CCLA

QUARTERLY BULLETIN
30 June 2018

Commercial property update

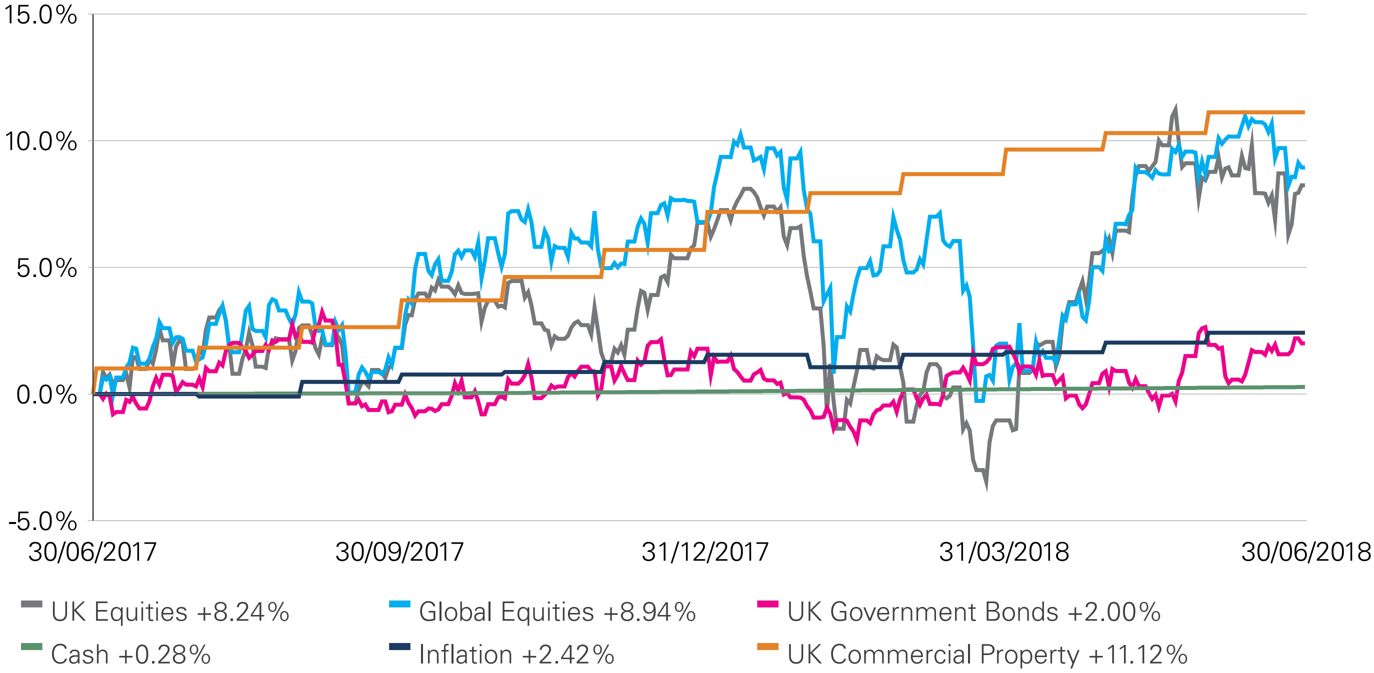
Investor sentiment towards commercial property became noticeably cautious in the period immediately after the Referendum, with the uncertainty reflected in a sharp fall in activity as investors considered the implications of the vote. Encouragingly, this hiatus was short lived and valuations resumed an uptrend, which is now unbroken for 20 months. Despite the obvious uncertainties, domestic investors were drawn by the high-income yield the sector provides, while overseas buyers sought trophy assets available at prices brought lower by currency weakness. A feature was the lack of selling pressure, in fact there was a noticeable shortage of good quality supply in many areas.

However, whilst overall returns have been rewarding, looking below the surface we can see that the overall progress has not been reflected evenly in all parts of the market. Demand has been strongest for assets with secure income prospects, whilst for those where there are question marks over rental levels, support has been thin. The best returns have been achieved by industrials – the distribution hubs which have been at the forefront of the growth in online shopping. Also in favour, have been a miscellaneous group of small sectors such as hotels, car parks and leisure centres, where income is secured on long leases, typically with inflation-linked income reviews. In sharp contrast, traditional retail assets have been out of flavour, buffeted by real concerns over consumer expenditure, excess supply as shopping patterns change and the expected pressure on rents from shop closures. These factors together have dampened capital values and put severe pressure on rents, which are now falling in many parts of the country. In sharp contrast, industrial rents are up by almost 5% over the year and capital value are 15% higher.

Commercial property has clearly proved to be much more resilient than was feared two years ago, but valuations are higher now and many of the uncertainties that concerned investors in the wake of the Referendum remain unresolved. What are the realistic prospects for the period ahead?

Encouragingly, the economic backcloth of growth and low interest rates is supportive. So too are some of the legacies of a hesitant economic recovery and weak bank lending, because these have moderated the build-up of speculative supply and high levels of debt that have damaged returns in the past. That said, there are clearly unhelpful developments in some areas, with the risk that these will deteriorate in the period ahead. Taking these various factors into account, our expectation is for another year of positive returns, but for these to come predominantly from income rather than higher capital valuations. Within the sector, the dispersion of returns at the sub–sector level will be wide and it will be important to have good quality assets in the right areas to capture fully the available returns. Our portfolios have had a low weighting to traditional retail assets for some time and this will continue. Positive cash flows into the portfolio are being used to add strong properties with attractive long-term income characteristics.

