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**CCLA**

QUARTERLY  
BULLETIN

30 September 2021

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## Quarterly market review and outlook



Source: CCLA

In the early part of the period, investment markets were supported by expectations of a sustained uptrend in economic activity, monetary environment of low interest rates and quantitative easing. The mood changed later as growth slowed and inflation rose. There was also a recognition that, whilst policy adjustments were not imminent there was less justification for exceptional monetary policies. Therefore, investors came to recognise that quantitative easing programmes would soon be reduced, and in time, interest rates increased. The effect on markets was an early uptrend gave way to a phase of consolidation and profit taking. Most equity markets achieved progress overall whilst ending below their quarterly peaks. Domestic fixed income markets however ended lower.

The global equity index gave a total return to a sterling-based investor of 2.45%, a gain which brings the return for 2021 to date to 14.56% and to 23.51% for the past 12 months. Most of the major regional indices improved, with Japan, where sentiment was boosted by vaccination progress and hopes that strict restrictions on mobility would be eased, the clear leader. The Japan market index returned 7.13% compared with gains of 2.77% from the US and 0.50% from Europe. Asian markets were the exception to the positive trend, losing -6.16% due to weakened sentiment towards China. At the individual market level in Europe, Austria improved by 13.1% whilst Belgium weakened by 3.32%. In Asia, India improved by 15.34% and in contrast, the China index fell by 16.16%. The UK posted a gain of 2.15%. Within markets, leadership shifted from growth to value, including the banking and energy sectors which had underperformed in recent months.

Domestic fixed income assets lost value as sentiment weakened due to higher inflation and commentary from the

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Bank of England which was interpreted as warning that interest rates could increase materially earlier than previously thought.

With little income yield to support stretched valuations, prices eased back. Government bonds so far this year have given a negative total return of -7.08%. Property values continued to recover due mainly to the strength of the industrial sector. Gains elsewhere were more modest, but there were encouraging signs of improvement from retail warehouses.

Global growth slowed in the third quarter, held back by an increase in infection rates, product shortages and an unexpected slowdown in China. These factors should ease in the final months of the year. Growth will moderate in 2022 but slower growth does not mean low growth and activity should remain above long-term trend rates through the period. Inflation is a concern but hopefully a temporary one, certainly central banks have held to the mantra that the increase in price pressures will fade as inventories are rebuilt and capacity catches up with the recovery in demand.

Increasingly investors will have to come to terms with some moderation in the exceptional monetary conditions which have been a keystone of the recovery. Quantitative easing programmes will be reduced and interest rates will rise, an environment which is likely to be unhelpful to fixed income markets. We expect yields to move higher over time from current low levels. Equities are better placed and although high valuations increase the risk of short-term volatility, we see further upside potential quality companies with secure growth prospects. Property values have enjoyed a phase of recovery we expect to continue although growth ahead may not match that achieved so far this year.

### 2020 Stewardship Code

#### What is stewardship?

The Financial Reporting Council (FRC) defines it as 'the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.'

The UK Stewardship Code (the Code) is a set of principles that sets high stewardship standards for the UK investment industry. It applies to asset owners, asset managers and service providers, and until 2020, it had about 300 signatories. To become a signatory, a company simply had to provide the FRC with a stewardship statement.

In 2020, the Code was updated for the first time since 2012. New themes covering environmental, social and governance (ESG) topics were introduced. Rather than disclosing only policies, aspirational signatories had to report on their specific stewardship activities, and the outcomes achieved.

As a result of the upgraded standards, the list of signatories to the Code was whittled down to 125. In asset management, barely 60% made the grade. We submitted our response to the Code (see website) in March and were delighted to receive our successful outcome this quarter.

#### Why is this relevant to investors?

This is a watershed moment. Asset owners and managers are now expected to play a role in promoting not only a profitable but also a well-functioning financial system. They are expected to report on the impact and influence that they have beyond the small handful of companies that they own. For the first time, they are expected to identify and address both company-specific and systemic risks.

