

Transfer agency and fund changes

Effective from 20 November 2023

All investors should read pages 3-5.
 In addition, investors should read the sections relevant to the funds in which they are invested.
 For ease of reference, we have listed each fund and the relevant page numbers below.

Charity investors

Read pages 3-5 and relevant fund pages below

Catholic Investment Fund	No additional pages applicable
COIF Charities Investment Fund	▶ Pages 6-7, 19
COIF Charities Ethical Investment Fund	▶ Pages 6-7, 19
COIF Charities Global Equity Income Fund	▶ Pages 6-7, 10, 19
COIF Charities Fixed Interest Fund	▶ Pages 6-7, 11, 19
COIF Charities Property Fund	▶ Page 8
COIF Charities Deposit Fund	▶ Page 9

Church of England investors

Read pages 3-5 and relevant fund pages below

The CBF Church of England Investment Fund	▶ Pages 12-14, 19
The CBF Church of England Global Equity Income Fund	▶ Pages 12-14, 17, 19
The CBF Church of England UK Equity Fund	▶ Pages 12-14, 19
The CBF Church of England Fixed Interest Securities Fund	▶ Pages 12-14, 17, 19
The CBF Church of England Property Fund	▶ Page 15
The CBF Church of England Deposit Fund	▶ Page 16

Local authority and public sector investors

Read pages 3-5 and relevant fund pages below

The Public Sector Deposit Fund	▶ Page 18
The Local Authorities' Property Fund	No additional pages applicable

Changes for investors in the following funds:

- Catholic Investment Fund
- COIF Charities Investment Fund
- COIF Charities Ethical Investment Fund
- COIF Charities Global Equity Income Fund
- COIF Charities Fixed Interest Fund
- COIF Charities Property Fund
- COIF Charities Deposit Fund
- The CBF Church of England Investment Fund
- The CBF Church of England Global Equity Income Fund
- The CBF Church of England UK Equity Fund
- The CBF Church of England Fixed Interest Securities Fund
- The CBF Church of England Property Fund
- The CBF Church of England Deposit Fund
- The Public Sector Deposit Fund
- The Local Authorities' Property Fund

Change

Impact

New client ID and account number(s)

Your client ID and account number(s) will be changing with effect from 20 November 2023. Your new account number(s) should be quoted on your instructions to us so we can identify your specific deposits/holdings.

You will receive a follow-up letter in the post with your new client ID and account number(s) shortly after 20 November 2023. To avoid delays or disruption to the service we offer, you will still be able to quote your existing account number(s) until that time.


Change

Impact

New bank account details

(excluding The Public Sector Deposit Fund)

The bank accounts we currently use for clients to send money to when making an investment in the funds mentioned above **(excluding The Public Sector Deposit Fund)** will be closed after 17 November 2023. New bank accounts to send money to the funds are being opened from 20 November 2023. Details of the new bank accounts will be provided on the relevant forms for you to use when making an investment. The forms will be available on our website (the fund pages as well as the Resources section of our website: www.ccla.co.uk/resources/client-documentation) from 20 November 2023.

 **Please ensure that you update your records for any regular payments sent to us as soon as the new bank account details are known.**

 **Please destroy any current forms in your possession.**

Payments sent to the old bank accounts after 17 November 2023 will be automatically returned to you in accordance with banking standards and may take up to 14 days. Unfortunately, this is not within our control. Therefore, if you wish to invest on or near the 17 November 2023, please contact our Client Services team beforehand.

The new bank accounts will be operated as client money accounts in accordance with the Financial Conduct Authority's client money rules. Further detail will be provided in the funds' scheme particulars/scheme information.

Change

Impact

New contact details for sending instructions

For instructions to be dealt from 20 November 2023, please send all instructions; including deposits, withdrawals, subscriptions and redemptions as well as changes to existing accounts via one of the following routes:

Post:

CCLA
PO Box 12892
Dunmow
Essex
CM6 9DL

Fax:

0844 8801 559

Email (if the relevant email instructions authority is held):

cclaclientservices@fnztaservices.com

Please note: For all other queries, please contact our Client Services team on freephone **0800 022 3505** or email the team at **clientservices@ccla.co.uk**

New process for deposits/subscriptions

Clients will need to send the required deposit form/subscription form (also referred to as 'buy units form' and 'buy shares form' as appropriate) via post, fax or email.