Markets at a Glance - 12 Months to 30 June 2018



Source: CCLA

Quarterly Market Review & Outlook

Global equity markets began the quarter strongly, making good early progress, before losing momentum as trade friction concerns increased. Nevertheless, the gains were sufficient, in most markets, to reverse the weakness experienced in the first three months of the year. Data releases showed continued economic expansion, but not at the pace experienced in the final months of 2017. Europe and Japan were the areas where the pace eased most. Inflation remained low and, of the major economies, interest rates were increased only in the US. The global index, for a sterling-based investor, gained +6.86%, taking the gain for the past 12 months to +8.94%. Helped by currency factors, the US was by far the strongest performer, +9.97% and substantially ahead of the gains made in Europe, +3.73%; Japan, +3.24% and Asia, +2.27%. Of the individual markets in Europe, Norway rose by over 10% while Austria was 4.84% lower. In Asia, Australia and New Zealand were up by more than 10%, Thailand down by over 9%. Brazil fell by -21.88%. The UK was a relatively strong performer, with a +9.20% return; the 12 months return from the UK equities index was +8.24%.

Domestic fixed interest securities traded in a narrow range. Sector sentiment was supported by flat economic data, but these gains were lost as expectations of a rise in borrowing costs, in August or November, gained traction. Government bonds returned +0.15%; corporate bonds -0.14%.

Property values remained in the modest uptrend, which began in the final months of 2016, however, sub-sector conditions continued to diverge. Industrial assets saw both rents and values move higher, but pressure increased on the traditional retail areas, fuelled by a number of highprofile store closures.

Sterling was a weak currency and fell by -5.77% against the US dollar, -0.65% against the euro and -1.82% relative to the yen.

We expect continued growth in the world economy, but with important regional differences. The pace of expansion in the US remains robust, but elsewhere progress is less strong, with a noticeable loss of momentum in Europe and Japan. Against this backcloth, lobal inflation will stay low and interest rate increases will be rare, occurring only in the US and possibly the UK.

Economic growth, rising corporate profits, and an accommodative monetary environment of low interest rates and quantitative easing have been the foundation to the uptrend in investment markets investors have enjoyed in recent years. That they remain in place, should continue to support markets in the period ahead. The environment, however, is far from risk free, and with valuations high by historical standards, there is a threat of increased volatility and profit taking. For this reason, although the broad shape of our portfolios will be maintained, we expect to increase the emphasis on more defensive assets, with quality growth, independent of broad economic trends, our focus.

Distributions for the Quarter

COIF Charities Fund	Distribution per Income unit	Payment Date	
Investment Fund	13.19p	31/08/18	• The payment is 7.6% lower than that for the equivalent period of 2017. The current expectation is that the payment, for the year as a whole, will show a modest increase.
Ethical Investment Fund	2.02p	31/08/18	• The payment is 4.7% lower than that for the equivalent period of 2017. The current expectation is that the payment, for the year, as a whole will show a modest increase.
Global Equity Income Fund	1.64p	31/08/18	• The payment is at the same value as the comparable payment in 2017.
Property Fund	1.57p	31/08/18	• The payment is at the same value as the comparable payment in 2017.
Fixed Interest Fund	1.11p	31/08/18	• The payment is at the same value as the comparable payment in 2017.

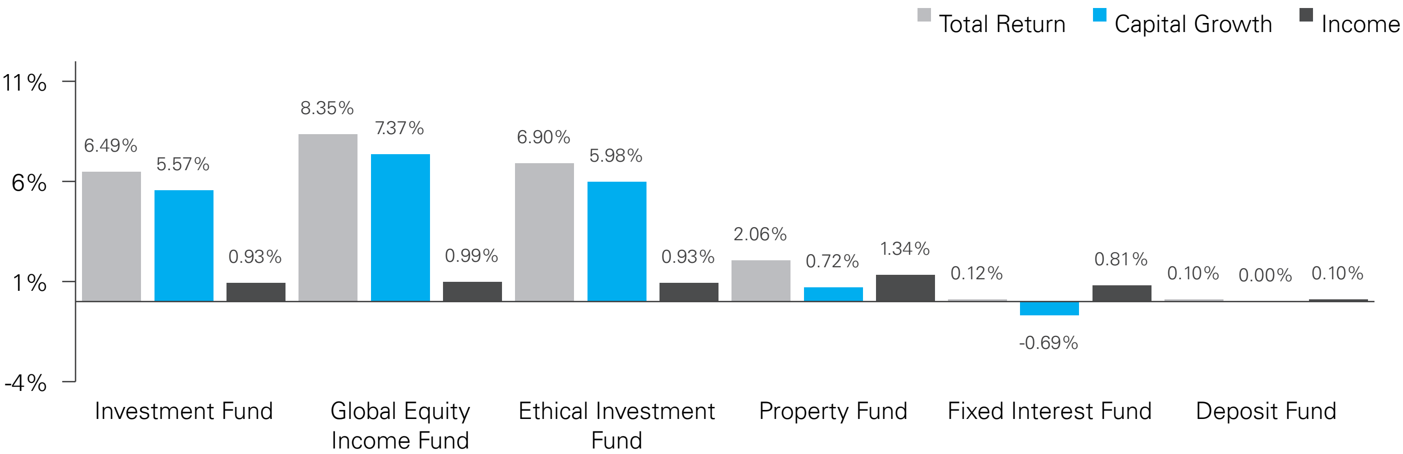
Interest for the Quarter

COIF Charities Deposit Fund

Average interest rate over the quarter	0.50% (0.50% A.E.R.)*	• The interest rate paid to investors rose over the period, a reflection of higher money market rates.
Interest rate at the quarter end	0.41% (0.41% A.E.R.)*	• Interest payments on the Fund will reflect those available from top-quality borrowers.
		• The Fund is rated AAAf/S1 by Fitch Ratings. AAAf is the highest credit rating available

*A.E.R. = Annual Equivalent Rate, which illustrates what the annual interest rate would be if the quarterly interest payments were compounded.

