CCLA
GOOD INVESTMENT

Key Information Document
COIF Charities Short Duration Bond Fund

Purpose

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

Product

Name of product	**COIF Charities Short Duration Bond Fund**
Accumulation units (ISIN)	GB0001878734
Income units (ISIN)	GB0001877876
Name of manufacturer	CCLA Fund Managers Limited (the manager)
Website	**www.ccla.co.uk**
Client services	**0800 022 3505**

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

This document is dated 19 February 2025.

What is this product?

Type

The COIF Charities Short Duration Bond Fund (the fund) is a common investment fund, governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. The fund is managed as an unregulated collective investment scheme and as a UK alternative investment fund in line with the Alternative Investment Fund Managers Directive (AIFMD), as defined in the scheme particulars.

Objectives

- The fund aims to generate a total return (income plus capital growth) of cash (represented by the Sterling Overnight Index Average) plus 1.75% per year (after fees and expenses are deducted), when measured over a rolling three-year period.
- There is no guarantee that the investment objective of the fund will be achieved and you could lose the money you have invested.

Investment policy

- The fund will invest in a range of fixed-interest and variable-rate debt securities (also known as bonds) and other debt-related instruments issued in a range of currencies by companies (known as corporate bonds) and governments, including leveraged loans (a type of loan given to companies that already have a considerable amount of debt or poor credit history), inflation-linked securities, money-market instruments, and asset-backed or other securitised products (financial instruments backed by assets that generate an income, for example, mortgages or student loans).
- The fund will be managed to ensure its duration is less than 3.5 years, with the aim of reducing the effect of changes in interest rates on the fund's value. The fund's duration measures the sensitivity of the value of the fund to a change in interest rates (the lower the duration the less impact a change in interest rates will have on the fund's value).
- The fund can invest in instruments issued by issuers located in developed markets (for example, the UK, the USA and Germany) and emerging markets (for example, Brazil, Chile and Hungary).
- Exposure to these assets may be through direct holdings or indirectly through investment in other funds (including those managed and operated by the manager, the sub-investment manager or their associates). These funds may include exchange-traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds.
- The fund may invest in instruments that are either investment grade or non-investment grade, as rated by a recognised credit rating agency that the investment manager or sub-investment manager has determined meets appropriate regulatory standards. If an instrument does not have a rating from one of these agencies, the investment manager or sub-investment manager can calculate a 'deemed' rating. The value of an instrument may be affected by its credit rating. In general, non-investment grade bonds have a higher risk of defaulting (not honouring the interest payments and/or repayment of capital).
- The fund is actively managed. The investment manager and sub-investment manager use their expertise to select investments for the fund and can invest without the need to follow a particular benchmark.
- The fund uses derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management (for example, to reduce currency risk).
- This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal. However, the fund follows a set of client-driven, values-based investment restrictions that have been set by CCLA to reflect the values and mission of the fund's unitholders. These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy available on our website, www.ccla.co.uk/about-us/policies-and-reports.
- Please read the fund's approach to sustainability document. Full details of the investment restrictions are set out in the fund's scheme particulars. Both are available on our website, www.ccla.co.uk/funds/coif-charities-short-duration-bond-fund.
- The return achieved by the fund depends on the performance of the assets that the fund invests in after deducting the costs, expenses and fees of running the fund.

Benchmark

The fund's performance can be assessed by referring to the target benchmark, the Sterling Overnight Index Average plus 1.75% per year. Before 27 July 2022, the target benchmark was 50% Markit iBoxx £ Gilts Index and 50% Markit iBoxx £ Non-Gilts Index.

Intended retail investor

The fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, and who are looking to invest in an actively managed fund that reflects the fund's investment objective and investment policy. Investors should be looking to invest for at least three years, understand that their money may be at risk, be able to bear losses, and accept that the value of their investment and any income may fall as well as rise.

Term

The fund has no fixed maturity date and cannot be ended by the manager alone. The fund may be wound up if the trustee believes that this is in the interests of investors.

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

Risk indicator

1	2	**3**	4	5	6	7

Lower risk — Higher risk

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

- The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. The risk of the fund may be significantly higher than the one shown in the summary risk indicator if the fund is not held for the recommended holding period.
- We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of the manager to pay you. This classification is not guaranteed. It may change over time and may not be a reliable indication of the future risk profile of the fund. It's important to remember that even the lowest risk category does not mean risk free.
- A more detailed description of risk factors that apply to this product is set out in the latest scheme particulars, which is available on the manager's website or you can ask for a copy from client services.
- This product does not include any protection from future market performance, so you could lose some or all of your investment.
- If we are not able to pay you what is owed, you could lose your entire investment.
- However, you may benefit from a consumer protection scheme (see the section 'What happens if the manager is unable to pay out?'). The indicator shown above does not consider this protection.

Investment performance information

- The value of the fund's investments can be affected on two levels.

1. By macroeconomic factors, such as changes in global economic performance, interest rates and inflation expectations. Other factors that may affect the pricing of an asset include the supply of similar assets and the performance of the equity market. Non-financial events, such as wars and epidemics that are expected to affect the economy, will also affect pricing.
2. By specific factors that affect the individual companies or sectors the fund invests in, changes to credit ratings and the remaining life of an individual bond.

- The fund uses the Sterling Overnight Index Average plus 1.75% per year as a target benchmark. As the fund is actively managed, its performance and stability will be different to the target benchmark.

What could affect my return positively?

