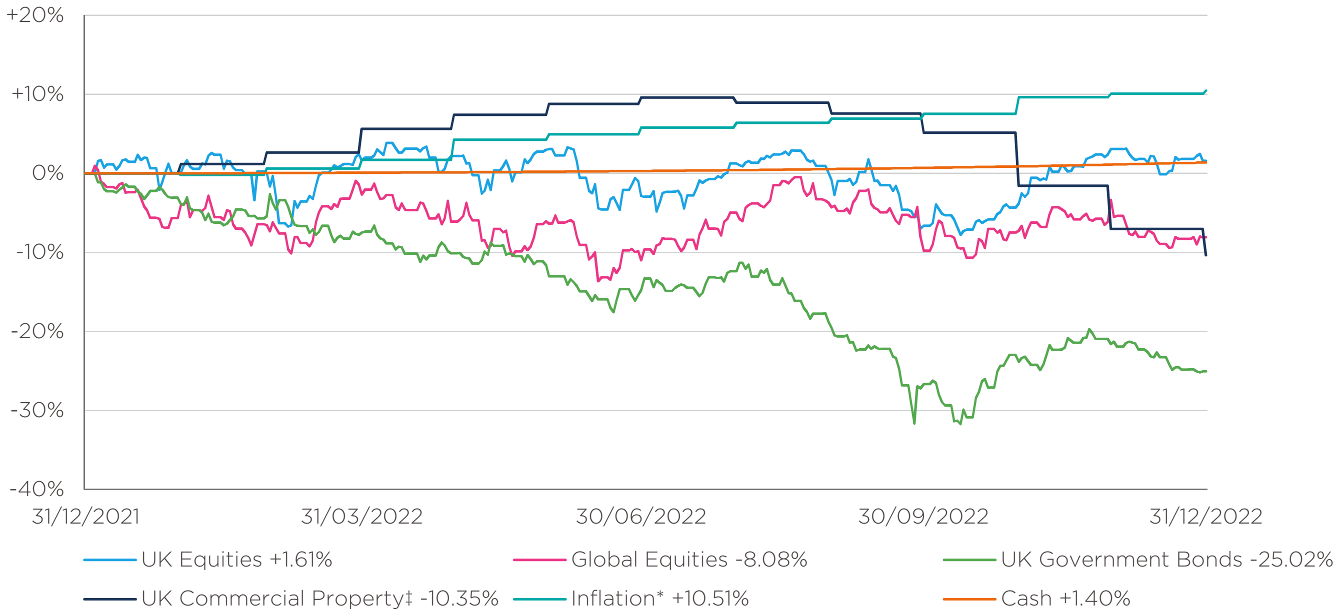
CCLA

QUARTERLY BULLETIN

31 December 2022

Quarterly market review and outlook



General Market Indices

	Current quarter (%)	Last twelve months (%)	Last three years annualised (%)	Last five years annualised (%)
UK Equities (MSCI UK Investable Markets Index)	+8.80	+1.61	+2.08	+2.59
Global Equities (MSCI All Country World Index)	+1.86	-8.08	+7.40	+7.73
Global Equities ex UK (MSCI World ex UK Index)	+1.58	-8.44	+8.65	+8.98
UK Govt. Bonds (Markit iBoxx £ Gilts Index)	+2.20	-25.02	-8.20	-3.57
Sterling Bonds ex UK Govt, (Markit iBoxx £ Non-Gilts Index)	+5.73	-17.73	-4.92	-1.55
UK Commercial Property (AREF/MSCI™ All Prop Monthly) ‡	-14.75	-10.35	+2.08	+3.14
Inflation (CPI) *	+2.75	+10.51	+5.44	+3.93
Cash (SONIA) §	+0.68	+1.40	+0.49	+0.50

Source: Bloomberg (Data shown is daily except for Inflation and UK Commercial Property where data shown is monthly)

§ SONIA (Sterling Overnight Index Average) is estimated for the most recent month. From 1/1/21: SONIA. Prior to 1/1/21: 7-Day London Interbank Sterling Bid Rate (7-Day LIBID).
* CPI (Consumer Price Index) is estimated for the most recent month.
‡ MSCI UK Monthly Property is estimated for the most recent month.

Overall, the final quarter of 2022 brought modest positive returns for equity investors, although the period ended on a disappointing note with gains made in October and November being largely reversed in December. The global index gave a total return of +1.9% to a sterling-based investor over the quarter. Echoing the pattern seen in the previous quarter, investors were initially cheered by news of relatively resilient corporate earnings; but later in the period, data releases and central bank announcements increased anxiety about the intensity and duration of the current monetary policy tightening cycle. The renewed downturn in sentiment rounded off the worst year for markets since 2008, with global equities losing around one-fifth of their value; although for sterling-based investors these losses were substantially reduced, to 8.1%, by the weakening of the pound relative to the dollar and most other currencies.

Once again UK stocks fared better than most global peers, with returns of +8.8% for the quarter and +1.6% for the year as a whole. This was largely due to the prevalence of commodities-related businesses, such as oil and gas producers and mining companies, in the UK-listed index. Other than cash, commodities was the only major asset class to deliver positive returns over the year.

UK government bonds ('gilts') recovered some poise after the trauma of September's fiscal statement, with yields falling back for several weeks and hence, because bond valuations move in the opposite direction to yields, providing positive total returns for investors. However yields began to climb again in the month of December, paring back returns for the quarter to +1.7%. Over the year as a whole, bond investors have suffered their worst year on record, with negative returns of -25%.

A higher yield environment also impacts valuations in other asset classes such as property and infrastructure. This effect accelerated in the final quarter of 2022, resulting in negative total returns from UK commercial property despite relatively strong occupier markets and rental flows.

Outlook

Economic contraction is widely expected and is likely to be especially painful in the UK, where recession could be protracted. In the US, which dominates the global economy, recession also appears likely but it will take longer to arrive and will probably be relatively short and shallow.

Equities are much more reasonably priced than at the outset of 2022, and in many markets (the US being the main exception) they are already looking decidedly cheap. There is scope for further decline in the coming months but before the end of 2023 there is a good chance that markets will begin to move upwards in anticipation of economic recovery.

Inflation will fall substantially from current levels over the course of the year, but is likely to remain above central bank targets for some time yet. The higher bond yields associated with this environment mean that fixed interest markets are also beginning to present some attractive opportunities which have been absent for many years.