Fund Performance
The COIF Charity Funds over the quarter (net)



Source: CCLA Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

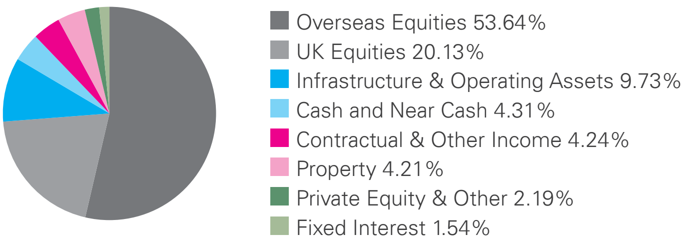
Fund Report

COIF Charities Investment Fund

- The global economy continued to grow over the quarter, but the pace of expansion slowed from the higher levels experienced earlier in the year, as both Europe and Japan lost momentum. Inflation remained modest in the developed economies and interest rates stayed low, increasing only in the US. Most asset classes gave positive returns, but equities were the best performers. For UKbased investors, local currency gains were amplified by currency translation effects, as sterling weakened relative to the major alternatives. Of the major regional markets, the US returned most, 9.97%, but the UK indices, with a gain of 9.20%, were close behind. Property values continued in the uptrend which began in the final months of 2016, but, even so, income made the biggest contribution to performance. In contrast to the improvements in other classes, domestic fixed interest markets were flat, held back by expectations of rising interest rates.

- On a gross basis, the Fund returned 6.69% during the quarter compared to a return on the comparator of 6.47%. Over the past 12 months the respective returns are 9.87% and 8.01%. The relative outperformance came mainly from asset allocation choices; the low weighting to fixed interest assets made an important contribution. At the stock selection level, the holdings in I.T. and the health sectors were positive, but the low exposure to energy was a significant negative, as this sector rallied strongly.

*Asset Allocation



Overseas Equities	%
North America	34.89
Developed Europe	11.06
Asia Pacific ex Japan	3.88
Japan	3.42
Other Americas	0.39
Total	53.64

The annual management fee is 0.60% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Discrete year total return performance (gross) %

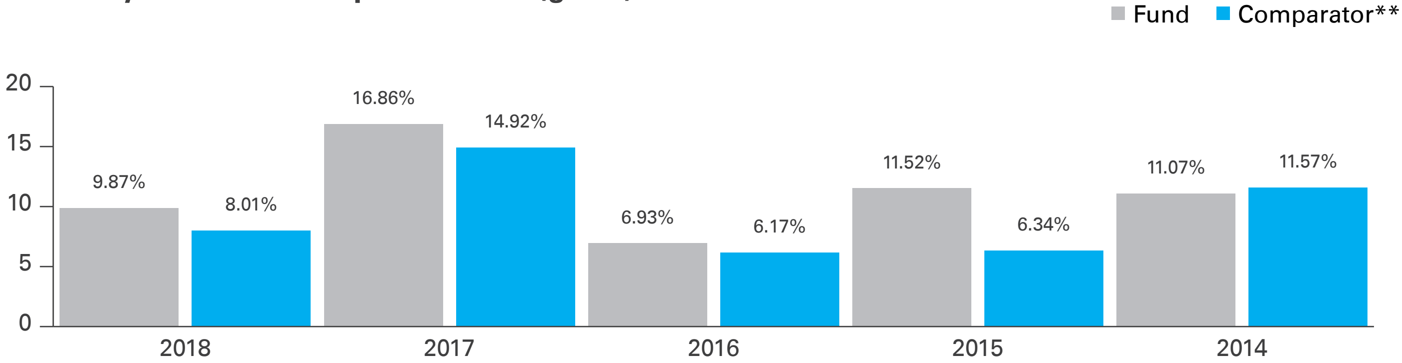
12 months to 30 June	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Investment Fund	9.87	16.86	6.93	11.52	11.07
Comparator**	8.01	14.92	6.17	6.34	11.57

Annualised total return performance (gross) %

Performance to 30 June 2018	**1 year**	**3 years**	**5 years**
COIF Charities Investment Fund	9.87	11.14	11.20
Comparator**	8.01	9.64	9.35

Comparator - composite: from 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%.To 31.12.17 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5% **(IPD is estimated for the last month)

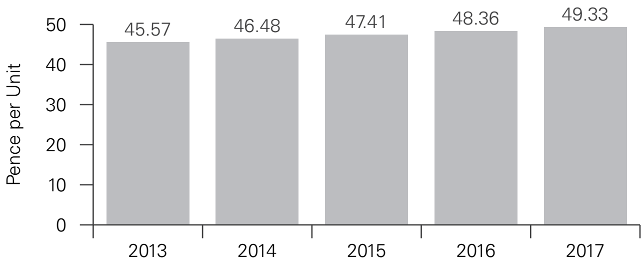
Discrete year total return performance (gross) %



Most overweight companies relative to equity indices as at 30th June 2018

S&P Global	1.83%	London Stock Exchange	1.39%
Thermo Fisher Scientific	1.65%	Fidelity Nat Info	1.39%
RELX	1.59%	UnitedHealth Group Inc	1.34%
AIA Group	1.54%	Croda	1.31%
Tencent Holdings	1.51%	Nestle	1.28%

Past distributions



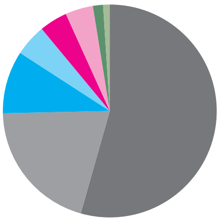
The annual management fee is 0.60% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Holdings as at end of period.

COIF Charities Ethical Investment Fund

- The global economy continued to grow over the quarter, but the pace of expansion slowed from the higher levels experienced earlier in the year, as both Europe and Japan lost momentum. Inflation remained modest in the developed economies and interest rates stayed low, increasing only in the US. Most asset classes gave positive returns, but equities were the best performers. For UKbased investors, local currency gains were amplified by currency translation effects, as sterling weakened relative to the major alternatives. Of the major regional markets, the US returned most, 9.97%, but the UK indices, with a gain of 9.20%, were close behind. Property values continued in the uptrend which began in the final months of 2016, but, even so, income made the biggest contribution to performance. In contrast to the improvements in other classes, domestic fixed interest markets were flat, held back by expectations of rising interest rates.