- The price of a bond goes up and down depending on the value of the income provided by its coupon (interest) payments relative to broader market interest rates both in the UK and worldwide. If the interest rate drops below the bond's coupon rate, the price of the bond will tend to increase. For example, if a bond has a 3% coupon rate and the interest rate falls to 2%, that bond becomes more attractive and this pushes its price up.
- When the value of stock markets are falling, investors may prefer to invest in the relative safety of bonds. As a result, the demand for bonds may increase and bond prices rise.
- Bonds are assigned credit ratings by ratings agencies. The ratings tell investors how safe the agencies think a bond is. If a bond's credit rating is upgraded, the bond becomes more attractive to investors and its price will probably rise.

What could affect my return negatively?

- When the economy is growing quickly, a central bank may become concerned about inflation or other related issues. In this case, the central bank can try to slow demand by raising interest rates. As a result, interest rates may rise above the bond's coupon and the bond will become less attractive to investors. In this situation, the bond's price will drop.
- If the stock market is favourable, investors typically move out of bonds and into equities. This is likely to reduce demand for bonds and so their price will fall. Other factors such as wars, epidemics and policy error, may also lead investors to lose confidence in a bond issuer and their ability to pay coupons and repay the bond at maturity. This will lead to a fall in the price of the bond. Ultimately, if a bond's issuer becomes insolvent, they are unlikely to be able to repay investors and the bond will become worthless.
- If a bond's credit rating is downgraded, the bond becomes less attractive to investors and its price will probably fall.
- The remaining life of a bond before its maturity date can affect its price. This is because investors are paid the amount the bond was issued for when it reaches maturity. As the maturity date gets closer, the bond's price will move towards its maturity value. If the bond was bought for more than its maturity value, then when the bond matures a loss will be made.
- If you cash in your investment in severely unfavourable market conditions, the value of your investment is likely to have reduced significantly and you may lose some or all of your investment.

What happens if the manager is unable to pay out?

The fund's assets are held for the benefit of investors by HSBC Bank plc (the trustee). They are held separately from the manager's assets. If the manager becomes insolvent (cannot afford to pay amounts it owes when they are due), the fund's assets will not be affected. However, the fund could suffer a loss if the trustee, or its delegates, become insolvent.

If the manager cannot meet its obligations (for example, because it has stopped trading), investors in the fund may be eligible to claim up to £85,000 in compensation from the Financial Services Compensation Scheme (FSCS). For more information about the Financial Services Compensation Scheme please go to **www.fscs.org.uk** or phone **0800 678 1100**.

What are the costs?

Presentation of costs

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

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

Costs over time

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

Investment of £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years (RHP)	If you cash in after 5 years
Total costs	£36	£108	£180
Impact on return (RIY) per year	0.36%	0.36%	0.36%

Composition of costs

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

This table shows the impact on return per year

One-off costs		
Entry costs	0.00%	The impact of the costs you pay when entering your investment. These are already included in the price.
Exit costs	0.00%	The impact of the costs you pay when exiting your investment. These are already included in the price.
Ongoing costs		
Portfolio transaction costs	0.06% (see note below)	The impact of the costs of us buying and selling underlying investments for the product.
Other ongoing costs	0.30% (see note below)	The impact of the costs that we take each year for managing your investments including custody costs.
Incidental costs		
Performance fees	Does not apply	The impact of performance fees on your investment.
Carried interests	Does not apply	The impact of carried interests on your investment.

A dilution adjustment may be made on a purchase or sale of units in the fund. This will change the price for buying or selling units, with the aim of mitigating the effects of dealing and other charges the fund incurs.

Note: This figure is calculated from annualised past data. The actual costs may be different.

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

Recommended holding period is at least three years.

The fund is intended for medium-term investors who intend to leave their money invested for three years or longer. This reflects the investment objective of the fund and the strategies the investment/sub-investment manager is likely to use. However, there is no minimum holding period and you can ask to cash in your units on any dealing day without having to pay a penalty.

The fund deals on each business day. If you want to cash in your units, the transfer agent, FNZ TA Services Limited, must receive your request no later than 11:59am on the dealing day.

How can I complain?

If you have a complaint about how the fund is managed, please write to The Head of client services, CCLA, One Angel Lane, London EC4R 3AB, or email **clientservices@ccla.co.uk.** Or you can write to The Compliance Officer, HSBC Bank plc, Trustee of the COIF Charities Funds, 8 Canada Square, London E14 5HQ.

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

If you have a complaint about advice you received on investing in the fund, you should contact the person who gave you the advice.

Other relevant information

Please refer to the glossary on our website for explanations of terms used in this communication. If you would like the information in an alternative format or have any queries, please call us on 0800 022 3505 or email us at clientservices@ccla.co.uk.

Income and accumulation units are available for investment. Income units pay any income every three months. Accumulation units do not provide an income. Instead, the distributions build up (accumulate) in the fund and are reflected in the unit price.

Income is paid at the end of February, May, August, and November (usually on the last business day).

The minimum initial investment in the fund is £1,000. There is no minimum amount for further investments.

We have not considered whether this investment product is suitable or appropriate for you and your attitude to risk. To make sure you understand whether our product is suitable, please read the scheme particulars for the fund, which is available on the manager's website or you can ask for a copy from client services.

Investment in the fund is only available to charities in England and Wales within the meaning of Section 1(1) of the Charities Act 2011 or 'appropriate bodies' within the meaning of Section 97(3) of the Charities Act 2011. To find out if you are eligible, please contact client services by calling **0800 022 3505** or emailing **clientservices@ccla.co.uk**.

This Key Information Document is updated at least every 12 months.