

COIF Charities Short Duration Bond Fund

The purpose of this report is to provide disclosures of key sustainability-related performance indicators and metrics. The content of this report is aligned with the requirements of the environmental, social and governance (ESG) sourcebook published by the Financial Conduct Authority (FCA) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We recognise the growing demand from investors for more information in these areas and will continue to evolve and enhance our reporting in line with data and industry developments.

Date range

Due to current data collection processes the report covers two distinct reporting periods. Climate related data required under TCFD is reported as a 12-month period to the end of March 2025 (this was previously reported separately and was originally issued in June 2025). Sustainability related data covers the 12-month period to the end of June 2025. Going forward it is our intention to report against a 12-month period to the end of December, starting with the calendar year ending December 2025.

Fund size

2024	£209.8 million
2023	£197.3 million

Investment policy

The fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by CCLA, our sub-investment manager(s) or associates). Such funds may include exchange

traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the fund may be either liquid or illiquid in nature.

The fund will be managed to ensure that the fund's 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.

Sustainability approach

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.

The fund is managed in line with our sustainability approach for short duration bond funds which includes the management and integration of ESG risks, corporate governance and controversies and can be found [here](#). The fund is also managed in line with [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 in accordance with our [values-based screening policy](#) (which also sets out how we consider the eligibility of third-party managed funds) and are implemented based on data points selected by CCLA.

Sustainability metrics

If the values-based restrictions that apply to this fund were applied to the MSCI World Index, 8% of the index by weight (128 companies) would be excluded from investment.¹ During the reporting period one investment was in breach of these restrictions. This followed its acquisition by a company that was considered a restricted investment. The bond was sold within the six-month divestment window we allow for such scenarios.

Climate-related data in this report covers the period to 31 December 2024.

¹ Analysis is based on MSCI index weighting at 30 June 2025. All restrictions are based on either those specified in the respective scheme particulars/prospectus or CCLA's investment policy.

To understand the governance, strategy and risk management that CCLA has in place to manage the risks and opportunities related to climate change, please refer to [A climate for Good Investment](#), which also includes our approach to climate related scenario analysis, exclusions and engagement. The climate metrics are only provided if reliable climate data and appropriate methodologies are available. Data gaps are explained in [A climate for Good Investment](#).

Climate metrics

Assets covered²

2024	89.0%
2023	88.0%

Carbon footprint

2024	19.3 tCO₂e/\$m invested
2023	10.4 tCO ₂ e/\$m invested

Sums up the Scope 1 and 2 greenhouse gas emissions³ in the portfolio based on the investor's ownership share of each of the companies' market capitalisation (in USD) and it is expressed as tonnes of carbon dioxide equivalents (tCO₂e) per \$1 million invested. The larger the number, the greater the contribution to the effects of climate change.

Total carbon emissions

2024	34,580.5 tCO₂e
2023	19,983.0 tCO ₂ e

Measures the total carbon emissions for which an investor is responsible by their asset ownership. Emissions are apportioned based on asset ownership (% market capitalisation). This measure sums up all the emissions (Scopes 1, 2 and 3) in the portfolio based on the investor's an investor's portfolio size of \$1 billion.

Carbon intensity

2024	310.1 tCO₂e/\$m sales
2023	304.8 tCO ₂ e/\$m sales

Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their asset ownership. Emissions and sales are apportioned based on asset ownership (% market capitalisation).

Weighted average carbon intensity (WACI)

2024	228.0 tCO₂e/\$m sales
2023	254.8 tCO ₂ e/\$m sales

Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' carbon intensity (emissions/sales), expressed in tCO₂e/\$1m sales. The larger the number, the more carbon intensive the investments.

Financed emissions (FE)

2024	132.9 tCO₂e/\$m invested
2023	90.5 tCO ₂ e/\$m invested

Represents the financed greenhouse gas emissions (Scopes 1 and 2) associated with the fund. The larger the number, the more it is contributing to the effects of climate change.

Scenario analysis

When considering climate related risks, we use both backward- and forward-looking data. Backward-looking data summarises the greenhouse gas emissions of an asset or fund.

Forward-looking data aims to gauge the significance of climate risks on the individual investments within the fund. This is determined using climate scenario models which are complex multidimensional computational tools. They are based on a number of variables: data from climate forecasting models, current observations, assumptions about future socioeconomic behaviour and the regulatory landscape.

Due to the numerous assumptions and long-term projections climate models make, there are inherent uncertainties embedded within the results. Therefore, results should be considered with caution as they are estimates of projections, not forecasts. The results should be interpreted on a relative basis as actual future conditions may differ substantially from these projections.

For our short duration bond funds, where CCLA has appointed Federated Hermes as the subinvestment manager, we rely on their data reporting. Due to different data sources and modelling approaches, the data in this report is not directly comparable with the data in our other fund reports.

Net present value (NPV) at risk

This measure quantifies the size of revenue loss on a portfolio of assets over a given time horizon, at a given probability. The resulting NPV at risk is an aggregate figure comprising physical impacts on companies' revenues, changes to policy on companies' revenues and costs, and market impacts which are defined as changes in profit from companies' ability to pass through costs to consumer and take market share from more emissions intensive competitors.

2 The figure represents the asset data for which we have been able to obtain the appropriate climate data. Therefore, if the figure stated is below 100%, they may not represent the fund's total carbon footprint/climate-related impact for these metrics and are not comparable with other funds. Lower data coverage results in reduced reliability for these metrics.

3 Scopes 1, 2 and 3 are a categorisation of greenhouse gas (GHG) emissions. Scope 1: GHG emissions that a company makes directly, for example while running its boilers and vehicles. Scope 2: emissions assets make indirectly that is being produced on its behalf, for example purchased electricity or energy for heating and cooling buildings. Scope 3: all the emissions associated, not with the company itself, but for which the organisation is indirectly responsible, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them. Usually the largest emission category.

The following table reflects the impact the costs of transition will have on reducing the profitability of the companies in which the fund invests.

Metric	2024 (%)	2023 (%)
Net zero 2050 (orderly)		
Physical impacts	-0.1	-0.1
Changes in revenues	-0.1	0.0
Changes in costs	-2.8	-2.3
Market Impact	1.5	1.6
Aggregate NPV at risk	-0.8	-0.8
Delayed transition (disorderly)		
Physical impacts	-0.1	-0.1
Changes in revenues	-0.0	0.0
Changes in costs	-2.6	-1.1
Market Impact	1.5	0.9
Aggregate NPV at risk	-0.3	-0.3
Hot house world		
Physical impacts	-0.2	-0.2
Changes in revenues	0.0	0.0
Changes in costs	0.0	0.0
Market Impact	0.1	0.1
Aggregate NPV at risk	0.0	0.0

Temperature alignment

2025	3.2°C
2024	3.0°C

Assesses the alignment of a portfolio’s carbon emissions trajectory with different temperature scenarios. This metric can help investors determine whether their portfolio is aligned with the goals of the Paris Agreement to limit global warming to well below 2°C above pre-industrial levels.

Further links

- [Scheme particulars](#) (for pre-contractual disclosures)
- [A climate for Good Investment](#) (for information on the impact of climate change on CCLA and the actions we are taking)
- [Sustainability approach for short duration bond funds](#) (for information on our approach to sustainability in fixed interest)

Glossary

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**

Important information

Data sources
Sustainability: CCLA and MSCI, as at 30 June 2025.
Climate change: Planetrics and Federated Hermes, as at 31 December 2024.

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. We strongly recommend you seek independent professional advice prior to investing.

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 on CCLA’s current opinions, expectations and projections. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

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