- On a gross basis, the Fund returned 7.10% during the quarter compared to a return on the comparator of 6.47%. Over the past 12 months the respective returns are 9.36% and 8.01%. The relative outperformance came mainly from asset allocation choices; the low weighting to fixed interest assets made an important contribution. At the stock selection level, the holdings in I.T. and the health sectors were positive, but the low exposure to energy was a significant negative, as this sector rallied strongly.

*Asset Allocation



- Overseas Equities 54.38%
- UK Equities 20.28%
- Infrastructure & Operating Assets 9.52%
- Contractual & Other Income 4.84%
- Property 4.24%
- Cash and Near Cash 4.20%
- Private Equity & Other 1.54%
- Fixed Interest 1.00%

Overseas Equities	%
North America	36.30
Developed Europe	10.13
Asia Pacific ex Japan	4.90
Japan	3.05
Total	54.38

Discrete year total return performance (gross) %

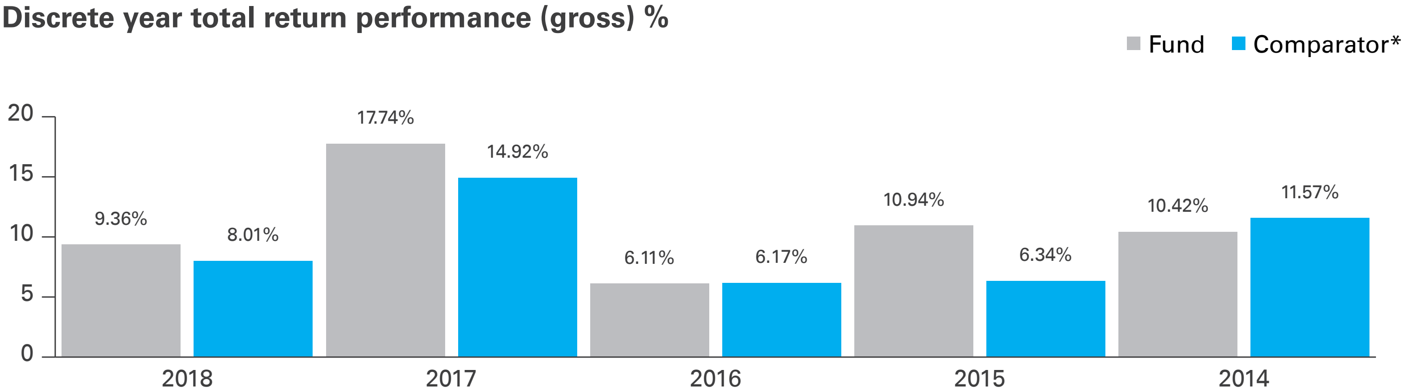
12 months to 30 June	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Ethical Investment Fund	9.36	17.74	6.11	10.94	10.42
Comparator**	8.01	14.92	6.17	6.34	11.57

Annualised total return performance (gross) %

Performance to 30 June 2018	**1 year**	**3 years**	**5 years**
COIF Charities Ethical Investment Fund	9.36	10.96	10.85
Comparator**	8.01	9.64	9.35

Comparator - composite: from 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%.To 31.12.17 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5% **(IPD is estimated for the last month)

Discrete year total return performance (gross) %

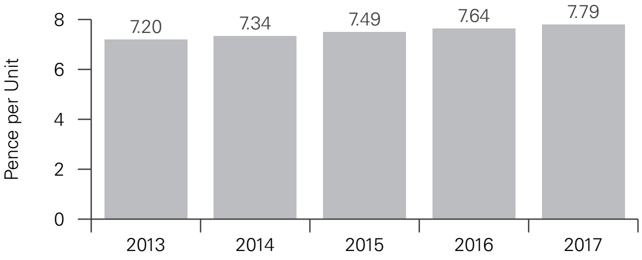


The annual management fee is 0.60% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Most overweight companies relative to equity indices as at 30th June 2018

S&P Global	1.85%	Unilever	1.63%
Nestle	1.72%	Tencent Holdings	1.54%
Thermo Fisher Scientific	1.68%	Fidelity Nat Info	1.44%
RELX	1.65%	Stryker Corp	1.40%
AIA Group	1.63%	DiaSorin Spa	1.39%

Past distributions



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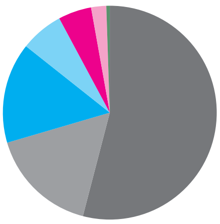
COIF Charities Global Equity Income Fund

- The global economy grew over the quarter, although the pace of expansion slowed from the highest levels achieved earlier in the year. Growth remained robust in the US, but activity lost momentum in both Japan and Europe. Inflation remained at low levels and within the developed economies interest rates were increased only in the US. Global equity markets rallied strongly in the initial part of the quarter, regaining most of the value lost in the early months of the year. Progress then slowed as sentiment cooled in the face of trade friction concerns. The best performing of the major equity markets for UK investors was the US, where local returns were boosted by currency factors. The US market gained 9.97%, compared with 9.20% from the UK and 3.73% from Europe, the next strongest international performer.

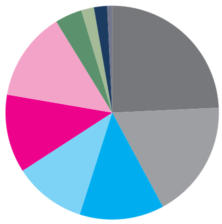
- On a gross basis, the Fund returned 8.63% during the quarter compared to a return on the comparator of 8.10%. Over the past 12 months the respective returns are 10.78% and 9.30%. Relative performance was supported by the geographical distribution of the ortfolio and in particular, by a high weighting to the US. At the sector level, holdings in non-bank financials, health and industrials all made important positive contributions, but these were offset to a significant extent by the negative effects of a low exposure to the oil sector, which rallied strongly.