Ethical and responsible investment report

Our work has four strands:

1. Engagement focused on social and environmental issues that are a priority for our clients.
2. Voting and engagement on governance issues to protect shareholder value and address excessive remuneration.
3. Setting constraints on investment and exposure to activities considered unacceptable by our clients.
4. Responsibilities under the UK Stewardship Code and the UN Principles for Responsible Investment (PRI).

Quarterly highlights

In Q3, we reported that we had written to the 100 largest UK-listed employers, asking for details of what they are doing to support their workers through the cost-of-living crisis. To date, we have received 60 responses, of which 53 are substantive. In parallel, we have launched a cost-of-living investor statement, which now has the support of 17 investors with c. £3.2 trillion in assets under management.

In Q4, we added our signature to a letter sent by SHARE Canada to Amazon, calling for the company to demonstrate a higher level of commitment to freedom of association and collective bargaining, by conducting an independent third-party assessment of Amazon's commitment, policies, and practices. Six weeks later, having received no response, we escalated the engagement by co-filing a shareholder resolution at the company for its 2023 annual general meeting.

In 2022, we joined Ceres' new Banks Working Group. The Group will actively engage North American and Global banks on aligning their lending, financing, and investment activity with 2050 and interim net-zero commitments. In Q4, we co-filed a shareholder resolution at both Bank of America and JP Morgan, asking the companies to issue a report disclosing a transition plan that describes how they intend to align their financing activities with 2030 sectoral greenhouse gas emissions reduction targets.

As discussed elsewhere in this report, in Q4 we spearheaded a call by investors to help protect migrant seasonal workers in the UK. CCLA convened 10 investors with c. £800 billion in assets under management to sign a statement calling on retailers and firms in, and directly sourcing from, the UK agricultural supply chain to take steps to protect migrant workers from the risk of modern slavery.

Quarter four voting in detail

CCLA aims to vote at all UK and overseas company meetings where we have holdings. The COIF Charities Investment Fund did not support 12% of resolutions at investee companies this quarter (14% for the Ethical Fund, 15% for the Global Equity Income Fund).

While we are broadly supportive of shareholder proposals as a lever for change in corporate behaviour, there are an increasing number of groups filing resolutions with misleading headlines, which mask their underlying intent. One example this quarter was Microsoft's 'Report on Cost/Benefit Analysis of Diversity and Inclusion'.

On face value, this resolution seeks to promote broad principles of diversity, equality and inclusion at the company. However the supporting statement makes it clear that the resolution is motivated by an animosity to diversity and inclusion commitments on behalf of the proponents, so we joined the board in voting against the resolution. We supported the five other shareholder proposals at Microsoft.

Progress by companies on workplace mental health

In Q4, we wrote to each of the companies in scope of the Global 100 Corporate Mental Health Benchmark. This followed a similar exercise in Q3 to the companies in the UK 100 benchmark. The most recent batch of letters were supported by 41 signatories, convened by CCLA, with a collective $7.5 trillion in assets under management. We have now received responses from 46 companies in the UK benchmark, and 21 companies in the global benchmark, and have learned of some notable improvements in company practice and disclosure.

HSBC published a new mental health policy, requiring the input of human resources, legal and communications teams across each of its major regional hubs. The policy is now published and applies to every one of the company's c. 220,000 employees across 64 markets.

Novo Nordisk increased disclosure on its website, covering management responsibility for health and safety (including mental health); health and safety certifications in production facilities; and physical and mental wellbeing performance data.

Amazon wrote to us, setting out plans to launch a set of brand-new mental health benefits for employees, their families and households. Employees in the U.S. will have access to additional mental health resources and benefits, scheduled to launch fully by early 2023, scaling globally in the months to come. This has all been disclosed publicly on the company's website.

These are significant developments for the engagement, and we hope to build on them further in 2023.

Ethical constraints

We confirm that the COIF Charity Funds have been managed to their respective ethical exclusion policies this quarter.

COIF Charities Ethical Investment Fund

Performance comment

Global equity markets made good progress overall during the quarter, recovering some of the losses made earlier in 2022. As was the case throughout the year, however, markets were volatile and some sectors fared better than others with energy and other cyclical stocks outperforming consumer discretionary, communication services and IT. Meanwhile for UK-based investors, returns were diluted by the weakening of the US dollar after an extended period where currency movement had had the opposite effect. Over the latest quarter the global index returned nearly +10% in dollars but less than +2% in sterling terms.

Bond markets also provided positive returns for the quarter despite giving up in December much of the gains seen earlier in the period. As was the case for equities, sentiment was largely driven by macroeconomic data and markets' interpretation of central banks' policy responses in the drive to control inflation. Meanwhile the higher yield environment continued to hurt valuations in commercial property and other alternative asset classes.

Over the quarter the Fund returned 0.23% compared with the comparator return of 1.01%. Over the last 12 months, the Fund returned -9.71% compared with the comparator return of -10.12%.

Both asset allocation, notably an underweight position in fixed interest assets, and security selection especially in the equities portfolio have been significant contributors to relative returns.

Fund update

The investment objective of the Fund is real long-term growth in capital values and a reliable income distribution within a clear risk control framework. There is a bias towards real assets, predominantly global equities but also property and infrastructure. Individual stocks are selected on businesses' fundamental characteristics including environmental, social and governance risks. We favour companies with the potential to grow more predictably than the general economy, resulting in relatively high weightings to sectors such as healthcare and IT. The portfolio remains cautiously positioned, being underweight in equities relative to the comparator and holding more cash than usual. During the quarter we shifted the profile of the Fund's limited bond exposure, moving from short-dated to longer-dated UK government bonds, reflecting our expectation of a recession-induced fall in yields which will benefit the longer end of the market.

Income

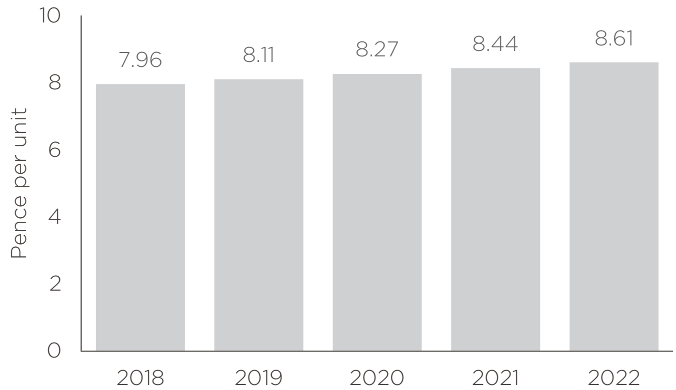
Gross dividend yield 3.14%*

MSCI $ UK IMI dividend yield 3.69%

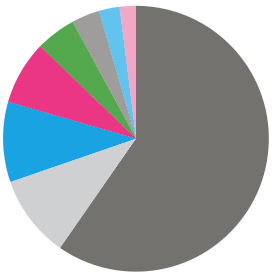
MSCI $ World ex UK dividend yield 2.14%

* Based upon the net asset value and an estimated annual dividend of 8.61p.