Both the form and cleared funds must be received prior to the dealing deadline for the instruction to be processed on the applicable dealing day (**excluding The Public Sector Deposit Fund**).

CCLA's preferred method of settlement is electronic payment. Clients can continue to provide cheques.

Please note instructions for settlement via cheque will only be processed once the cheque has cleared. It takes approximately two business days for cheques to clear. The payee details for cheques for the relevant funds will be shown on our website and in the funds' scheme particulars/information.

COIF Charity investors

The following changes also apply to the funds listed below:

- COIF Charities Investment Fund
- COIF Charities Ethical Investment Fund
- COIF Charities Global Equity Income Fund
- COIF Charities Fixed Interest Fund

Change	Processes and impact
Dealing frequency Dealing frequency refers to how often you can buy/sell units in the funds.	Current process Weekly
	New process The dealing frequency will be increased to daily (on each business day). A business day is defined as a day on which the London Stock Exchange is normally open for business, being a day other than a Saturday, Sunday, public or bank holiday in England. This typically means that units may be purchased or sold up to five days a week.
	Impact The benefit to you as an investor is increased liquidity in your investments and reduced out-of-market exposure when you are looking to invest.
Valuation point Valuation point refers to the time at which the assets of the funds are valued for the purpose of determining the price at which units in the funds may be issued, cancelled or redeemed.	Current process 23:59 on the business day preceding the dealing day.
	New process 12:00 noon on each dealing day.
	Impact Alignment with CCLA's existing daily dealt funds and with the wider UK funds industry.

Change

Processes and impact

Dealing deadline

Dealing deadline refers to the cut-off time for receipt of instructions to buy and sell units.

Current process

17:00 on the business day preceding the dealing day.

New process

11:59 on each dealing day.

Impact

Change to dealing deadline.

Move to single swing pricing

Further information on swing pricing is included at the end of this document.

Current process

The price of units in the funds are currently calculated using the 'dual pricing' method. This means that units currently have a different buying price (the 'offer' price) and selling price (the 'bid' price). The difference in prices is known as the 'bid offer spread'.

The purpose of this spread is to ensure that existing investors in the fund do not pay for the costs of dealing where there is a need to either buy or sell assets of the fund as a result.

However, the bid-offer spread is applied to all purchases or sales, even if they are very small in size or net off, and therefore don't require the funds to incur actual dealing costs.

New process

From 20 November 2023 a 'single price' will be calculated.

This single price may then be adjusted (or 'swung') to protect existing unitholders from bearing significant dealing costs. The single price will only be swung on those occasions when the net flows (either in or out) are of a significant size to require investment or divestment of assets. The 'swing' is not applied when net flows are not of a significant size.

Impact

This change serves to simplify the pricing mechanism of the units from an investor's perspective and in many cases the price will not swing. It also aligns with the wider UK funds industry more closely, as well as protects the existing investors in the funds when inflows or outflows are significant.

Further information on swing pricing is included at the end of this document.

The following changes apply only to the COIF Charities Property Fund:

Change	Processes and impact
Dealing frequency	<p>Current process</p> <p>The dealing day for the fund is currently the last Tuesday and Thursday of each month.</p> <hr/> <p>New process</p> <p>The dealing day for the fund will move to the last business day of each month from 20 November 2023.</p> <p>The dealing cut-off time will be 17:00 on the business day prior to the dealing day.</p> <hr/> <p>Impact</p> <p>Offers operational efficiency and simplicity for clients.</p> <hr/> <p>Investors are reminded that all redemption requests remain subject to a minimum notice period of six months.</p> <hr/>

The following changes apply only to the COIF Charities Deposit Fund:

