CCLA

COIF Charities Deposit Fund

Fund Profile – 30 June 2019

A UK Common Deposit Fund managed by CCLA that offers the substantial benefits of cooperation between charities. It is a cash management solution designed for the charity sector. Under the EU Money Market Fund Regulation, the COIF Charities Deposit Fund is categorised as a short-term Low Volatility Net Asset Value Money Market Fund.

The COIF Charities Deposit Fund provides a high level of capital security and competitive yields for charity investors. This combination of benefits makes the COIF Charities Deposit Fund one of the most attractive homes for charity cash holdings in the market today.

Capital security is the prime objective

We seek capital security by spreading investments across a large number of high quality borrowers – typically 20-30 on any one day. All of the approved financial institutions are reviewed on a daily basis and if we have any doubts at all about their quality, we simply stop lending to them. The list of those currently approved to borrow from the Fund is as follows.

Yield

The Deposit Fund aims to pay competitive yields, which reflect the level of short-dated money market rates. The Fund also aims to maintain its AAAmmf ('Triple A') Fitch Rating.*

Higher yields apply to accounts with balances of £15 million and over.

Approved Financial Instiutions

ABN Amro Bank
ANZ Banking Group
Bank Nederlandse Gemeenten
Bank of America N.A.
Bank of Montreal
Bank of New York Mellon
Bank of Nova Scotia
Bank of Scotland
Barclays Bank UK plc
Barclays Bank plc
Bayerische Landesbank
BNP Paribas
CIBC
Citibank
Commonwealth Bank of Australia
Coventry Building Society
Credit Agricole Corporate and Investment Bank
Credit Industriel et Commercial (CIC)
Danske Bank #
DBS Bank
DNB Bank
DZ Bank
Handelsbanken
HSBC UK Bank plc
HSBC Bank plc
ING
JP Morgan Chase Bank
KBC Bank N.V.
Landesbank Baden-Wuerttemberg
Landesbank Hessen-Thueringen
Leeds Building Society
Lloyds Bank plc
Lloyds Bank Corporate Markets plc
Mizuho Bank
MUFG Bank
National Australia Bank
National Bank of Canada
Nationwide Building Society
Nordea Bank AB
Rabobank
Royal Bank of Canada
Santander UK plc
SEB
Société Générale
Standard Chartered Bank plc
Sumitomo Mitsui Banking Corp
Toronto-Dominion
UBS
United Overseas Bank
Westpac Banking Corporation
Yorkshire Building Society

Source: CCLA as at 11 March 2019

currently suspended

* Effective 23 April 2019

The Fund does not lend to borrowers where the long term credit rating is below A-.

Market update

The UK economy experienced significant headwinds in the quarter, buffeted by Brexit uncertainties and a slowdown of activity in the world economy. Any increase in output over the period is likely to have been modest. Inflation remained under control, although factors related to a late Easter boosted the pace of price increase temporarily. Official interest rates were unchanged. Once again, the Bank of England warned that borrowing costs were likely to rise over time, but increasingly investors took the view that flat domestic growth and a move to reduce rates elsewhere in the world economy meant an interest rate cut was more likely.

Independent review of the Funds

The quality of our approach is reflected in the AAAmmf rating awarded to the Fund, effective 23 April 2019, by Fitch Ratings, one of the leading credit rating agencies. AAAmmf ('Triple A') is the highest fund rating available consistent with Fitch's money market fund rating criteria and has been given in recognition of the investment policy, the quality of the approved lending list, the quality of the investment management and the strength of internal controls.

Working hard to earn attractive returns

The Fund achieves competitive yields by using its substantial size to offer potential borrowers access to large credit balances. This keeps the borrowers' costs down and is rewarded with higher yields. In addition we always seek to maximise income by looking for the best yields available from across our list of approved borrowers that are consistent with the objectives of the Fund. Yields may change frequently and it is important to have an active management style that allows the Fund to take advantage of opportunities as they arise.

A key component of our management is understanding how much day to day liquidity is required by investors. Short term deposits provide flexibility but can also reduce returns and so we need to manage carefully how much is invested on a short term basis. Each day we monitor the flows of deposits and withdrawals to optimise the lending profile. Our preference is to structure the Fund so that liquidity is provided by a steady flow of maturing longer term deposits rather than holding large sums inefficiently in short-term deposits.

The asymmetry of risks on cash deposits

Why do we focus so much on capital security when by lowering standards we could pay a higher yield? It's because the upside and downside of taking risks with cash are not evenly balanced. The potential gain is perhaps a small increase in income. The downside is a risk of loss of all the income and possibly some capital too. Investors are recommended to review carefully the implications of the Bail-in regulations on depositor risk.