Past distributions



Asset allocation as at 31 December 2022



- Overseas Equities 59.66%
- Cash & Near Cash 10.07%
- UK Equities 9.75%
- Infrastructure & Operating Assets 7.75%
- Fixed Interest 4.86%
- Property 3.43%
- Contractual & Other Income 2.52%
- Private Equity & Other 1.97%

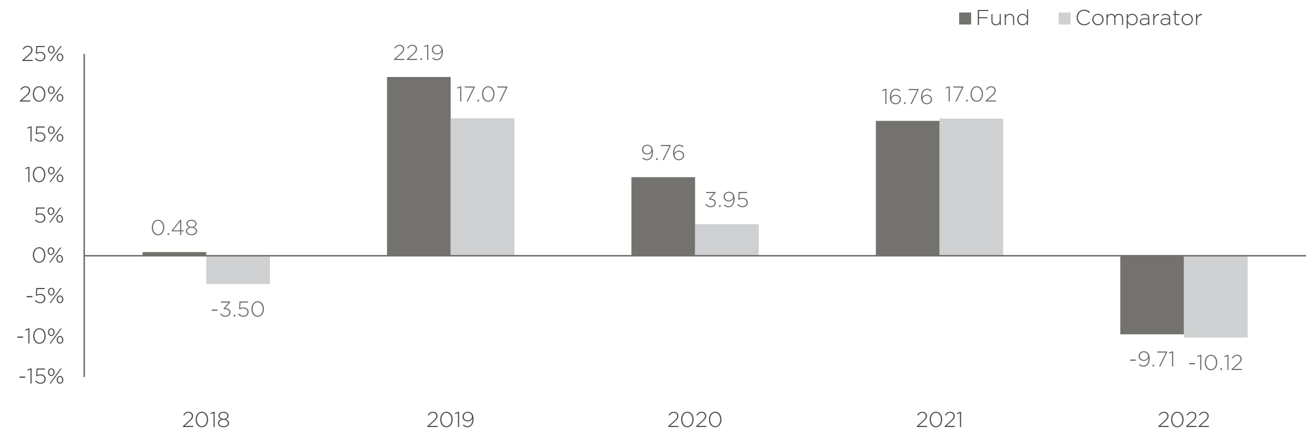
Overseas Equities	**%**
North America	42.39
Developed Europe	12.47
Asia Pacific ex Japan	3.05
Other	0.99
Japan	0.76
	59.66

Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Ethical	+0.23%	-9.71%	+4.98%	+7.27%
Comparator	+1.01%	-10.12%	+3.02%	+4.31%

Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Ethical	+0.48%	+22.19%	+9.76%	+16.76%	-9.71%
Comparator	-3.50%	+17.07%	+3.95%	+17.02%	-10.12%



Comparator - composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01/01/18, MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. From 01/01/16, MSCI UK All IMI 45%, MSCI Europe ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, IPD™ All Properties 5%, iBoxx £ Gilt 15% 15% & 7 Day LIBID 5%. Prior to 01/01/16, MSCI UK All Cap 45%, MSCI Europe ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5%. Source: CCLA

Top 10 holdings as at 31 December 2022

COIF Charities Property Fund (Sub-Holding)	3.0%
UK Treasury 4.25% 07/06/2032	2.7%
Microsoft Com NPV	2.0%
UnitedHealth Gp Com USD0.01	1.5%
Unilever Ord GBP0.031	1.4%
United Kingdom Gilt 0.875% 31/07/2033	1.3%
Novo Nordisk B DKK0.2	1.3%
IntercontinentalExchange Group Inc Com USD0.01	1.3%
Danaher Com USD0.01	1.2%
Greencoat UK Wind Plc Fund	1.2%

* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

COIF Charities Investment Fund

Performance comment

Global equity markets made good progress overall during the quarter, recovering some of the losses made earlier in 2022. As was the case throughout the year, however, markets were volatile and some sectors fared better than others with energy and other cyclical stocks outperforming consumer discretionary, communication services and IT. Meanwhile for UK-based investors, returns were diluted by the weakening of the US dollar after an extended period where currency movement had had the opposite effect. Over the latest quarter the global index returned nearly +10% in dollars but less than +2% in sterling terms.

Bond markets also provided positive returns for the quarter despite giving up in December much of the gains seen earlier in the period. As was the case for equities, sentiment was largely driven by macroeconomic data and markets' interpretation of central banks' policy responses in the drive to control inflation. Meanwhile the higher yield environment continued to hurt valuations in commercial property and other alternative asset classes.

Over the quarter the Fund returned 0.25% compared with the comparator return of 1.01%. Over the last 12 months, the Fund returned -9.00% compared with the comparator return of -10.12%.

Both asset allocation, notably an underweight position in fixed interest assets, and security selection especially in the equities portfolio have been significant contributors to relative returns.

Fund update

The investment objective of the Fund is real long-term growth in capital values and a reliable income distribution within a clear risk control framework. There is a bias towards real assets, predominantly global equities but also property and infrastructure. Individual stocks are selected on businesses' fundamental characteristics including environmental, social and governance risks. We favour companies with the potential to grow more predictably than the general economy, resulting in relatively high weightings to sectors such as healthcare and IT. The portfolio remains cautiously positioned, being underweight in equities relative to the comparator and holding more cash than usual. During the quarter we shifted the profile of the Fund's limited bond exposure, moving from short-dated to longer-dated UK government bonds, reflecting our expectation of a recession-induced fall in yields which will benefit the longer end of the market.