*Asset Allocation



- North America 54.05%
- Developed Europe 16.41%
- UK Equities 15.21%
- Asia Pacific ex Japan 6.50%
- Japan 5.02%
- Cash and Near Cash 2.29%
- Other Americas 0.52%

*Sector Allocation



- Information Technology 23.71%
- Financials 17.44%
- Consumer Staples 12.52%
- Consumer Discretionary 10.68%
- Industrials 11.57%
- Health Care 13.21%
- Materials 4.01%
- Real Estate 1.88%
- Energy 1.95%
- Utilities 0.74%

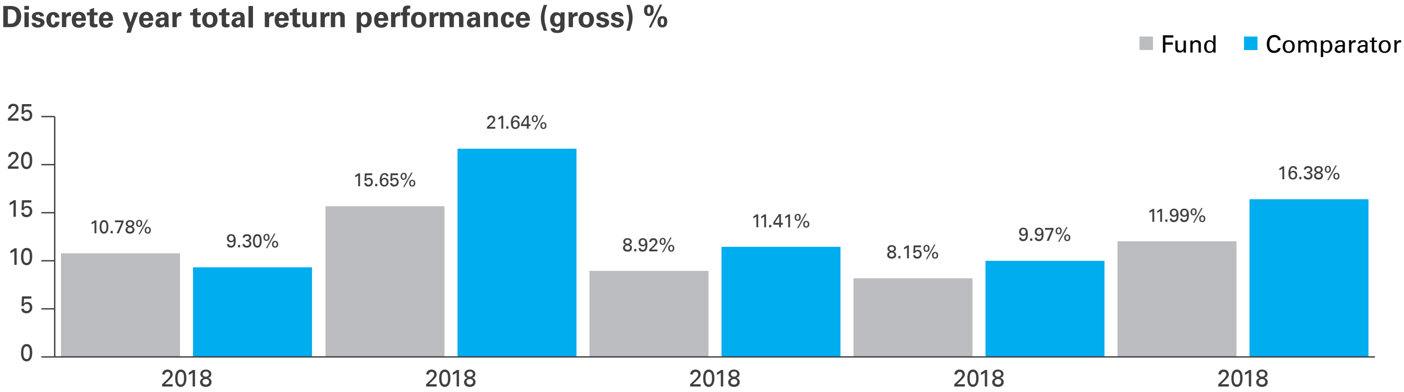
Discrete year total return performance (gross) %

12 months to 30 June	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Global Equity Income Fund	10.78	15.65	8.92	8.15	11.99
Comparator	9.30	21.64	11.41	9.97	16.38

Performance to 30 June 2018	**1 year**	**3 years**	**5 years**
COIF Charities Global Equity Income Fund	10.78	11.75	11.07
Comparator	9.30	13.99	13.65

Comparator – from 01.01.16 MSCI £ World. To 31.12.15 MSCI World 50% Currency Hedged.

Discrete year total return performance (gross) %

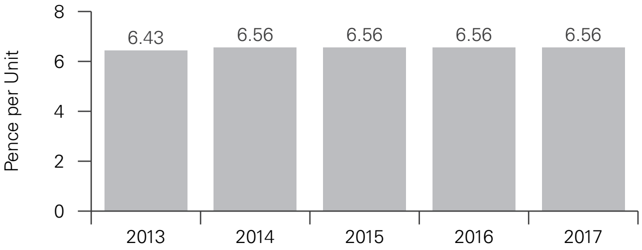


Most overweight companies relative to equity indices as at 30th June 2018

Unilever	2.11%	Thermo Fisher Scientific	1.55%
London Stock Exchange	1.78%	AIA Group	1.52%
RELX NV	1.71%	Stryker Corp	1.50%
Kao Corp	1.58%	CME Group	1.49%
Taiwan Semiconductor	1.56%	Heineken NV	1.47%

The annual management fee is 0.75% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset and Sector allocations as at end of period.

Past distributions



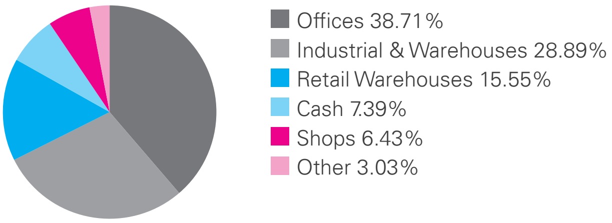
The annual management fee is 0.75% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset and Sector allocations and holdings as at end of period.

COIF Charities Property Fund

- The economic backcloth of continued growth, low interest rates and good credit availability proved to be supportive to the sector. Valuations increased consistently through the quarter, helped by rising rents and demand from both domestic and overseas-based investors. Within the industry, however, there were divergent returns at the subsector level. Industrial assets – typically the distribution centres that are the prime beneficiaries of the change in shopping patterns – continued to perform well. In contrast, parts of the retail sector lagged, high street shops and secondary shopping centres the main areas of concern. Transaction values remained high, but this measure of activity was inflated by a small number of high-value deals. Trade volumes were below past peaks, in part because of poor availability of good-quality assets.

- On a net basis, the Fund returned 2.06% during the quarter compared to a return on the benchmark of 1.89%. Over the past 12 months the respective returns are 8.71% and 9.88%. The strong representation in the industrial sector helped performance whilst returns from the office sector were mixed. The void rate declined as projects matured, but expenditure continued at an elevated level.

*Gross asset allocation



Property portfolio details

Top 5 properties: 29.0% of portfolio
Top 5 tenants: 21.4% of rental income
Weighted unexpired lease: 5.1 yrs
Vacancy rate: 8.3%
The Fund has credit facilities which, at quarter end, were not utilised.

