as CIO at Royal London Asset Management, where he played a significant role in managing and developing their investment capabilities. This change won't impact the CCLA investment teams, who will continue to report to Peter Hugh Smith, CEO of CCLA, once the businesses come together.

Approach to responsible investment, ethics and stewardship

21. **How do you intend to address the ethical variation between CCLA Church of England Funds and Jupiter's approach where ethics are variable within the business model, depending on individual funds direction? this appears that ethics are utilised by Jupiter as a sales technique instead of being part of its DNA - examples are weapons, fossil fuels, exploitative labour practices.**

As we are the guardians and not owners of the assets we manage, we aim to invest in a way that we believe aligns with our clients. This commitment remains following the completion of the transaction.

As part of a larger group, it is fair to say that we will be working with more diffuse aims and beliefs. It is important that we recognise and respect all viewpoints rather than impose upon them. This will mean that different funds will have different approaches.

In practice, this is no different to our current approach; many of our existing CCLA products have different restrictions to reflect the values of their clients. For instance, our Catholic Fund implements different restrictions from our COIF Investment Fund which, in turn, is different from the approach taken by our funds for the Church of England.

One thing that will not change is our commitment to building a better world. Post completion we will continue to use the platform of CCLA's assets under management to push for better working practices, promote better public health and contribute to climate action.

22. Are there any guarantees following the deal re continuing ethical investments?

CCLA will continue its ethical approach and investment strategies will be unchanged. The CCLA brand will be maintained, and the investment teams and client-facing function will not be impacted following the acquisition.

23. How will this takeover affect CCLA's ethical and sustainability stance and how will this also affect CCLA's independence on critical issues.

There is no planned change to our Sustainability approach to ethical investing and stewardship. We will continue our programmes on engagement and vote as currently described in our policies.

24. The key to us will be the retention of the emphasis on Christian values and the disciplined ethical approach in the funds we are invested in and the people we deal with. There is no room for change there. CCLA is now under the ownership of a non-Christian entity who will look to make a return from their investment. There is an alignment of interest shift at the highest level. Have senior CCLA management benefitted from the sale? Does anybody's alignment significantly change?

There will be no change to how CCLA's funds are managed.

We continue to ensure our Church of England fund portfolios are aligned with the Church of England's objectives, values, and beliefs. Our Church of England funds are managed in line with a Faith-Consistent Investment Policy to meet clients' desire to invest in a way that reflects Christian and Anglican teachings.

The Central Board of Finance (CBF) Church of England Funds is one of the National Investing Bodies within the Church of England and works closely with the Church of England's Ethical Investment Advisory Group (EIAG). The funds' policies are set by CCLA and are grounded in the advice created by the EIAG. This will not change and is ensured through a 25-year agreement between Jupiter and CBF Trustees Limited.

All of our teams will continue to focus on delivering investment returns and outstanding client service.