Change	Processes and impact
Interest payments	<p data-bbox="378 185 561 210">Current process</p> <p data-bbox="378 225 1014 335">Reinvestment of interest distributions occurs on the first business day following month-end. Depositing charities are paid interest distributions on the fourth business day following month-end.</p> <p data-bbox="378 355 1059 466">Depositing charities making a full withdrawal of their deposit and requesting closure of their account are paid any accrued interest with the withdrawal of the deposit, which is paid within two business days following the withdrawal.</p> <hr/> <p data-bbox="378 491 524 517">New process</p> <p data-bbox="378 531 1006 582">Reinvestment and payment of interest distributions will occur on the second business day following month-end.</p> <p data-bbox="378 603 1042 713">Depositing charities making a full withdrawal of their deposit and requesting closure of their account will be paid any accrued interest on the next monthly interest distribution payment date, rather than with the withdrawal.</p> <hr/> <p data-bbox="378 738 460 764">Impact</p> <p data-bbox="378 778 826 802">Alignment with our other deposit funds.</p>

Changes to fund names and investment objective/policy

Current name

COIF Charities Global Equity Income Fund

Rationale and impact

New name

COIF Charities Global Equity Fund

Rationale

In September 2017, the income distribution policy of the fund was changed to a total return approach meaning that income payments may be comprised of both naturally arising income and the capital assets of the fund. The justification for this change was to broaden the assets that we could invest in to enhance longer-term returns but without reducing the ability to provide income. No changes were made to the fund's name and investment objective at that stage and the reason for this was so that the 'Income' element of the fund name could continue to be linked to the fund's distribution strategy and remain familiar to existing investors.

Following a review, CCLA decided to change the name of the fund by removing reference to the word 'Income' in its name. In the regulated funds industry, the reference to 'Income' in the fund name typically infers a strategy seeking a high yield through investments in high dividend paying securities, which is not how we manage the fund.

Linked to the fund name change, the investment objective of the fund is being revised.

Revised investment objective

The investment objective of the fund will be revised from:

The fund aims to provide a high level of income with long-term capital growth.

To:

The fund aims to provide income with long-term capital growth.

These alterations do not change the way we manage the fund. We continue to retain the ability to fund distributions from both the income and capital assets of the fund.

The new fund name and amended investment objective will take effect from 20 November 2023.

Current name

COIF Charities Fixed
Interest Fund

Rationale and impact**New name****COIF Charities Short Duration Bond Fund****Rationale**

Following the fund's change of investment objective and strategy on 27 July 2022 the fund has been managed to ensure that the portfolio of assets has a duration limit of 3.5 years.

We have decided to amend the name of the fund and its investment policy to better reflect the new strategy.

Revised investment policy

The investment policy will be amended to state that the fund's overall portfolio of assets has a duration limit of 3.5 years.

Duration measures the sensitivity of a bond's or a bond fund's portfolio price to changes in interest rates. For example, if rates were to rise 1%, a bond or bond fund with a five-year average duration would likely lose approximately 5% of its value.

In general, the shorter the duration the less volatile the fund is likely to be when interest rates change.

Church of England investors

The following changes also apply to the funds listed below:

- The CBF Church of England Investment Fund
- The CBF Church of England Global Equity Income Fund
- The CBF Church of England UK Equity Fund
- The CBF Church of England Fixed Interest Securities Fund

Change	Processes and impact
Dealing frequency Dealing frequency refers to how often you can buy/sell shares in the funds.	Current process Weekly
	New process The dealing frequency will be increased to daily (on each business day). A business day is defined as a day on which the London Stock Exchange is normally open for business, being a day other than a Saturday, Sunday, public or bank holiday in England. This typically means that shares may be purchased or sold up to five days a week.
	Impact The benefit to you as an investor is increased liquidity in your investments and reduced out of market exposure when you are looking to invest.
Valuation point Valuation point refers to the time at which the assets of the funds are valued for the purpose of determining the price at which shares in the funds may be issued, cancelled or redeemed.	Current process 23:59 on the business day preceding the dealing day.
	New process 12:00 noon on each dealing day.
	Impact Alignment with CCLA's existing daily dealt funds and with the wider UK funds industry.

Change

Dealing deadline

Dealing deadline refers to the cut-off time for receipt of instructions to buy and sell shares.

Processes and impact

Current process

17:00 on the business day preceding the dealing day.

New process

11:59 on each dealing day for the following funds:

- The CBF Church of England Investment Fund
- The CBF Church of England UK Equity Fund
- The CBF Church of England Fixed Interest Securities Fund

9:59 on each dealing day for The CBF Church of England Global Equity Income Fund.