Discrete year total return performance (net) %

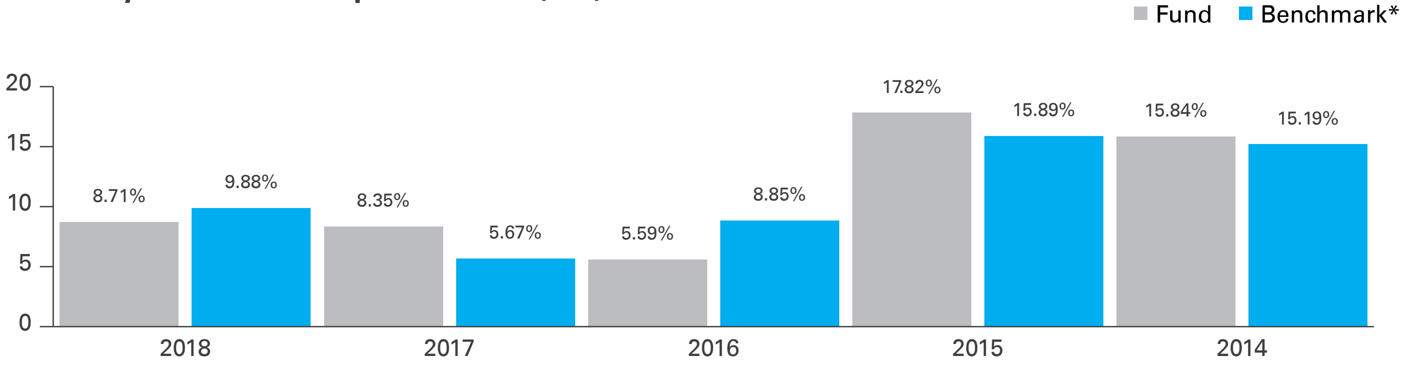
12 months to 30 June	2018	2017	2016	2015	2014
COIF Charities Property Fund	8.71	8.35	5.59	17.82	15.84
Benchmark**	9.88	5.67	8.85	15.89	15.19

Annualised total return performance (net) %

Performance to 30 June 2018	1 year	3 years	5 years
COIF Charities Property Fund	8.71	7.54	11.16
Benchmark**	9.88	8.12	11.03

Benchmark – AREF/IPD™ Other Balanced Property Fund Index **(estimated for the last quarter). Property performance is shown after management fees and other expenses (net)

Discrete year total return performance (net) %



Top ten property holdings – total 42.23% as at 30th June 2018

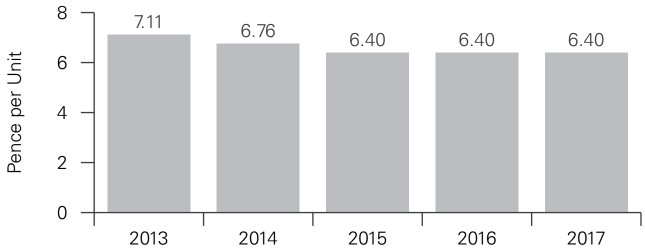
London, Cannon Street
Bracknell, Arlington Sq.
Mendlesham, Ind. Est.
London, Fetter Lane
London, College Hill
Chertsey, Syward Place
Bristol, Aztec West
Uxbridge, Stockley Park
Northampton, B'Mills
Crawley, Manor Royal

The annual management fee is 0.65% and is deducted from capital. Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation and holdings as at end of period.

Asset allocation by region and category

Fund Data as at end June 2018 and AREF/IPD™ Other Balanced Property Fund Index as at end March 2018.

Past distributions



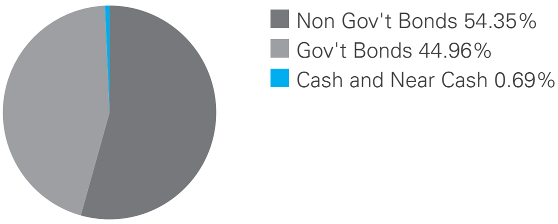
The annual management fee is 0.65% and is deducted from capital. Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

COIF Charities Fixed Interest Fund

- UK economic growth was not strong enough to justify an increase in interest rates, though some move to increase borrowing costs is now expected later in the year, with August and November the most likely dates. Fixed interest markets moved in a narrow band over the quarter. Sentiment was buoyed by the low level of growth in the economy, but support was offset by the conviction that interest rates would rise before the end of the year. Government bonds gave returns slightly below those of corporate bonds, shorter - dated issues were the best performing subsector.

- On a gross basis, the Fund returned 0.20% during the quarter compared to a return on the benchmark of 0.00%. Over the past 12 months the respective returns are 1.60% and 1.32%. The portfolio has a modest overweight position in corporate bonds within an overall cautious strategy, reflected in a duration shorter than those of the benchmark indices.

*Asset Allocation



By term to maturity

Period	% Fund
0 - 5 years	31.0
5 - 10 years	32.4
10 - 15 years	13.8
Over 15 years	22.8
Duration (modified)	7.5 yrs
Ave term to maturity	9.5 yrs