Income

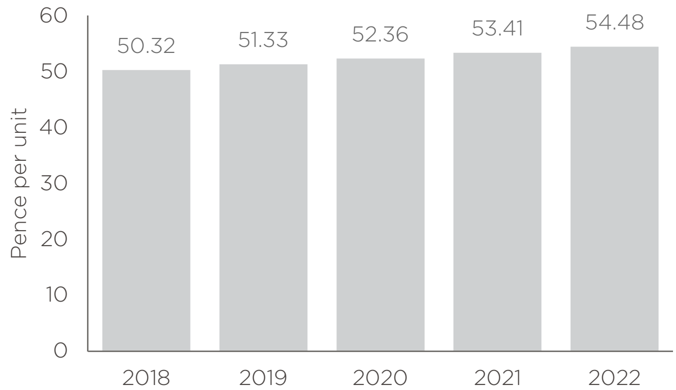
Gross dividend yield 3.00%*

MSCI $ UK IMI dividend yield 3.69%

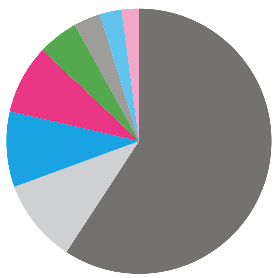
MSCI $ World ex UK dividend yield 2.14%

* Based upon the net asset value and an estimated annual dividend of 54.58p.

Past distributions



Asset allocation as at 31 December 2022



- Overseas Equities 59.2%
- Cash & Near Cash 10.21%
- UK Equities 9.21%
- Infrastructure & Operating Assets 8.42%
- Fixed Interest 4.94%
- Property 3.25%
- Private Equity & Other 2.66%
- Contractual & Other Income 2.11%

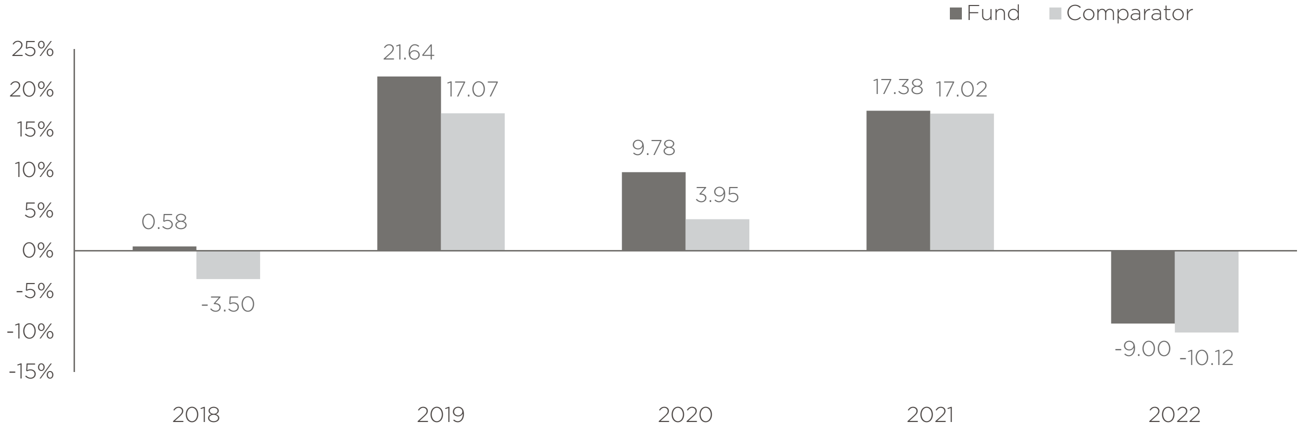
Overseas Equities	**%**
North America	40.18
Developed Europe	14.29
Asia Pacific ex Japan	3.11
Other	0.89
Japan	0.72
	59.20

Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Investment	+0.25%	-9.00%	+5.45%	+7.48%
Comparator	+1.01%	-10.12%	+3.02%	+4.31%

Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Investment	+0.58%	+21.64%	+9.78%	+17.38%	-9.00%
Comparator	-3.50%	+17.07%	+3.95%	+17.02%	-10.12%



Comparator - composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01/01/18, MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. From 01/01/16, MSCI UK All IMI 45%, MSCI Europe ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, IPD™ All Properties 5%, iBoxx £ Gilt 15% 15% & 7 Day LIBID 5%. Prior to 01/01/16, MSCI UK All Cap 45%, MSCI Europe ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5%. Source: CCLA

Top 10 holdings as at 31 December 2022

COIF Charities Property Fund (Sub-Holding)	3.0%
UK Treasury 4.25% 07/06/2032	2.7%
Microsoft Com NPV	1.7%
UnitedHealth Gp Com USD0.01	1.3%
United Kingdom Gilt 0.875% 31/07/2033	1.3%
Novo Nordisk B DKK0.2	1.2%
IntercontinentalExchange Group Inc Com USD0.01	1.2%
AIA GROUP	1.2%
Pernod-Ricard EUR 1.55	1.2%
HDFC Bank ADR(V3 Ord)	1.1%

* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

COIF Charities Property Fund

Performance comment

Capital values fell over the quarter, accelerating the decline that began in the previous period when inflation and the associated rise in bond yields finally caught up with the commercial property market. Rising interest rates are damaging to asset valuations – both because of reduced demand from debt-funded investors, and because the attractiveness of rental income from property diminishes relative to rising yields on bonds. However, transaction volumes recovered some way from an exceptionally quiet summer, especially in the alternatives sector which includes hotels and leisure venues, but with the prime sector of the office market also seeing significant activity and yields steadying. Occupier and rental markets remained solid overall, supporting the income receipts which make up a crucial component of total returns.

Over the quarter the Fund returned -14.39% compared with the benchmark return of -14.04%. Over the last 12 months, the Fund returned -7.95% compared with the benchmark return of -8.71%.

Fund update

The portfolio is actively managed in support of the objectives of providing a high income and capital appreciation over the long term. There is a bias towards industrial assets and away from retail, where holdings are concentrated in the retail warehouse subsector with little exposure to high street retail. There were no sales or purchases of properties during the quarter but it was a busy and positive period in terms of lease activity, with income enhanced and the vacancy rate lowered as a result of four new leases, plus a number of lease renewals and rent reviews.

In terms of outlook, valuations may well fall further (and so, yields rise) in the coming months, with an improvement in sentiment likely to come only when markets are satisfied that interest rates have peaked. With capital values under pressure, rental income will make an even important contribution to total returns. The outlook is weak for the UK economy and hence for rental income and growth overall, but some parts of the market are experiencing under-supply reflected in strong tenant demand.

