

Diversified Income Fund - Unit Class 3 (for charities)

Fund fact sheet – 30 September 2023

Investment objective

The fund’s investment objective is to provide income and the potential for capital growth over the long-term (defined as at least 5 years) from an actively managed, diversified portfolio.

Investment policy

The fund will invest in a broad range of assets from around the world including equities (shares in companies), fixed-interest and variable-rate securities (also known as bonds), money-market instruments, cash, infrastructure related investments, which may be either liquid or illiquid in nature. The control of risk will be an important influence on the fund’s portfolio structure and investment strategy and the fund will aim to constrain annual volatility (the amount by which the fund’s value goes up and down) to no more than half that of the UK equity market (as measured by the MSCI United Kingdom Investable Market Index).

Target investors

The fund is designed for medium to long-term (at least 3-5 years) investors who are looking for income and the potential for capital growth and for whom control of risk is an important consideration.

Who can invest?

Any local authority, public sector, charity or professional client in the United Kingdom may invest in the fund. Investors should note that there is a minimum initial investment and holding in the fund of £1 million.

Responsible investment policy

Information about the ethical and responsible investment policies followed by the fund can be found in the policies and reports section on our website.

Income

The fund pays income every 3 months. As at 30 September 2023, the yield was 3.26%. This is shown as a percentage of the unit price and is based on the last 12 months’ dividend of 4.56 pence per unit.

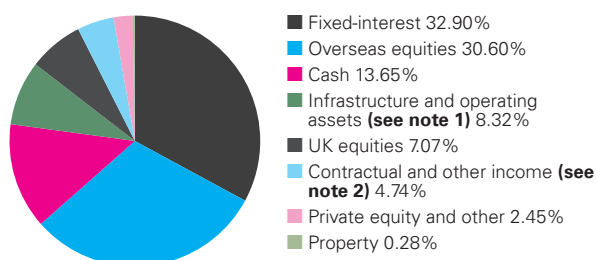
Fund update

The Fund invests in a broad range of assets including fixed income securities (bonds) and global equities, as well as assets such as student accommodation and music royalties.

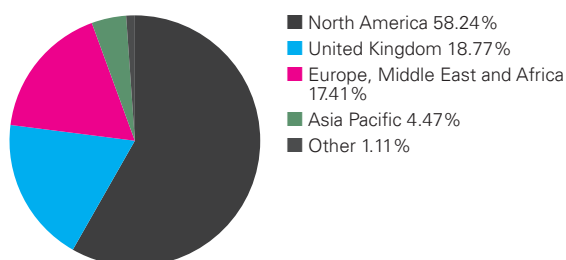
In recent months we have increased both equity and fixed income exposure. Within fixed income, we have sold the Fund’s direct holdings of individual corporate bonds. The Fund now accesses a diversified portfolio of corporate debt through the Federated Hermes Sustainable Global Investment Grade Credit Fund.

Global economic growth appears set to remain subdued for some time and we expect to see periods of recession in some economies as higher interest rates suppress consumer demand and business investment. However it is likely that we are approaching the peak of the interest rate cycle, which will in due course reduce the pressure on both equity and bond prices.

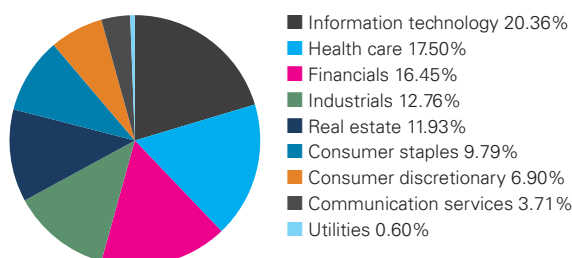
Asset allocation at 30 September 2023



Equity portfolio geographical breakdown at 30 September 2023



Equity portfolio sector breakdown at 30 September 2023



Note 1: Infrastructure: assets that facilitate the functioning of society with the potential for steady cash flows (energy-related & social).

Note 2: Contractual: assets generating contracted cashflows over a specific period and typically secured against assets.

Total return performance by year

12 months to 30 September	2019	2020	2021	2022	2023
Diversified Income Fund - Unit Class 3	+6.35%	-2.63%	+9.21%	-6.43%	+1.33%
Comparator benchmark	+9.19%	-0.93%	+6.93%	-16.40%	+6.70%

Annualised total return performance

Performance to 30 September 2023	1 year	3 years	5 years
Diversified Income Fund - Unit Class 3	+1.33%	+1.17%	+1.41%
Comparator benchmark	+6.70%	-1.57%	+0.63%

Performance shown after management fees and other expenses, with the gross income reinvested. The comparator benchmark is 20% MSCI UK Investable Market Index, 6.67% MSCI North America Index, 6.67% MSCI Europe excluding UK Index, 6.67% MSCI Pacific Index, 30% Markit iBoxx £ Gilts Index and 30% Markit iBoxx £ Non-Gilts Index. **Past performance is not a reliable indicator of future results.** Source: CCLA.

Top 10 holdings at 30 September 2023

Federated Hermes Sust Glo Invest Gr Cr Fd X5	5.96%	Federated Hermes Climate Change High Yield Cr	3.25%
Candriam Sustainable Bond Emerging Markets V	5.49%	UK Treasury 4.25% 07/12/2040	2.48%
UK Treasury 4.5% 07/12/2042	4.55%	UK Treasury 4.25% 07/12/2046	2.42%
UK Treasury Gilt 3.25% 22/01/2044	4.41%	Macquarie Korea Infra Fund	1.42%
Pimco Global Investor Series Climate Bond Fund	4.34%	UK Commercial Property Trust	1.30%

Key facts

ACS Manager	CCLA Fund Managers Limited
Investment manager	CCLA Investment Management Limited
Fund size	£131.3m
Number of holdings	122
Unit class 3 price	£1.40
Fund launch date	2 December 2016
Unit Class 3 launch date	1 December 2017
Minimum initial investment	£1,000,000
Minimum subsequent investment	£25,000
Dealing day	Each business day (see note 3)
SEDOL	BDS68T54
ISIN	GB00BDS68T54
Dividend payment dates	Last business day of February, May, August, and November
Annual management charge	0.60% (see note 4)
Fund management fee (FMF)	0.71% (see note 5)
PRIPs other ongoing costs	0.91% (see note 6)

Note 3: Dealing instructions must be received by 12 noon on a business day.

Note 4: The annual management charge is taken from capital which may restrict capital growth.

Note 5: 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.

Note 6: The packaged retail and insurance-based products (PRIIPs) other ongoing costs include the FMF and, where relevant, synthetic charges.

Synthetic charges are the effect that costs suffered as a result of investment in relevant underlying funds or similar investments have on the fund. The PRIIPs other ongoing costs do not include transaction costs. For more information on costs, including transaction costs, please see the fund's key information document.

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