Impact

Change to dealing deadline for the following funds:

- The CBF Church of England Investment Fund
- The CBF Church of England UK Equity Fund
- The CBF Church of England Fixed Interest Securities Fund

The CBF Church of England Global Equity Income Fund invests the majority of its assets in shares of the CCLA Better World Global Equity Fund.

It is necessary to apply an earlier dealing deadline for this fund for operational purposes and to ensure that instructions to buy and sell shares in the fund can be collated, netted and submitted by the dealing deadline for the CCLA Better World Global Equity Fund (11:59 on each dealing day).

Change

Move to single swing pricing

Further information on swing pricing is included at the end of this document.

Processes and impact

Current process

The price of shares in the funds are currently calculated using the 'dual pricing' method. This means that shares currently have a different buying price (the 'offer' price) and selling price (the 'bid' price). The difference in prices is known as the 'bid offer spread'.

The purpose of this spread is to ensure that existing investors in the fund do not pay for the costs of dealing where there is a need to either buy or sell assets of the fund as a result.

However, the bid-offer spread is applied to all purchases or sales, even if they are very small in size or net off, and therefore don't require the funds to incur actual dealing costs.

New process

From 20 November 2023 a 'single price' will be calculated.

This single price may then be adjusted (or 'swung') to protect existing shareholders from bearing significant dealing costs. The single price will only be swung on those occasions when the net flows (either in or out) are of a significant size to require investment or divestment of assets. The 'swing' is not applied when net flows are not of a significant size.

Impact

This change serves to simplify the pricing mechanism of the shares from an investor's perspective and in many cases the price will not swing. It also aligns with the wider UK funds industry more closely, as well as protects the existing investors in the funds when inflows or outflows are significant.

The following changes apply only to The CBF Church of England Property Fund:

Change	Processes and impact
Dealing frequency	<p data-bbox="378 185 561 209">Current process</p> <p data-bbox="378 225 1023 272">The dealing day for the fund is currently the last Tuesday of each month.</p> <hr/> <p data-bbox="378 300 524 323">New process</p> <p data-bbox="378 339 1023 387">The dealing day for the fund will move to the last business day of each month from 20 November 2023.</p> <p data-bbox="378 411 1023 459">The dealing cut-off time will be 15:00 on the business day prior to the dealing day.</p> <hr/> <p data-bbox="378 486 460 510">Impact</p> <p data-bbox="378 526 986 550">Offers operational efficiency and simplicity for clients.</p> <p data-bbox="378 566 981 622">The CBF Church of England Property Fund invests its assets in units of the COIF Charities Property Fund.</p> <p data-bbox="378 646 997 813">It is necessary to apply an earlier dealing deadline for this fund for operational purposes and to ensure that instructions to buy and sell shares in the fund can be collated, netted and submitted by the dealing deadline for the COIF Charities Property Fund (17:00 on the business day prior to the dealing day).</p> <hr/> <p data-bbox="378 841 1053 895">Investors are reminded that all redemption requests remain subject to a minimum notice period of six months.</p>

The following changes apply only to the CBF Church of England Deposit Fund:

Change	Processes and impact
Fund interest	<p data-bbox="344 181 530 212">Current process</p> <p data-bbox="344 220 975 276">Interest earned on deposits accrues up to and including the day of withdrawal, but excluding the day of deposit.</p> <p data-bbox="344 293 997 408">Reinvestment of interest distributions occurs on the last business day of a calendar quarter. Depositors are paid interest distributions on the fourth business day following the quarter-end.</p> <p data-bbox="344 426 983 542">Depositors making a full withdrawal of their deposit and requesting closure of their account are paid any accrued interest with the withdrawal of the deposit, which is paid within two business days following the withdrawal.</p> <hr data-bbox="344 550 1033 553"/> <p data-bbox="344 563 496 593">New process</p> <p data-bbox="344 601 983 687">Interest earned on deposits will begin to accrue from the day of the deposit and will no longer include the day of withdrawal.</p> <p data-bbox="344 705 992 761">Reinvestments and payments of interest distributions will occur on the second business day following quarter-end.</p> <p data-bbox="344 778 1022 893">Depositors making a full withdrawal of their deposit and requesting closure of their account will be paid any accrued interest on the next quarterly interest distribution payment date, rather than with the withdrawal.</p> <hr data-bbox="344 901 1033 904"/> <p data-bbox="344 914 428 944">Impact</p> <p data-bbox="344 952 798 983">Alignment with our other deposit funds.</p>