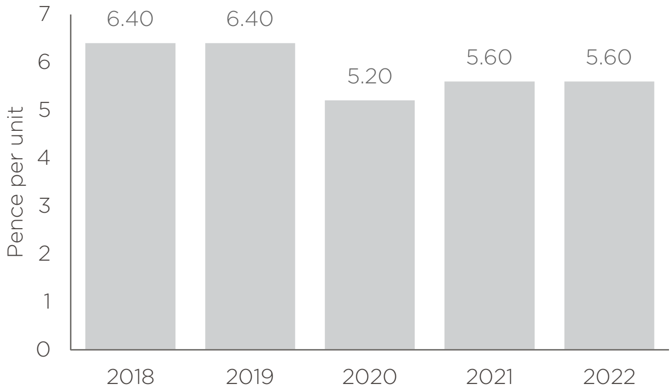
Income

Gross dividend yield 5.03%*

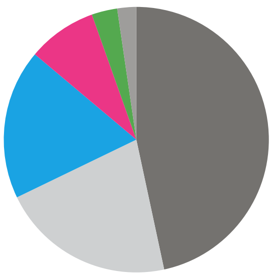
MSCI/AREF Other Balanced Property Fund Index Yield † 2.94%

* Based upon the net asset value and an estimated annual dividend of 5.60p.

Past distributions



Asset allocation as at 31 December 2022

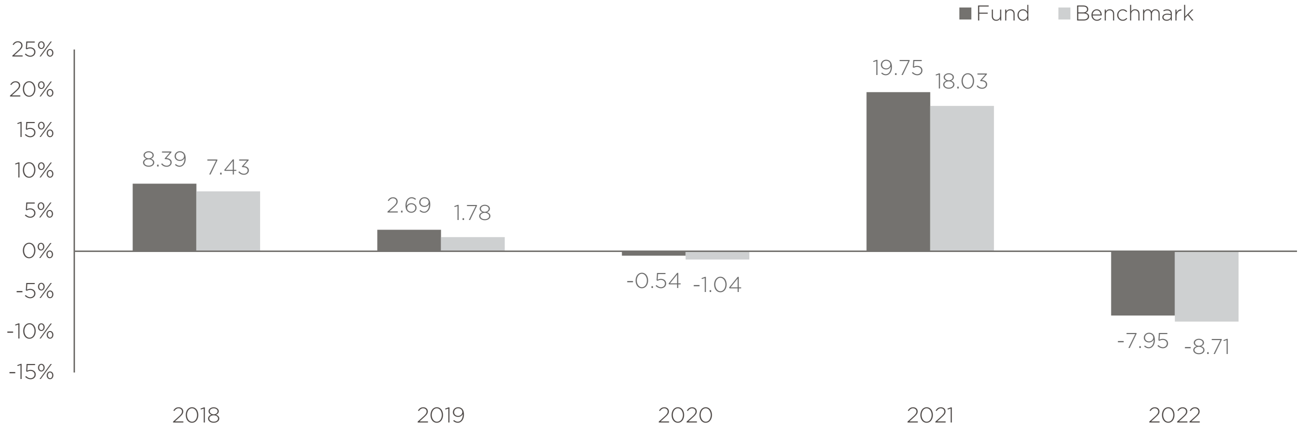


Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Property	-14.39%	-7.95%	+3.11%	+4.06%
Benchmark	-14.04%	-8.71%	+2.16%	+3.12%

Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Property	+8.39%	+2.69%	-0.54%	+19.75%	-7.95%
Benchmark	+7.43%	+1.78%	-1.04%	+18.03%	-8.71%

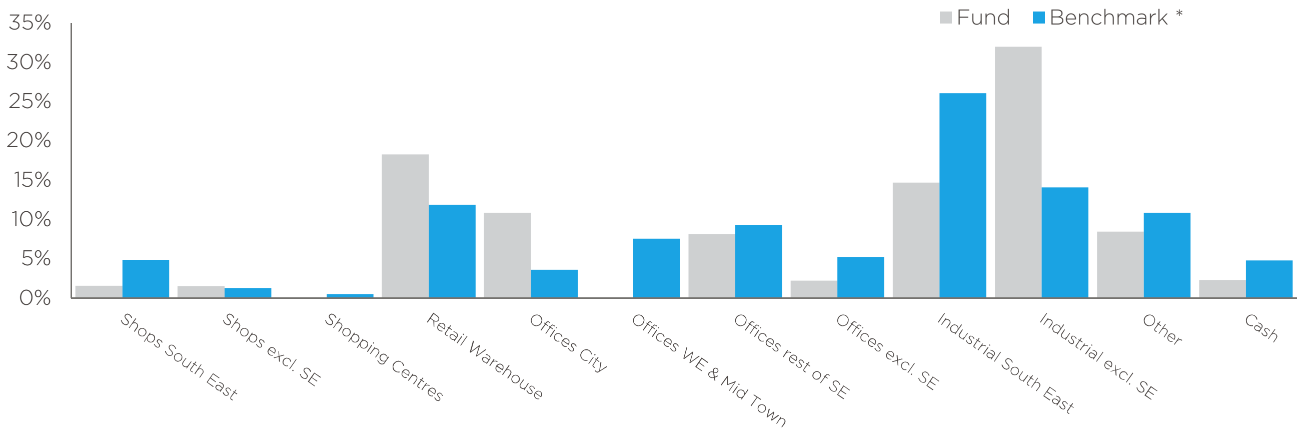


Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Property performance is shown after management fees and other expenses (net). Source: CCLA

Top 10 underlying property holdings - total 46.07%

London, 80 Cannon Street	Bath, Rossiter Road, Waterside Travelodge
Mendlesham, Mendlesham Industrial Estate	1400-1600 Aztec West Business Park
Brighton, Pavilion Retail Park	Lutterworth 3220 Wellington Parkway, Magna Park
Zorro 238, Coalfield Way, Ashby-de-la-Zouch	Bracknell, 5 Arlington Sq
Lutterworth 3320 Magna Park	100 Pavilion Drive, Northampton

Asset allocation by region and category



Performance of the Property Fund and its benchmark are shown after management fees and other expenses with income reinvested. Past performance is not a reliable indicator of future results.

COIF Charities Global Equity Income Fund

Performance comment

Global equity markets recovered some ground in the final quarter, although losses for the year as a whole remained heavy. The fortunes of different industry sectors have varied significantly. Once again energy stocks led the market in the latest period, closely followed by other cyclical sectors such as materials, industrials and financials. After a run which was volatile even by its own standards, energy ended the year as the only major sector to have delivered positive returns for 2022 despite losing much of its advantage with the decline of the oil price from its peak in May. At the other end of the market, sectors in which growth stocks feature more heavily, such as consumer discretionary, information technology and communications services, all suffered from investor pessimism over the outlook for economies and the fight against inflation.

