

# Diversified Income Fund Unit Class 2 - For local authorities and public sector organisations

## Fact Sheet – 30 June 2022

### Investment objective

To provide a return from income with capital appreciation over time from an actively managed, diversified portfolio structured to control relative risk.

### Investment policy

The Fund will use a broad range of assets to achieve the investment objective including equities in the UK and overseas, fixed interest securities, permitted money-market instruments, cash and near-cash investments, and infrastructure related investments, which may be either liquid or illiquid in nature. The control of relative risk will be an important influence on structure and strategy.

### Target investors

The Fund is designed for medium to long-term investors seeking income and capital growth and for whom control of relative risk is an important factor.

### Who can invest?

Any local authority, public sector, charity or other tax exempt investor in England, Wales, Scotland and Northern Ireland. Investors should note that there is a minimum initial investment and balance in the Fund of £1million. Unit class 2 of the Fund is reserved for local authority, public sector and other tax exempt investors.

### Responsible investment policy

Information about the ethical and responsible policies to be followed by the Diversified Income Fund is available from the Investment Manager's website [www.ccla.co.uk](http://www.ccla.co.uk).

### Income

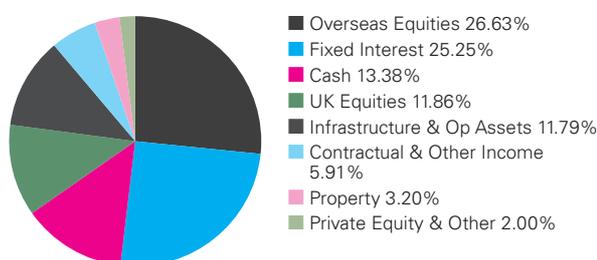
The Fund distributes income on a quarterly basis. As at 30 June 2022, the dividend yield on price was 2.78%. This is based on the last 12 months' dividend of 4.03p.

### Fund update

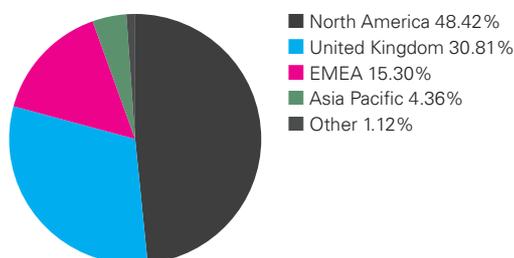
The investment objective of the Fund is to provide income and the potential for capital growth from an actively managed diversified portfolio. The Fund invests in a broad range of assets including fixed income securities and global equities and also less traditional exposures such as student accommodation and music royalties.

Economic growth is set to be lacklustre in 2022 and there is a significant risk of recession, although if this does occur, we expect it will be relatively shallow and short-lived. Monetary policies will continue to tighten, but with inflation likely to remain well above target rates for some time, interest rates in most areas will still be negative in real terms. We will maintain the portfolio's emphasis on real assets such as good quality equities and alternatives, with a cautious allocation to the fixed income sectors.

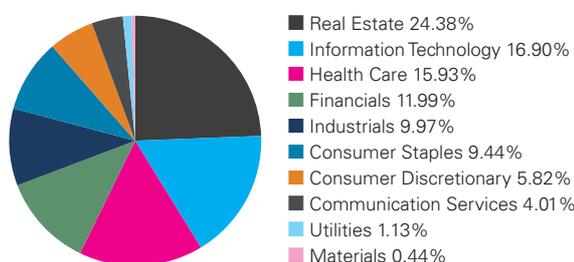
### Asset allocation at 30 June 2022



### Equity portfolio geographical breakdown at 30 June 2022



### Equity portfolio sector breakdown at 30 June 2022



## Discrete year total return performance

12 months to 30 June	2022	2021	2020	2019	2018
Diversified Income Fund - Unit Class 2	-3.45%	+9.38%	-2.59%	+6.51%	+1.64%
Comparator Benchmark	-8.80%	+6.54%	+3.27%	+6.99%	+4.12%

## Annualised total return performance

Performance to 30 June 2022	1 year	3 years	5 years
Diversified Income Fund - Unit Class 2	-3.45%	+0.95%	+2.18%
Comparator Benchmark	-8.80%	+0.12%	+2.25%

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 £ Non-Gilts 30%. Past performance is not a reliable indicator of future results. Source: CCLA.

## Top 10 equity holdings at 30 June 2022

UK Commercial Property	1.42%	Microsoft	0.86%
Empiric Student Property	1.31%	Tritax Big Box	0.73%
Target Healthcare	1.21%	Picton Property	0.69%
Assura	1.06%	Aberdeen Standard European Logistics	0.62%
Primary Health Properties	1.00%	United Health	0.61%

## Key facts

Fund size	£136.7m
Number of holdings	171
Price	£1.45
Fund launch date	2 December 2016
Unit Class 2 launch date	24 March 2017
Minimum initial investment	£1m
Minimum subsequent investment	£25,000
Dealing	Daily*
Sedol number	BDS68Q2
ISIN number	GB00BDS68Q24
Dividend payment dates	End February, May, August & November
Annual management charge (taken 100% from capital)	0.60% **
Fund management fee (FMF)	0.64% ***
PRIIIPs other ongoing costs	1.23% ****

\*The Dealing Deadline is normally 12 noon London time on a Dealing Day. The Valuation Point is normally 3pm on a Dealing Day.

\*\* The annual management charge is deducted from capital which may restrict capital growth.

\*\*\* The FMF includes the annual management charge and other costs and expenses of operating and administering the Fund such as depositary, custody, audit and regulatory fees.

\*\*\*\* The PRIIPs other ongoing costs includes the FMF and where relevant, synthetic charges. Synthetic charges are the impact to the Fund of costs incurred in relevant underlying funds or similar investments. It does not include transaction costs. For more information on costs, including transaction costs, please refer to the Fund's Key Information Document.

## Risk warning and disclosures

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 our product is suitable, please read the Key Information Document and Prospectus. Investors should consider the risk factors and the tax implications of investing in this fund identified in the Prospectus. 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 our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Investors in each Unit Class of the Fund must be Eligible Investors as defined in the Prospectus of CCLA Authorised Contractual Scheme. The Fund is a sub-fund of the CCLA Authorised Contractual Scheme which has been constituted as a co-ownership scheme. The Fund is authorised in the UK and regulated by the Financial Conduct Authority. CCLA Fund Managers Limited (registered in England & Wales No. 8735639 at Senator House, 85 Queen Victoria Street, London EC4V 4ET) is authorised and regulated by the Financial Conduct Authority. CCLA Fund Managers Limited is the ACS Manager of the Diversified Income Fund. The Depositary is HSBC Bank plc (registered in England & Wales No. 14259 with its registered office at 8 Canada Square, London E14 5HQ). For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.