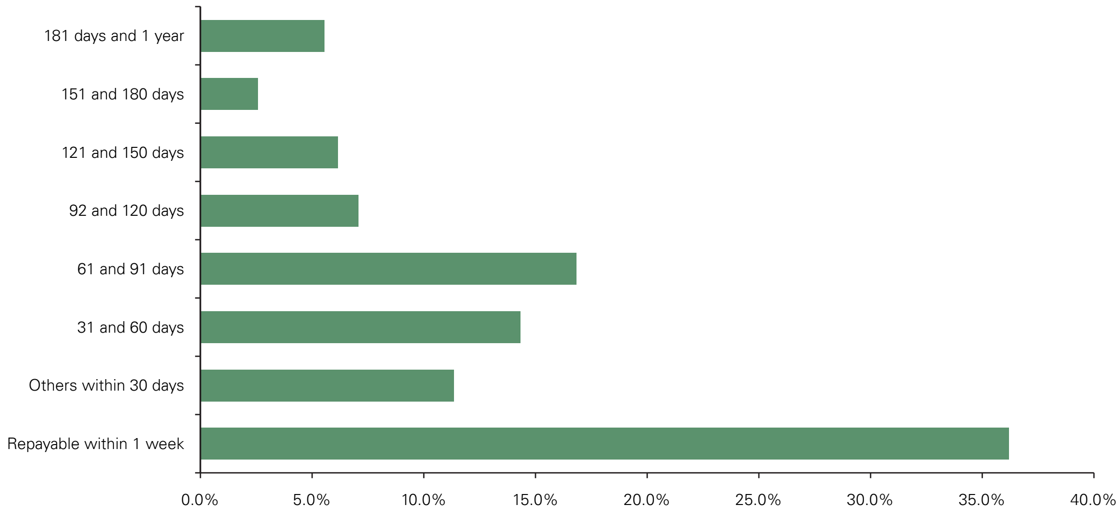
Efficient administration, easy access, fair charges

The investment process is supported by a service approach which is designed to make things easy and convenient for our customers.

There is no notice requirement for withdrawals. Transfers direct to the client account via BACS are available free of charge. There is no minimum balance requirement and our fee of 0.20% and other charges to the Fund (e.g. audit fee, bank charges, custody fees) are deducted before we calculate the yield payable to investors.

Income earned by the Fund is calculated daily and paid gross to depositors at the end of each month. We support the Fund with a Client Services team who are on hand to answer questions and help clients through any operational issues they might have.

The Fund's maturity profile



Source: CCLA. Data as at 30 June 19

Over the last 10 years the Fund has maintained its excellent performance record.

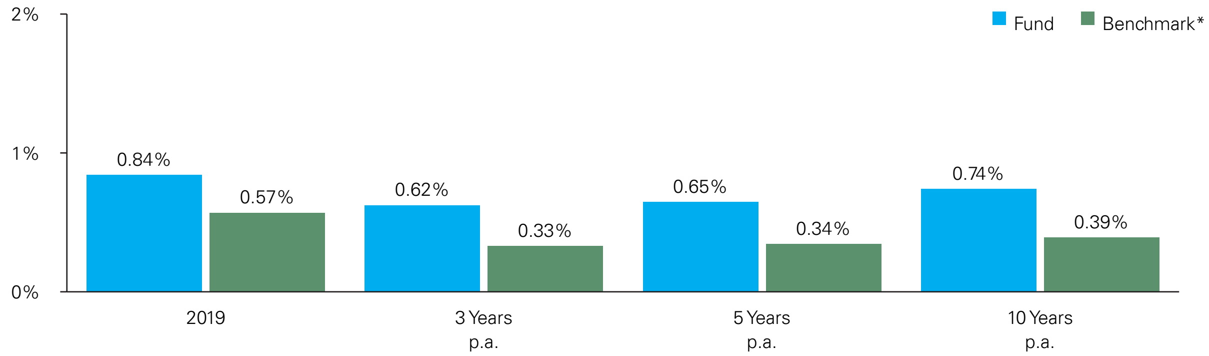
Long term performance

The record reflects the focus on consistent long term returns.

Total return performance (gross) 12 months to end of June

	2019	2018	2017	2016	2015
COIF Charities Deposit Fund	+0.84%	+0.50%	+0.53%	+0.70%	+0.67%
Benchmark*	+0.57%	+0.28%	+0.14%	+0.37%	+0.36%

Consistent gross performance over time - all periods to 30 June 2019



* Benchmark - LIBID 7 Day Rate.

Source: CCLA
Performance is shown before the deduction of management fees and other expenses with gross income reinvested. Net returns will be lower after the deduction of management fees and other expenses. Past performance is not a reliable indicator of future results.

Key facts

Fund Size	£1,172m
Fitch Fund rating	AAAmmf
Weighted average maturity (Maximum 60 days)	54 days
Launch date	March 1985
Minimum initial investment	£0.01
Minimum subsequent investment	£0.01
Dealing day	Each business day*
Withdrawals	On demand
Interest payment dates	Monthly
Annual management charge	0.20% (taken wholly from income)

* Dealing instructions and cleared funds must be received by 9.30 am.

Risk warning and disclosures