Over the quarter the Fund returned 1.35% compared with the comparator return of 1.86%. Over the last 12 months, the Fund returned -11.81% compared with the comparator return of -7.83%.

The portfolio has a bias to high quality growth companies and we avoid the most cyclical businesses especially those which have little independent pricing power, limited control over input costs or excessive balance sheet debt. Stock selection in line with this philosophy is the major driver of the portfolio's performance relative to the market as a whole.

Fund update

The portfolio has no predetermined allocations to any sector or geographic area; instead stocks are selected in a 'bottom -up' approach by which holdings are selected on their individual merits. We look for robust companies with strong free cash flows with which to support future growth and reward shareholders. This has resulted in a relatively high weighting in some of the consumer sectors, in health and technology. There is only a limited exposure to mainstream banks and no holdings in traditional oil and gas companies. There have been no significant structural changes to the portfolio; most recent activity has been driven by valuations and in particular trimming exposure to companies that have reached our valuation targets and reinvesting in those where we see greater return potential.

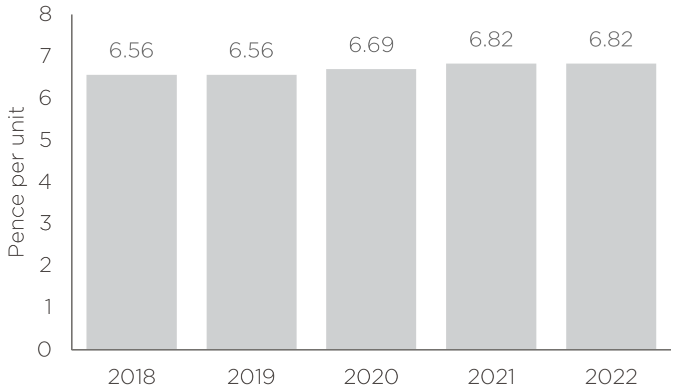
Income

Gross dividend yield 2.78%*

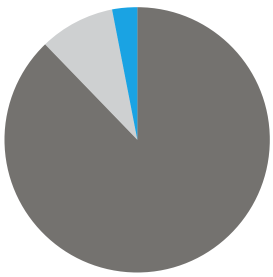
MSCI $ World dividend yield 2.21%

* Based upon the net asset value and an estimated annual dividend of 6.82p.

Past distributions



Asset allocation as at 31 December 2022



- Overseas Equities 87.8%
- UK Equities 9.15%
- Cash & Near Cash 3.05%

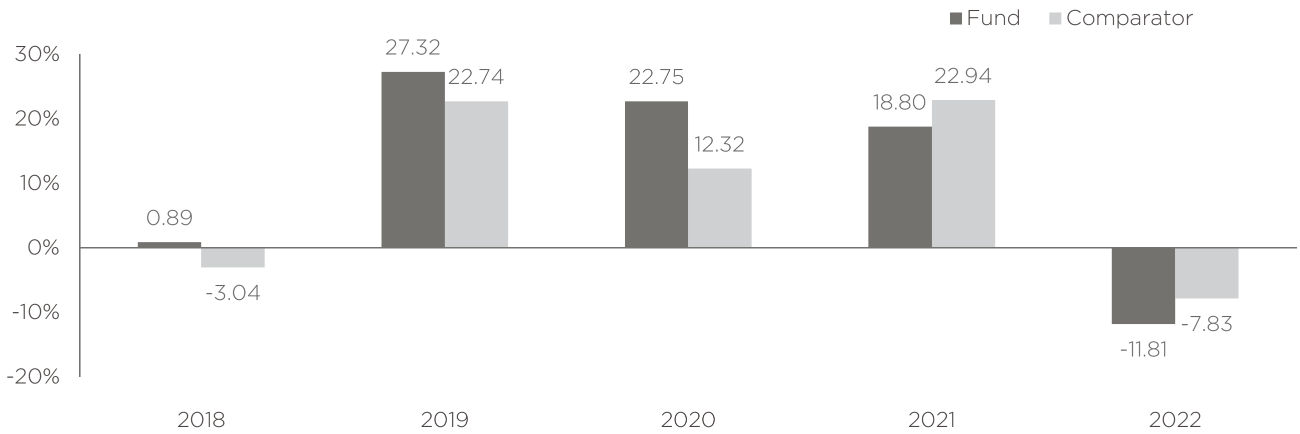
Overseas Equities	**%**
North America	62.04
Developed Europe	18.89
Asia Pacific ex Japan	4.54
Other	1.49
Japan	0.84
	87.80

Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Global Equity Income	+1.35%	-11.81%	+8.75%	+10.56%
Comparator	+1.86%	-7.83%	+8.37%	+8.66%

Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Global Equity Income	+0.89%	+27.32%	+22.75%	+18.80%	-11.81%
Comparator	-3.04%	+22.74%	+12.32%	+22.94%	-7.83%



Comparator – from 01.01.16 MSCI £ World. To 31.12.15 MSCI World 50% Currency Hedged. Source: CCLA

Top 10 holdings as at 31 December 2022

Microsoft Com NPV	3.6%	HDFC Bank ADR(V3 Ord)	1.7%
UnitedHealth Gp Com USD0.01	2.1%	Thermo Fisher Scientific Inc COM USD 1	1.7%
Novo Nordisk B DKK0.2	1.8%	AIA GROUP	1.7%
Adobe Inc Com USD0.0001	1.8%	Danaher Com USD0.01	1.7%
IntercontinentalExchange Group Inc Com USD0.01	1.8%	Agilent Technologies Com USD0.01	1.6%

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COIF Charities Deposit Fund

Performance comment

The yield on the Fund has increased in recent months as more attractive rates have become available from the carefully screened institutions with which it places cash. The Bank of England's policy rate rose by a further 1.25% over the quarter, from 2.25% to 3.5% and it is widely expected that rates will continue to rise until well into 2023 as the Bank seeks to address the challenge of inflation, which is increasingly being driven by core elements such as wages and rent, which are typically more persistent than the more volatile components of inflation such as food and energy costs.

Although significantly higher than a year ago and likely to rise further, the income yield available from cash remains well below the rate of inflation. It is unlikely that real interest rates will be positive for any length of time during this cycle.

