

06 DEC 2024

Fitch Affirms Three CCLA Funds

Fitch Ratings - London - 06 Dec 2024: Fitch Ratings has affirmed at 'AAAmf' two short-term money market funds (ST MMFs) for CCLA: CCLA - COIF Charities Deposit Fund (COIF) and CCLA Public Sector Investment Fund - The Public Sector Deposit Fund (PSDF).

Fitch has also affirmed CCLA - CBF Church of England Deposit Fund's (CBF) ratings at Fund Credit Quality 'AAAF' and Fund Market Risk Sensitivity 'S1'.

The funds are managed by CCLA Investment Management Limited (CCLA).

KEY RATING DRIVERS

The affirmations are driven by the stability of the funds' credit, market and liquidity risk profiles during the review periods. The ratings are also driven by the funds' key risk metrics, which are all within Fitch's ranges for their current ratings. The ratings also reflect the capabilities and resources of CCLA as investment manager.

Credit Quality

The ST MMFs' portfolio credit factors, Fitch's proprietary measure of MMF portfolio credit quality, met the 'AAAmf' rating criterion of 1.5 or less throughout the review period, with COIF and PSDF having portfolio credit factors of 1.24 and 1.12, respectively, as of end-November 2024.

The weighted average credit quality of CBF is very high, as indicated by its weighted average rating factor of 0.15 as at end-November 2024, within the 'AAAF' range of 0.0 - 0.3. The fund invests in securities with a minimum 'A-' rating.

Liquidity Risk

The ST MMFs had at least 10% of total assets in securities offering daily liquidity and at least 30% of total assets in securities providing weekly liquidity, consistent with the 'AAAmf' rating range, throughout the review period.

Overnight liquidity, as defined by Fitch, was 45.4% and 37.6%, and one-week liquidity was 49.6% and 44.4%, respectively, for COIF and PSDF as of end-November 2024.

Market Risk

The ST MMFs' weighted average maturity and weighted average life were below 60 days and 120 days (the 'AAAmf' rating range), respectively, throughout the review period.

CBF has a very low exposure to interest-rate and spread risks. Its weighted average maturity (which measures sensitivity to interest-rate risk) and weighted average life to final maturity date (which measures sensitivity to spread risk) were 106 and 107 days, respectively, resulting in a market risk factor (MRF) of 0.36; well within the 'S1' Fund Market Risk Sensitivity Rating range of 0-2 as of end-November 2024 . The fund does not use any leverage or have any foreign-currency exposures.

Fund Profiles

Fitch views the legal and regulatory frameworks of the funds satisfactory.

COIF is a common deposit fund, governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. It is managed as an alternative investment fund and falls under the alternative investment fund managers directive (AIFMD) legislation as defined in the scheme particulars. The fund is authorised and supervised in the UK by the Financial Conduct Authority as a short-term low volatility net asset value MMF as defined in UK Money Market Fund Regulation.

PSDF is a sub-fund of the umbrella fund, CCLA Public Sector Investment Fund, which is an open-ended investment company that falls under the UCITS directive. The fund is authorised and supervised in the UK by the Financial Conduct Authority as a low volatility net asset value MMF as defined in Regulation UK Money Market Fund Regulation.

CCLA - CBF Church of England Deposit Fund is a deposit fund established under the Church Funds Investment Measure 1958 (as amended). The fund is not a Collective Investment Scheme within the meaning of the Financial Services and Markets Act 2000 (FSMA) and is not regulated by the FCA or other regulatory bodies under FSMA. The fund is entitled to charitable status by virtue of section 103(4) of the Charities Act 2011.

The funds had, respectively, total assets under management (AUM) of approximately GBP1.8 billion (COIF), GBP1.4 billion (PSDF) and GBP870 million (CBF) as of end-November 2024.

INVESTMENT MANAGER

CCLA is a UK-based fund management group offering a range of fund products. CCLA is jointly owned by The CBF Church of England Investment Fund, The COIF Charities Investment Fund and The Local Authorities' Mutual Investment Trust and CCLA Executive Directors and Staff. An independent operational risk, internal audit and compliance team maintains oversight of the fund's operations. At as end-March 2024, CCLA managed approximately GBP15.3 billion of assets. Fitch deems CCLA suitably qualified, competent and capable of managing the rated fund.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

Fitch's stress testing shows that the ratings are robust at their current levels. The ratings may be sensitive to material adverse changes in the credit quality, market risk or liquidity profile of the funds.

A material adverse and sustained deviation from Fitch guidelines for any key rating drivers could cause the ratings to be downgraded.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The ST MMFs and CBF are rated at the highest possible rating level and therefore cannot be upgraded.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

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Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR
CCLA - COIF Charities Deposit Fund	MMF	AAAmf	Affirmed
			AAAmf

ENTITY/DEBT	RATING		RECOVERY	PRIOR
CCLA Public Sector Investment Fund - The Public Sector Deposit Fund	MMF	AAAmf	Affirmed	AAAmf
CCLA - CBF Church of England Deposit Fund	Fund Cr Qual Rtg	AAAf	Affirmed	AAAf
	Sensitivity	S1	Affirmed	S1

RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◊
NEGATIVE	⊖	◊
EVOLVING	◊	◆
STABLE	◐	

Applicable Criteria

[Bond Fund Rating Criteria \(pub.16 Aug 2022\)](#)

[Money Market Fund Rating Criteria \(pub.26 Jul 2024\)](#)

Additional Disclosures

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