#### What is systemic risk?

Evaluating risk is an essential part of determining the worth of a potential investment. Traditionally, asset managers assess only the risks visible to them through the lens of financial metrics. These take account of a company's valuation, its historical share price, debt to equity ratios, and forecast earnings, among others. This type of company-specific risk analysis can be quantitative or qualitative.

Yet there are some risks that are not specific to companies. Risks that companies may be subject to but that, alone, they can do little to address. One example is climate action failure; it will affect every company in time. Another is forced labour in modern supply chains; research indicates that it is almost ubiquitous among listed companies. A third example is a poor culture of workplace health and safety; applicable to every company with workers. These systemic risks are universally relevant, regardless of sector or geography.

#### What can we do?

Investment markets, and the returns they deliver, will only be as healthy as the environment and communities that support them. As investors with a truly long-term client base, we have a duty to drive real and positive change. This ambition should be focussed on addressing risks embedded in the system: systemic risks.

Get this right and we can extend our influence beyond the small handful of companies that we own, on behalf of our clients, at any point in time. By delivering positive change we can make capitalism more sustainable, contribute to the common good and control risks before they impact upon the performance of our clients' investments. This is the essence of the 2020 UK Stewardship Code.

#### What does it mean for portfolios?

At CCLA, we are continually trying to improve the effectiveness of our work. Over the past few years, we have increased the resource allocated to stewardship activities that are designed to have a systemic impact. These include:

- A long-held focus on climate-related public policy. We are co-leading the development of the Powering Past Coal Alliance Finance Principles in partnership with the UK and Canadian Governments.
- Creating the Find It, Fix It, Prevent It modern slavery initiative. This seeks to mobilise the investment industry in pushing companies to develop more effective action to tackle modern slavery in supply chains.
- Building the CCLA Corporate Mental Health Benchmark. This aims to hand companies a framework to develop a positive environment for mental health in the workplace. In doing so, we will improve the working experience across the employee lifecycle and increase productivity along the way.

#### Looking ahead

To remain a signatory to the Code, we will need to submit an annual Stewardship Report to the FRC, demonstrating how we have applied the Code's Principles over the previous 12 months. This is a crucial part of our work, and we will continue to achieve the highest stewardship standards on behalf of our loyal clients.

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## Ethical and responsible investment report

### Our work has four 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. Responsibilities under the UK Stewardship Code and the UN Principles for Responsible Investment (PRI).

### Quarterly highlights

Having submitted our response to the revised UK Stewardship Code in March, we were delighted to receive a successful outcome this quarter. Remaining a signatory to the Code is important to us and we are now building a programme of work to address the specific feedback points raised by the Financial Reporting Council.

As part of our public health stewardship work, we are signatories to the Access to Nutrition Index. The Index ranks the 25 leading food and beverage manufacturers on their contribution to addressing malnutrition in all its forms: overweight & obesity, undernutrition, and micronutrient deficiency. The 2021 Index includes four CCLA holdings: PepsiCo, Unilever, Nestle and Coca-Cola. We have joined the collaborative investor engagement groups for these companies and co-signed letters to each in Q3. We have had in-depth engagement meetings with two of the companies so far. The overarching aim to make these companies more accountable for their role in shaping public health.

On the CCLA Corporate Mental Health Benchmark, preliminary assessments for the 30 UK companies within scope were sent out this quarter. Companies now have four weeks to come back to us with any additional public information before assessments are finalised. Results will be released in Q4.

During the third quarter, we conducted 65 discrete engagements with investee companies. For high priority companies, engagement was heavily weighted to social topics, predominantly on health and human capital.

### Quarter three voting in detail

CCLA aims to vote at all UK and overseas company meetings where we have portfolio holdings. The COIF Charities Investment Fund did not support 4% of resolutions at our investee companies this quarter (4% for the Ethical Fund, 7% for the Global Equity Income Fund).

