

Diversified Income Fund Unit Class 3 - For charities

Fact Sheet – 31 December 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 charity 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 31 December 2019 the dividend yield on price was 3.11%. This is based on the last 12 months’ dividend of 4.91p.

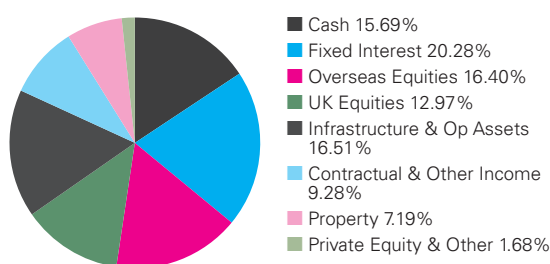
Fund update

The Fund has a diversified portfolio which is actively managed to meet the return and risk control objectives. The portfolio follows responsible investment policies which we expect to strengthen investment returns over time. Investors should note that the Fund does not invest in companies which derive more than 10% of their revenue from oil and gas production or refining.

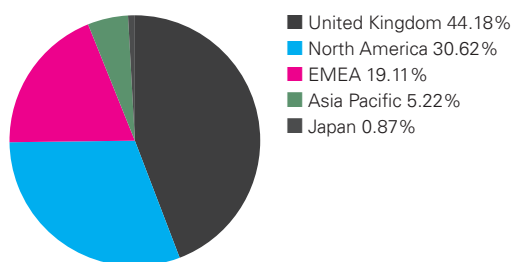
In the equity portfolio, the period saw the disposal of the remaining oil sector holdings. There was profit taking in the consumer staples sectors after a strong relative performance. These monies were invested instead in the consumer discretionary sector and to industrials, allocations which give greater exposure to improved economic sentiment. In the alternative assets sector, we added Ares Capital, a source of contractual income with a high and secure income yield and sold the remaining aircraft leasing assets. Cash holdings were reduced in favour of greater equity exposure. Recent performance was helped by the defensive position in the bond sector and by the rally in UK property assets post the election. The currency hedging

was also helpful due to the rally in sterling. Equity contribution was held back by the below benchmark allocation to this asset class.

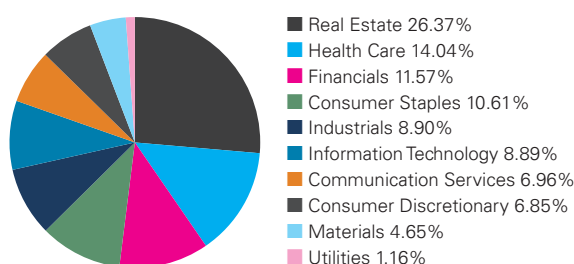
Asset allocation at 31 December 2019



Equity portfolio geographical breakdown at 31 December 2019



Equity portfolio sector breakdown at 31 December 2019



Discrete year total return performance (gross)

12 months to 31 December	2019
Diversified Income Fund - Unit Class 3	+12.75%
Comparator	+12.65%

Comparator – composite: from 01.12.17 MSCI UK IMI 20%, MSCI North America 6.67%, MSCI Europe ex UK 6.67%, MSCI Pacific 6.67%, Markit iBoxx £ Gilts 30% & Markit iBoxx £ Non-Gilts 30%. Source: CCLA. Past performance is not a reliable indicator of future results.

Most overweight companies relative to equity indices at 31 December 2019

Target Healthcare REIT	4.99%	Merck & Co.	1.62%
Roche Holding	1.98%	Telus Corp	1.62%
Pfizer	1.89%	Verizon Communications	1.60%
Heineken	1.82%	Iress	1.60%
UnitedHealth Group	1.73%	SGS	1.55%

Key facts

Fund size	£180m
Number of holdings	188
Price	£1.58
Fund launch date	2 December 2016
Unit Class 3 launch date	1 December 2017
Minimum initial investment	£1m
Minimum subsequent investment	£25,000
Dealing	Daily*
Sedol number	BDS68T54
ISIN number	GB00BDS68T54
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

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