

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

Fact Sheet – 30 June 2019

Investment objective

To provide a balanced return from income and capital growth over time from a portfolio structured to control relative risk.

Investment policy

The portfolio will be actively managed and may invest in a wide range of potential assets. The control of relative risk will be an important influence on structure and strategy.

Suitability

The Fund is suitable for long term investors seeking a balanced return of income and capital growth for whom control of relative risk is important.

Who can invest?

Any local authority and public sector investor in England, Wales, Scotland and Northern Ireland. Investors should note that there is a minimum investment in the Fund of £1million.

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.

Income

The Fund distributes income on a quarterly basis. As at 30 June 2019 the dividend yield on price was 3.24%. This is based on the last 12 months’ dividend of 4.99p.

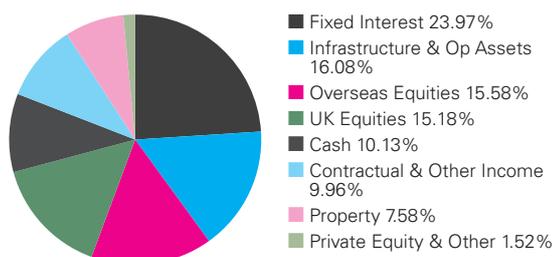
Fund update

The Fund has a diversified portfolio which is actively managed at both the asset and individual holding level. In the quarter to the end of June, there were no substantial changes to strategy or to overall structure.

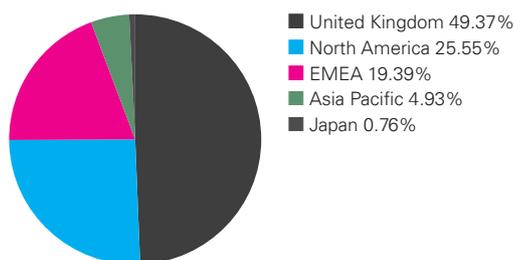
In the equity section of the portfolio, we sold Reckitt Benckiser when our concerns on slowing underlying growth were compounded by worries about potential exposure to the opioid controversy in the US. New holdings include Pernod Ricard, the international drinks company and Hexagon, a provider of industrial measurement software. Fixed interest sector holdings have remained defensive, with a relatively short duration and holdings only of high-quality bonds. Our weighting to the sector was trimmed on the rally in prices that accompanied expectations of lower borrowing costs. We began holdings in two new alternative energy companies, Aquila European Renewables and US Solar Fund, the new holdings increase the geographical diversification in the sector. Towards the end of the period, we reduced the risk profile of the Fund by trimming some of the stronger

performing equities. This reflects a more cautious view of prospects at recent higher levels.

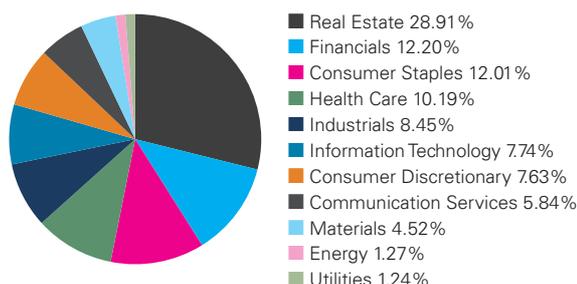
Asset allocation at 30 June 2019



Equity portfolio geographical breakdown at 30 June 2019



Equity portfolio sector breakdown at 30 June 2019



Discrete year total return performance (gross)

12 months to 30 June	2019
Diversified Income Fund - Unit Class 2	+7.30%
Comparator	+5.24%

Comparator – composite: from 24.03.17 MSCI UK IMI 20%, MSCI North America 6.67%, MSCI Europe ex UK 6.67%, MSCI Pacific 6.67%, Market iBoxx £ Gilts 30% & Market iBoxx £ Non-Gilts 30%. Source: CCLA. Past performance is not a reliable indicator of future results.

Most overweight companies relative to equity indices at 30 June 2019

Heineken	2.16%	HKT Trust and HKT Ltd	1.8%
Nestle	2.08%	Stryker Corp	1.76%
Pfizer	1.93%	Sonic Healthcare	1.64%
Civitas Social Housing	1.86%	CME Group	1.54%
Nasdaq	1.81%	SAP SE	1.54%

Key facts

Fund size	£156m
Number of holdings	189
Price	£1.54
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%

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

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 ACS Manager participates in the Financial Services Compensation Scheme (FSCS). 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 Manager of the Diversified Income Fund. The Trustee is HSBC Bank plc (registered in England & Wales No. 14259 with its registered office at 8, Canada Square, London, England 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>.