We continued our longstanding focus on executive remuneration. One example is Electronic Arts, where we voted against the Named Executive Officer's compensation package. We do not expect executive directors in receipt of competitive salaries to be offered annual bonuses of more than 100% of base salary (unless an executive director has delivered extraordinary results through exceptional performance to the significant benefit of shareholders). The proposal was not compliant with our remuneration guidelines and breached our maximum multiple of salary.

### Modern slavery project - lobbying update

CCLA's Find It, Fix It, Prevent It initiative is now supported by investors with more than £7 trillion in assets under management or advice. The project to tackle modern slavery has three distinct workflows: engagement, data and academia, and public policy.

Governments and policy makers have a key role to play in developing the legal frameworks to facilitate effective corporate action on modern slavery. Our focus to date has been on strengthening the UK's Modern Slavery Act.

During the quarter, we continued meeting staff from the Home Office Modern Slavery Unit (MSU), both individually and as part of our membership of the Transparency in the Supply Chains section of the Home Office's Modern Slavery Strategy Implementation Group.

The UK Government has agreed to implement many of the changes to legislation that we have been asking for in relation to corporate transparency. Although there is no firm date for these legislative updates, we are told that the MSU is making a bid for the changes to be included in the 2022 Queen's speech.

Elsewhere, the Home Secretary has announced a review of the Government's modern slavery strategy. The MSU held a roundtable as an early stage of this review, which we attended. Investors are seen as a key player in these discussions, and we plan to coordinate and host an investor roundtable on the subject in collaboration with the Home Office in the Autumn.

### Ethical constraints

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

## COIF Charities Investment Fund

### Performance comment

The world economy continued to recover over the period although the pace of expansion slowed, held back by the effects of the pandemic, higher prices, and product shortages. Expansion was again supported by an accommodative fiscal and monetary environment. Higher levels of demand were a major factor in pushing inflation higher due to frail stock pipelines and manufacturing industries which struggled to regain past output levels. Despite the pressure on prices central banks kept interest rates unchanged, taking the view that the problem would prove passing. The combination of growth, rising company earnings and ample liquidity gave early support to equity markets but progress stopped as growth slowed, and inflation became more of a concern. Within the equity markets sector leadership switched to favour cyclical and recovery linked sectors which had underperformed. Fixed interest assets lost ground as investors became concerned over the impact on returns of higher inflation and the perceived increased risk of an early move to increase interest rates.

Over the quarter the Fund returned 1.68% compared with the comparator return of 1.76%. Over the last 12 months, the Fund returned 16.12% compared with the comparator return of 18.19%.

In the period stock selection made a negative contribution to relative performance reflecting the bias to high quality companies. In contrast, asset allocation was positive, particularly the low weighting to fixed income securities.

### Fund update

The investment objective of the Fund is to achieve real long-term growth in capital values and a rising income from a portfolio managed within a clear risk control framework. The portfolio has a bias towards real assets, predominantly global equities but also including property and infrastructure. Stock selection is on a 'bottom-up' basis. We favour companies with strong free cash flows and the potential to grow more predictably than the general economy. This has resulted in relatively high weightings to sectors such as health, the consumer and technology. Recent activity has focussed on reducing the exposure to companies which have reached our valuation targets, switching into lower rated but still high- quality alternatives.

### Income

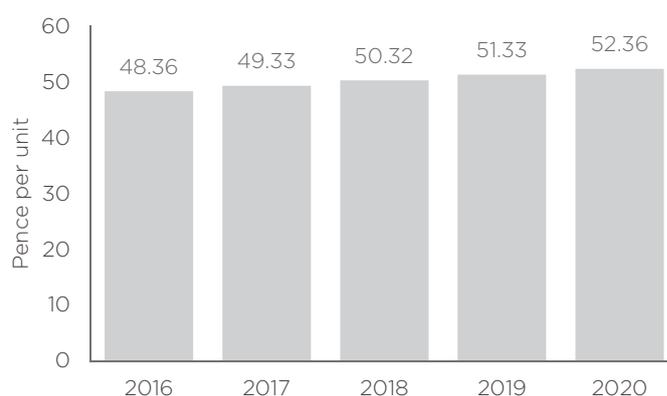
Gross dividend yield 2.75%\*

MSCI \$ UK IMI dividend yield 3.39%

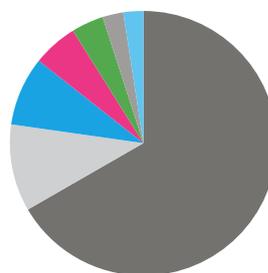
MSCI \$ World ex UK dividend yield 1.65%

\* Based upon the net asset value and an estimated annual dividend of 53.41p.