Fund update

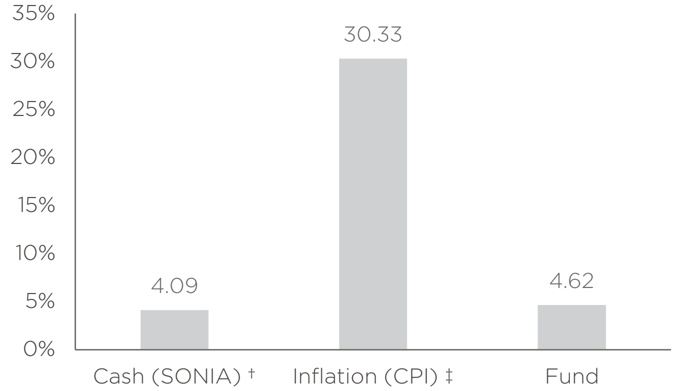
The prime focus of the investment strategy is to provide capital security with excellent liquidity and a competitive rate of interest. The portfolio is invested only in cash and near cash assets with a managed list of approved, high-quality counterparties.

Income

Average yield over the quarter 2.5345%

Yield at the quarter end 3.1583%

Cumulative total return over last 10 years



Yield as at 31 December 2022

3.1583%

Source: CCLA - Performance is shown gross of management fees and other expenses; net returns will be lower after the deduction of fees and other expenses. The daily rate on the Fund will fluctuate and past performance is not a reliable indicator of the future results. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

† Source: CCLA

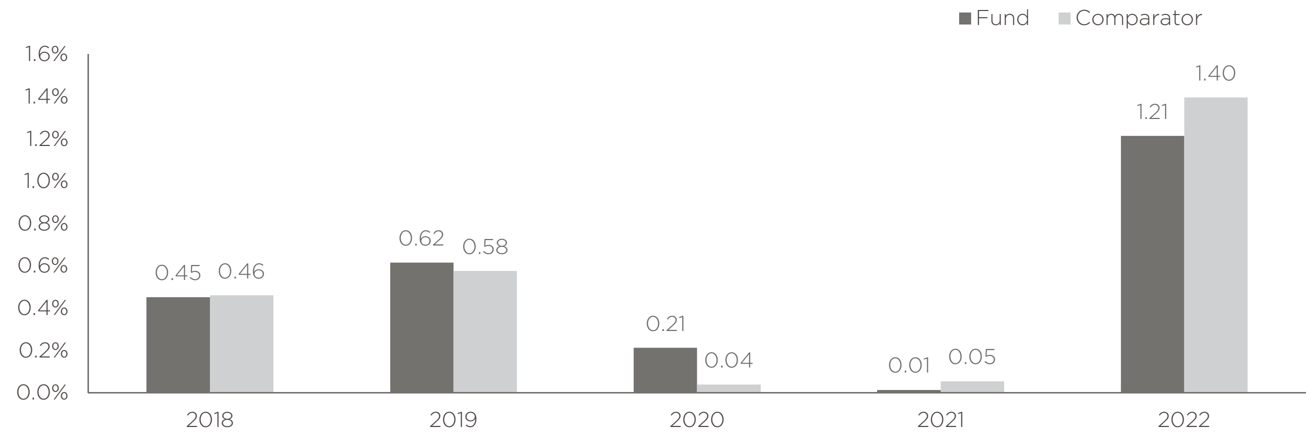
‡ CPI is estimated for the last month of the quarter.

Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Deposit	+0.63%	+1.21%	+0.48%	+0.50%
Benchmark	+0.68%	+1.40%	+0.49%	+0.50%

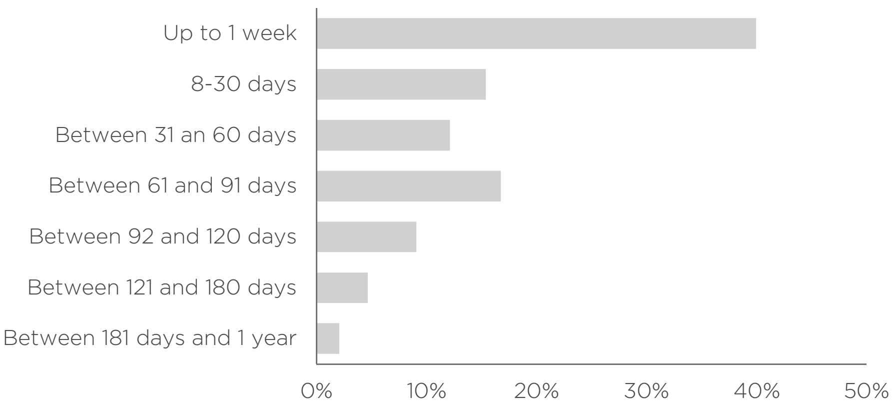
Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Deposit	+0.45%	+0.62%	+0.21%	+0.01%	+1.21%
Benchmark	+0.46%	+0.58%	+0.04%	+0.05%	+1.40%



Benchmark – From 1/1/21: Sterling Overnight Index Average (SONIA). Intial BM: 7-Day London Interbank Sterling Bid Rate (7-Day LIBID). Source: CCLA

The Fund's maturity profile



* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

COIF Charities Fixed Interest Fund

Performance comment

Bond markets finally provided a period of positive returns after historically weak performance over the previous three quarters; although the improvement was not nearly enough to overcome earlier losses. The UK government bond market ('gilts'), for example, declined by 25% over 2022 as a whole, while non-government bonds were down 18%. However, market sentiment settled down after the trauma of late September's 'mini-budget', allowing bond yields to fall back from recent highs and hence raising capital values.

While being positioned to limit its sensitivity to general interest rate movements, the Fund is able to take advantage of selected credit instruments and other opportunities at a time when non-government bonds as a whole significantly outperformed both cash and the gilts market.

Over the quarter the Fund returned 3.59% compared with the benchmark return of 1.12%. Over the last 12 months, the Fund returned -10.12% compared with the benchmark return of -10.71%.

Fund update

The Fund is actively managed and uses a wide range of fixed interest securities and derivatives. The characteristics of the Fund include a target return of cash plus 1.75% p.a. (net of fees and expenses) over a rolling 3-year period; short average instrument life and duration, reflecting limited appetite for interest rate risk; and a focus on generating returns from credit risk.