Changes to fund names and investment policy

Current name	Rationale and impact
The CBF Church of England Global Equity Income Fund	<p>New name</p> <p>The CBF Church of England Global Equity Fund</p> <hr/> <p>Rationale</p> <p>We are taking the opportunity to change the name of the fund by removing reference to the word 'Income' in its name. In the regulated funds industry, the reference to 'Income' in the fund name typically infers a strategy seeking a high yield through investments in high dividend paying securities, which is not how we manage the fund.</p> <hr/> <p>Impact</p> <p>This alteration does not change the way we manage the fund. We continue to retain the ability to fund distributions from both the income and capital assets of the fund. The new fund name will take effect from 20 November 2023.</p>
The CBF Church of England Fixed Interest Securities Fund	<p>New name</p> <p>The CBF Church of England Short Duration Bond Fund</p> <hr/> <p>Rationale</p> <p>Following the fund's change of investment objective and strategy on 27 July 2022 the fund has been managed to ensure that the portfolio of assets has a duration limit of 3.5 years.</p> <p>It has been decided to amend the name of the fund and its investment policy to better reflect the new strategy.</p> <hr/> <p>Impact</p> <p>The investment policy will be amended to state that the fund's overall portfolio of assets has a duration limit of 3.5 years.</p> <p>Duration measures the sensitivity of a bond's or a bond fund's portfolio price to changes in interest rates. For example, if rates were to rise 1%, a bond or bond fund with a 5-year average duration would likely lose approximately 5% of its value.</p> <p>In general, the shorter the duration the less volatile the fund is likely to be when interest rates change.</p>

Local authority and public sector investors

The following changes also apply to the funds listed below:

- The Public Sector Deposit Fund

Change	Processes and impact
Fund interest	Current process Reinvestment of income distributions occurs on the first business day following month-end. Shareholders are paid income distributions on the second business day following month-end.
	New process Reinvestment of income distributions will occur on the second business day following month-end. Income distribution payments will continue to be made on the second business day following month-end.
	Impact Alignment with our other deposit funds.

Swing pricing

What is swing pricing?

Swing pricing is a type of fund pricing methodology that allows the manager of a fund to adjust the price paid for units/shares bought or sold.

Generally, large fund subscriptions and redemptions result in the manager buying and selling investments in the fund's underlying portfolio. This activity attracts trading costs which are ultimately borne by the investors in that fund.

Swing pricing serves to protect existing long-term investors in the fund from the effects of dilution by allocating the trading costs attributable to subscribing or redeeming units/shares to those investors either entering into or exiting the fund and not to the remaining investors of the fund.

This is achieved by adjusting or 'swinging' the fund price either up (in the case of subscriptions) or down (in the case of redemptions).

When is swing pricing applied?

Swing pricing is used when the net inflow/outflow of investor money into/out of the fund on a dealing day exceeds a predetermined threshold.

How does swing pricing work?

If the net inflow or outflow resulting from subscriptions and redemptions on any dealing day exceeds the predetermined threshold the fund price will be adjusted or swung as described above. If the threshold is not breached the fund's published price (or net asset value (NAV) per unit/share) will be based on the 'mid-market value' of the fund's underlying assets. Each dealing day, the unit/share price is calculated prior to any decision to swing the price is applied.

How much will the price swing?

Each fund has a swing factor, also known as a dilution adjustment, which is an estimate of the transaction costs incurred in trading the underlying portfolio. The swing factor will vary depending on the costs the fund incurs when buying and selling underlying investments.

What are the benefits of single swing pricing vs the dual priced method?

The immediate benefit of single swing pricing is the removal of the spread being automatically incurred when buying and selling units/shares on each dealing day. While the fund will continue to be protected if it needs to deal (and incur costs), new and existing investors transacting in the fund will not have a cost levied when it is not necessary.

Contact us

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CCLA

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