### Past distributions



### Asset allocation as at 30 September 2021



- Overseas Equities 66.65%
- UK Equities 10.62%
- Infrastructure & Operating Assets 8.43%
- Cash & Near Cash 5.45%
- Property 3.92%
- Contractual & Other Income 2.53%
- Private Equity & Other 2.4%

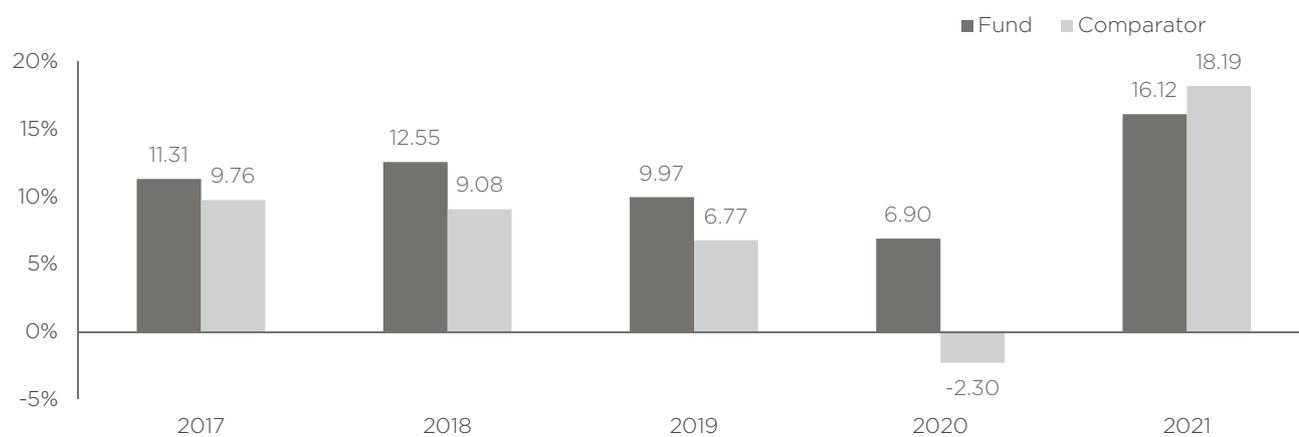
Overseas Equities	%
North America	44.53
Developed Europe	14.53
Asia Pacific ex Japan	6.00
Other	1.10
Japan	0.48
<b>Total Overseas Equities</b>	<b>66.65</b>

## Total return performance

Performance* to 30 September 2021	3 months	1 year	3 years p.a.	5 years p.a.
Investment	+1.68%	+16.12%	+10.93%	+11.33%
Comparator	+1.76%	+18.19%	+7.23%	+8.10%

## Discrete year total return performance

12 months to 30 September	2017	2018	2019	2020	2021
Investment	+11.31%	+12.55%	+9.97%	+6.90%	+16.12%
Comparator	+9.76%	+9.08%	+6.77%	-2.30%	+18.19%



Comparator - composite: From 01/01/21, MSCI World 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01/01/18, MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. From 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%. Source: CCLA

## Top 10 holdings as at 30 September 2021

COIF Charities Property Fund (Sub-Holding)	3.1%	Diageo Ord GBPO.289	1.3%
Alphabet Inc C Com NPV	1.9%	Adobe Inc Com USD0.0001	1.2%
Microsoft Com NPV	1.8%	Taiwan Semicon Manufacturing TWD10	1.2%
Amazon.Com Com USD0.01	1.5%	Relx PLC Ord GBPO.1444	1.2%
Visa Com - Class A Shares USD0.0001	1.4%	Bank Of America Com USD0.01	1.2%

\* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

## COIF Charities Property Fund

### Performance comment

Sentiment in the commercial property sector continued to improve over the period. Although all areas saw valuations improve there was a wide disparity of returns between the strongest and weakest performers. The best showing, once again, was by industrial and distribution assets where the supply of good quality assets remained limited. This was the only part of the property sector to see rents moving higher. The weakest returns came from retail assets where problems continued in important areas such as high street shops and shopping centres. The bright spot in retail was the strength of retail warehouses where resilient tenant trading saw a good recovery in pricing. Offices improved overall but sentiment towards the sector remained mixed and there was a wide range of returns at the individual asset level. Reflecting the broad improvement in economic conditions, income flows strengthened. Transaction volumes continued to improve and regained historic trend levels. Buyer interest in good quality assets was strong but the supply remained limited.

Over the quarter the Fund returned 4.35% compared with the benchmark return of 3.86%. Over the last 12 months, the Fund returned 14.68% compared with the benchmark return of 12.45%.

Relative performance was supported by the asset allocation of the portfolio which has a substantial allocation to industrial assets, a limited exposure to traditional shops and no shopping centre exposure.

### Fund update

The portfolio is actively managed at both the strategic and individual asset level. Currently there is a bias towards industrial assets and away from retail. In the retail area there is only a limited exposure to traditional shops and none to shopping centres, instead holdings are weighted heavily to retail warehouses. In the quarter, in addition to leasing activity which has protected income flows, there were two important transactions, both sales. We sold an office in Bristol and an industrial asset in Scotland where valuation increases took the pricing above our assessment of worth. Looking forward, we expect the positive trend in the sector to continue with higher capital values being achieved in the period ahead.

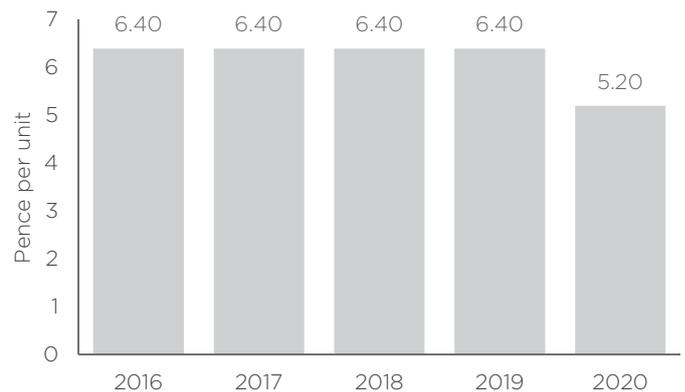
### Income

Gross dividend yield 4.69%\*

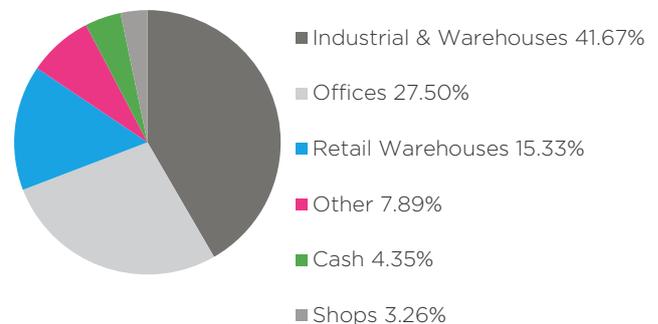
MSCI/AREF Other Balanced Property Fund Index Yield † 3.31%

\* Based upon the net asset value and an estimated annual dividend of 5.60p.