Income

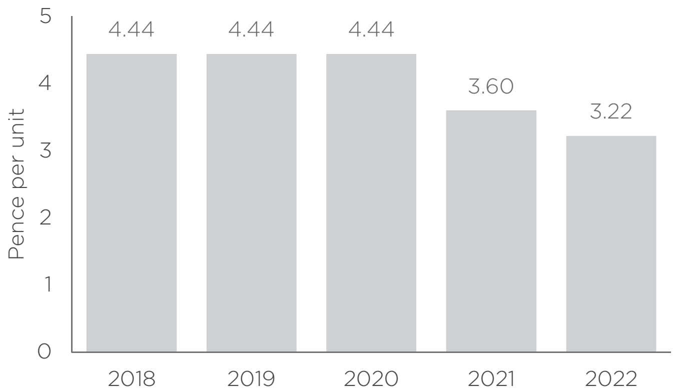
Gross dividend yield 2.77%*

Gross redemption yield 5.41%

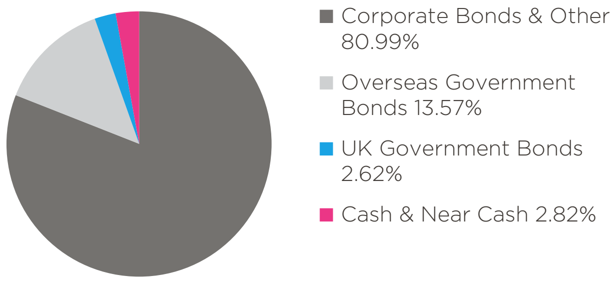
* Based upon the net asset value and an estimated annual dividend of 3.22p.

The gross redemption yield indicates what the total return would be if the Fund's current investments were held to maturity, in other words, the aggregate of gross interest received and the capital gain or loss at redemption, annualised.

Past distributions



Asset allocation as at 31 December 2022

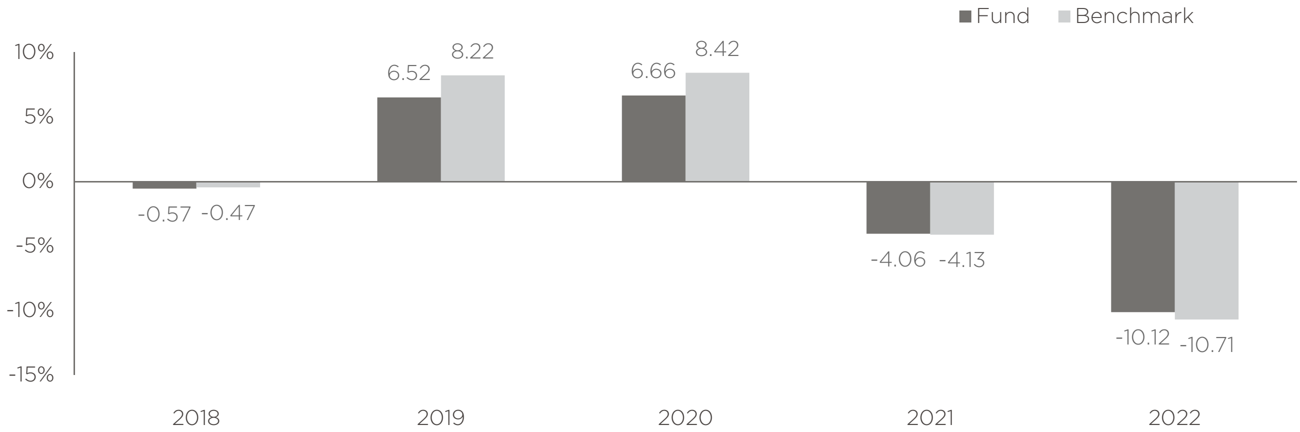


Total return performance

Performance* to 31 December 2022	3 months	1 year	3 years p.a.	5 years p.a.
Fixed Interest	+3.59%	-10.12%	-2.75%	-0.52%
Benchmark	+1.12%	-10.71%	-2.46%	+0.00%

Discrete year total return performance

12 months to 31 December	2018	2019	2020	2021	2022
Fixed Interest	-0.57%	+6.52%	+6.66%	-4.06%	-10.12%
Benchmark	-0.47%	+8.22%	+8.42%	-4.13%	-10.71%



Benchmark - From 27.07.22 SONIA + 1.75%. From 01.01.16 iBoxx £ Gilt 50% & iBoxx £ Non Gilt 50%. To 31.12.15 BarCap £ Gilt 50% & £ Agg 100mm Non Gilt 50%. To 31.12.12 BarCap £ Gilt 80% & £ Agg 100mm Non Gilt 20%. Source: CCLA

Portfolio asset allocation

By credit rating

Rating Category	*% Fund*
AAA	21.2
AA	4.9
A	19.2
BBB	50.9
Non Investment Grade	9.9
Not rated (Debentures/Prefs)	-6.1

By term to maturity

Period	*% Fund*
0 - 5 years	54.6
5 - 10 years	30.2
10 - 15 years	2.8
Over 15 years	12.3
Duration (yrs)	3.0
Average term to maturity (yrs)	10.8

* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

IMPORTANT INFORMATION

This document is 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 whether a CCLA product is suitable, please read the key information document (KID) and the scheme particulars.

CCLA strongly recommends you seek independent professional advice prior to investing. Investors should consider the risk factors identified in the scheme particulars.

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. The fund can be exposed to different currencies and movements in currency exchange rates may adversely affect the value of your investment. Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity, and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries. The Annual Management Charge is paid from capital (except for the Fixed Income Securities Fund and the Deposit Fund). Where charges are taken from capital rather than income, capital growth will be constrained and capital may be eroded.

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.

Investment in a COIF Charities fund is only available to charities within the meaning of section 1(1) of the Charities Act 2011. The COIF Charities funds are approved by the Charity Commission as Common Investment Funds under section 24 of the Charities Act 1993 (as has been replaced by the Charities Act 2011) and is an Unregulated Collective Investment Scheme and an unauthorised Alternative Investment Fund.

COIF Charities Deposit Fund: Under the EU Money Market Fund Regulation 2017/1131, the COIF Charities Deposit Fund is categorised as a short-term LVNAV Money Market Fund.

In addition to the general risk factors outlined in the scheme particulars, depositing charities should also note that making deposits in the COIF Charities Deposit Fund is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment.

Although it is intended to maintain a constant net asset value, there can be no assurance that it will be maintained. Notwithstanding the policy of investing in short-term instruments, the value of the deposits may also be affected by fluctuations in interest rates.

The COIF Charities Deposit Fund does not rely on external support for guaranteeing the liquidity of the fund or stabilising the net asset value. The risk of loss of principal is borne by the depositing charity.

COIF Charities Property Fund: The properties within the COIF Charities Property Fund (the fund) are valued by an external property valuer; any such valuations due to their nature are a matter of opinion rather than fact. The performance of the fund may be adversely affected by a downturn in the property market which could impact on the value of the fund.

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