Discrete year total return performance (gross) %

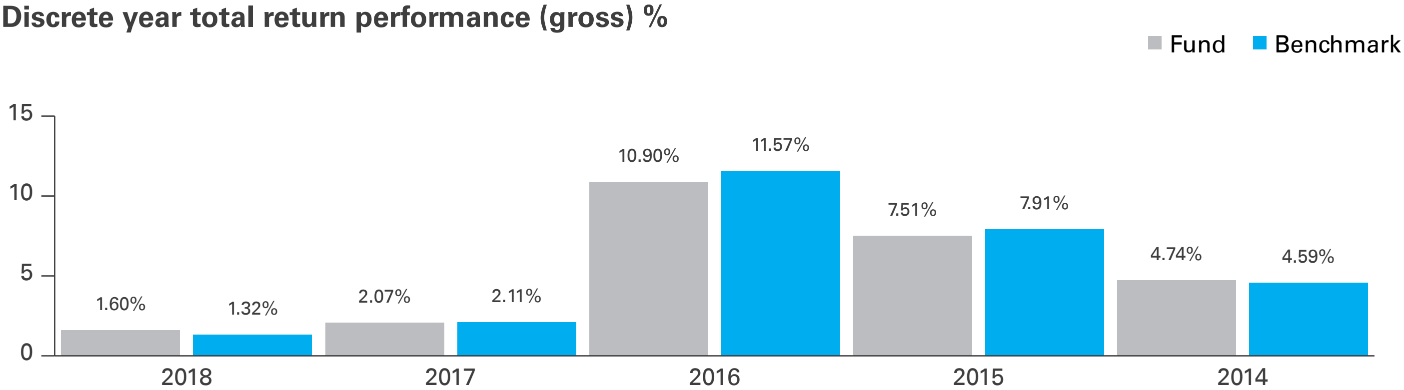
12 months to 30 June	2018	2017	2016	2015	2014
COIF Charities Fixed Interest Fund	1.60	2.07	10.90	7.51	4.74
Benchmark	1.32	2.11	11.57	7.91	4.59

Annualised total return performance (gross) %

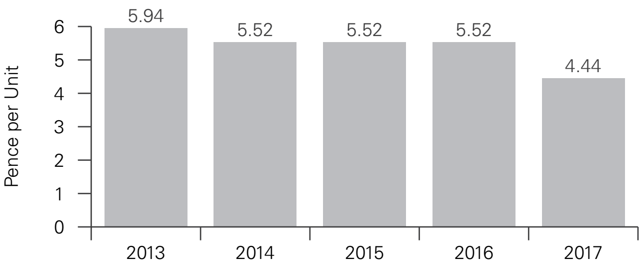
Performance to 30 June 2018	1 year	3 years	5 years
COIF Charities Fixed Interest Fund	1.60	4.77	5.31
Benchmark	1.32	4.90	5.43

Benchmark – composite: from 01.01.16 iBoxx £ Gilt 50% and iBoxx £ Non Gilt 50%. To 31.12.15 Barcap £ Gilt 50% and £ Agg 100mm Non Gilt 50%. To 31.12.12 Barcap £ Gilt 80% and £ Agg 100mm Non Gilt 20%

Discrete year total return performance (gross) %



Past distributions



The annual management fee of the Fixed Interest Funds is 0.22% and is deducted from income. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

COIF Charities Deposit Fund

- The UK economy grew moderately over the period. Inflation fell from the highest levels, but remained above the international averages. Despite the pressure on prices and sustained low unemployment, wage growth was modest and, for most consumers, insufficient to protect spending power from inflation. Contrary to earlier expectations, interest rates were unchanged. A rise is expected before the year end, with August or November the most likely months.

- The interest rates available to money markets rose during the period, as a result, it was possible to increase the rate payable to investors to 0.50% by the quarter end.

Discrete year total return performance (gross) %

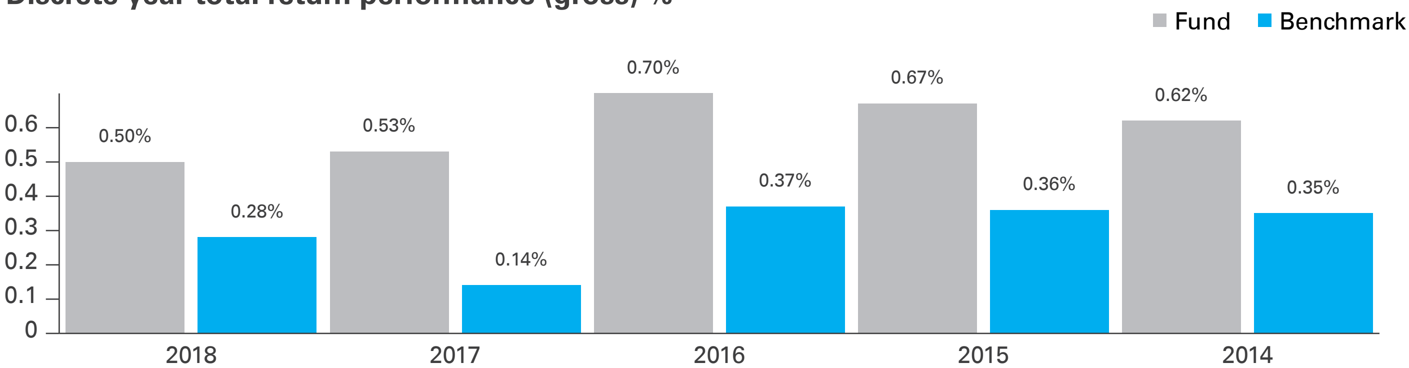
12 months to 30 June	2018	2017	2016	2015	2014
COIF Charities Deposit Fund	0.50	0.53	0.70	0.67	0.62
Benchmark	0.28	0.14	0.37	0.36	0.35

Annualised total return performance (gross) %

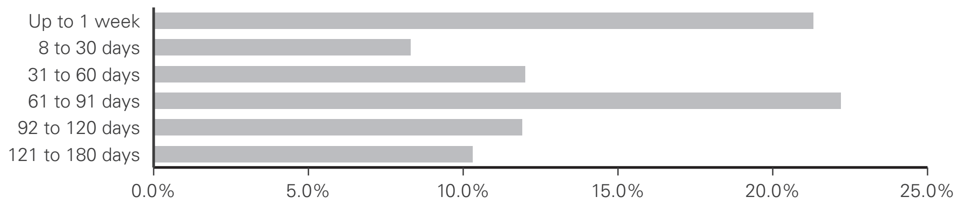
Performance to 30 June 2018	1 year	3 years	5 years
COIF Charities Deposit Fund	0.50	0.57	0.60
Benchmark	0.28	0.26	0.30

Benchmark – London Interbank Sterling 7 Day Bid Rate

Discrete year total return performance (gross) %



The Fund's maturity profile



The annual management fee of the Deposit Fund is 0.20% and is deducted from income. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed.