### Past distributions



### Asset allocation as at 30 September 2021



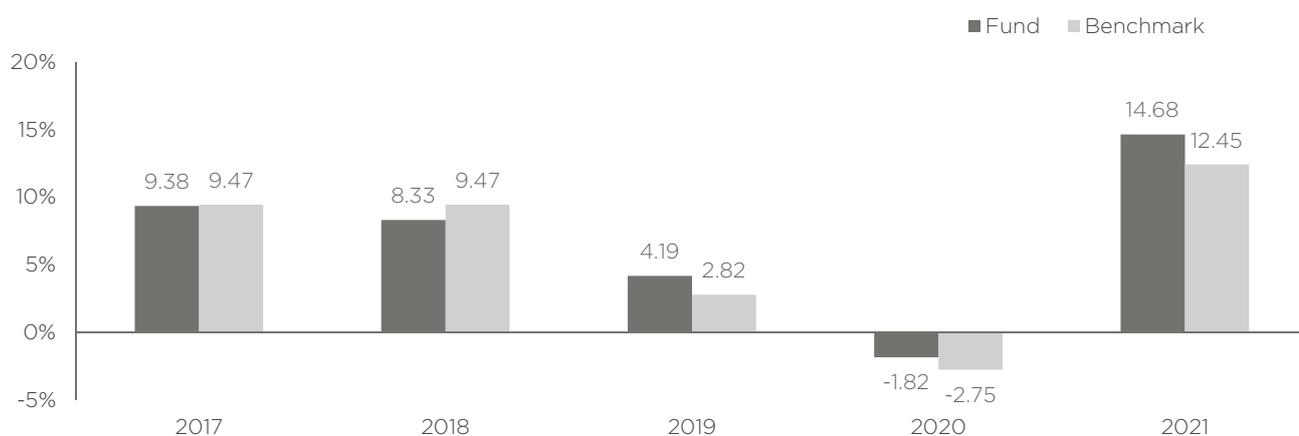
The Fund has credit facilities which, at quarter end, were not utilised.

## Total return performance

Performance* to 30 September 2021	3 months	1 year	3 years p.a.	5 years p.a.
Property	+4.35%	+14.68%	+5.47%	+6.81%
Benchmark	+3.86%	+12.45%	+3.98%	+6.14%

## Discrete year total return performance

12 months to 30 September	2017	2018	2019	2020	2021
Property	+9.38%	+8.33%	+4.19%	-1.82%	+14.68%
Benchmark	+9.47%	+9.47%	+2.82%	-2.75%	+12.45%



Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Property performance is shown after management fees and other expenses (net). Source: CCLA