Ethical and Responsible Investment Report

Our work has five strands:

1 Engagement focused on social and environmental issues that are a priority for our clients.
2 Voting and engagement on governance issues to protect shareholder value and address excessive remuneration.
3 Setting constraints on investment and exposure to activities considered unacceptable by our clients.
4 Selecting investments that deliver social or environmental benefits plus market-level, risk-adjusted returns.
5 Responsibilities under the UK Stewardship Code and the UN Principles for Responsible Investment.

Quarterly highlights

- Most UK companies hold their Annual General Meetings during the second quarter of the year. This is, therefore, known as being the 'peak voting season'. During the quarter, we voted at 140 company meetings.

- We have implemented a new approach to addressing the world's most oppressive regimes. Based upon data from the NGO, Freedom House, this will prohibit the Ethical Fund from buying debt issued by 43 regimes.

- Following the Grenfell House tragedy, our property team have conducted a thorough review of fire risk at all properties in our portfolio. This review included investigating the types of cladding utilised and other major concerns. We identified no buildings considered to be highrisk. We are further reviewing one 'medium-risk' asset.

Engagement in more detail:

- CCLA have an active engagement programme. This is designed to encourage investee companies to manage their environmental, social and governance risks better and to support the charitable missions of our clients.

- Addressing the risks and opportunities posed by climate change is our highest priority. With the assistance of our partners, we met with Chevron, Shell, Duke Energy and Rio Tinto during the quarter.

- We are also working with 72 FTSE 350 constituent companies that have not achieved a 'B' on the A-D CDP Climate Rankings. As part of this work, we will be asking our investee companies to support the findings of the Taskforce on Climate Related Financial Disclosures and set emissions reduction targets in line with limiting temperature rises.

- Following the 'Cambridge Analytica' scandal we have conducted a review of the approach to data privacy of the companies we hold. We will be contacting 57 companies to learn more about their policies.

Ethical investment:

- We confirm that the COIF Funds have been managed to their respective ethical exclusion policies this quarter.

- Following the completion of our client survey, we offered COIF clients the opportunity to transfer between the COIF Investment and Ethical Investment Funds (and vice-versa) at low cost. Over 120 clients participate in the switch and the net movement of assets, from the Investment Fund to the Ethical Fund, was over £77m on the 1st July.

Focus on 'Peak Voting Season'
In Summary:

- Most UK-listed companies hold their Annual General Meeting during the second quarter of the year. This is, therefore, known as peak voting season.

- This year's voting season coincided with the UK government issuing new guidance on corporate governance, in an attempt to curb excessive executive pay and promote responsible business practices.

About Our Approach to Proxy Voting

- As an active shareholder, CCLA aims to vote at all meetings held by investee companies. Our approach is designed to promote best practice corporate governance and to reflect the values of our clients. It includes a proactive approach to issues like encouraging gender diversity at Board and senior staff levels and ensuring appropriate independent auditing.

- During the quarter we voted at 140 company meetings. The COIF Investment Fund voted against 13% of resolutions proposed by company management (13% for the Ethical Fund, 16% Global Equity Income Fund).

Peak Voting Season 2018

- This year's voting season coincided with the UK government issuing new guidance on corporate governance. This was an attempt to curb excessive executive pay and, in the wake of the collapse of BHS and Carillion, promote responsible business practices.

- Under the new legislation companies will have to explain how they consider the interests of all employees when setting executive pay levels and publish the ratio between the remuneration of their CEO and average staff member.

- CCLA has long taken a stance against the most excessive pay packages. During this voting season, we supplemented this by voting against executive remuneration proposals at any UK company that is yet to publish a pay ratio or that offers executives disproportionate pension benefits.

- During the quarter the COIF Investment Fund voted against 85% of executive remuneration proposals and opposed the re-election of the Chair of the Remuneration Committee at 32 investee companies.

- Our full voting policy and record are available on the CCLA website.

Risk Warning

Performance is shown before management fees and other expenses: net returns will differ, except the Property Fund which is shown net and the graph on the Fund Performance page. Exchange rate changes may have an adverse effect on the value, price or income of investments. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice. All sources are CCLA, unless otherwise indicated.

Disclosures

Investment is only available to charities within the meaning of section 96 or 100 of the Charities Act 2011. Past performance is not an indicator of future performance. 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. The properties within the COIF Charities Property Fund are valued by an external property valuer; any such valuations are a matter of opinion rather than fact. The performance of the Fund may be adversely affected by a downturn in the property market which could impact on the value of the Fund. 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. Depositors in the COIF Charities Deposit Fund should note that CCLA may change the fund documentation to allow for negative interest rates to be passed on to depositors. This means that in the event that interest rates on sterling deposits and instruments become negative, depositors may be charged these negative interest rates instead of earning interest. The COIF Charity Funds are approved by the Charity Commission as Common Investment Funds under section 24 of the Charities Act 1993, The COIF Charities Deposit Fund is approved by the Charity Commission as a Common Deposit Fund under section 25 of the Charities Act 1993 and are Unregulated Collective Investment Scheme and Alternative Investment Funds. Investments in the Funds and Investments and Deposits in the COIF Charities Deposit Fund and COIF Charities Property Fund and the Funds are not covered by the Financial Services Compensation Scheme (FSCS). However, the Manager may pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Funds.

CCLA Fund Managers Limited (registered in England No. 8735639 at Senator House, 85 Queen Victoria Street, London EC4V 4ET) is authorised and regulated by the Financial Conduct Authority and is the manager of The COIF Charity Funds (Registered Charity Nos. 218873, 803610, 1046249, 1093084, 1121433 and 1132054).

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