## Top 10 underlying property holdings - total 46.15%

London, 80 Cannon Street

Mendlesham, Mendlesham Industrial Estate

Brighton, Pavilion Retail Park

Bracknell, 5 Arlington Sq

Lutterworth 3320 Magna Park

1400-1600 Aztec West Business Park Bristol

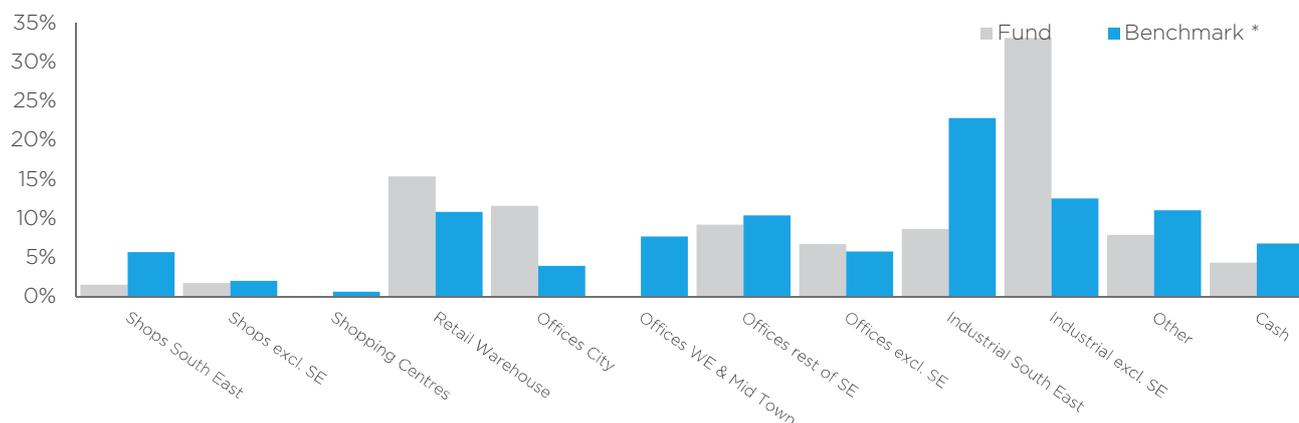
Lutterworth 3220 Magna Park

Rossiter Road Bath

1-3 College Hill London EC4

London E3 St Andrews Way

## Asset allocation by region and category



Performance of the Property Fund and its benchmark are shown after management fees and other expenses with income reinvested. Past performance is not a reliable indicator of future results.

## COIF Charities Global Equity Income Fund

### Performance comment

The world economy continued to recover in the period although the pace of progress slowed due to a resurgence of Covid infections, and the measures taken to control them. Stock shortages were also an issue as strong demand and thin inventories caused supply difficulties in areas such as semi-conductors. Governments and central banks maintained supportive fiscal and monetary environments with very low interest rates despite the progress made. A challenge to these helpful policies came from inflation. The initial reaction from central banks to increased cost pressures was to see them as passing but when the pressures proved to be both stronger and more resilient some indications that a policy response was likely emerged. Against a backdrop of economic expansion and rising company profits global equity markets began the period positively but lost the early momentum and then gave up some of the ground gained. Within markets the strongest relative performances were from cyclical sectors, including banking and energy, which had previously underperformed. Over the quarter the Fund returned 1.10% compared with the comparator return of 2.45%. Over the last 12 months, the Fund returned 18.23% compared with the comparator return of 23.51%.

The principal contributor to relative performance has been stock selection. The portfolio has bias to high quality growth companies which underperformed the indices in the period of review.

### Fund update

The portfolio has no predetermined allocations to any sector or geographic area, instead stocks are selected in a 'bottom-up' approach by which holdings are selected on their individual merits. We look for robust companies with strong free cash flows with which to support future growth and reward shareholders. This has resulted in a relatively high weighting in some of the consumer sectors, namely health and technology. There is a limited exposure to mainstream banks and no holdings in traditional oil and gas companies. There have been no significant structural changes to the portfolio instead much of the recent activity has been driven by valuations and in particular trimming exposure to companies that have reached our valuation targets and reinvesting in those where we see greater return potential.

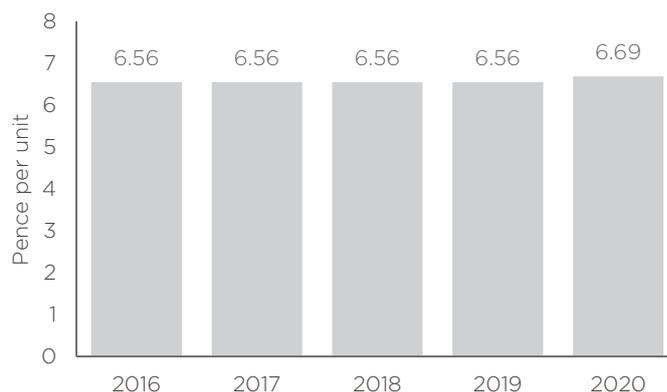
### Income

Gross dividend yield 2.54%\*

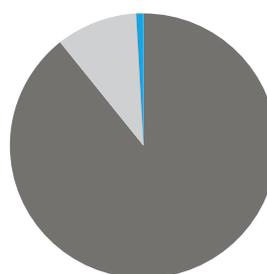
MSCI \$ World dividend yield 1.73%

\* Based upon the net asset value and an estimated annual dividend of 6.82p.

### Past distributions



### Asset allocation as at 30 September 2021



- Overseas Equities 89.3%
- UK Equities 9.82%
- Cash & Near Cash 0.88%

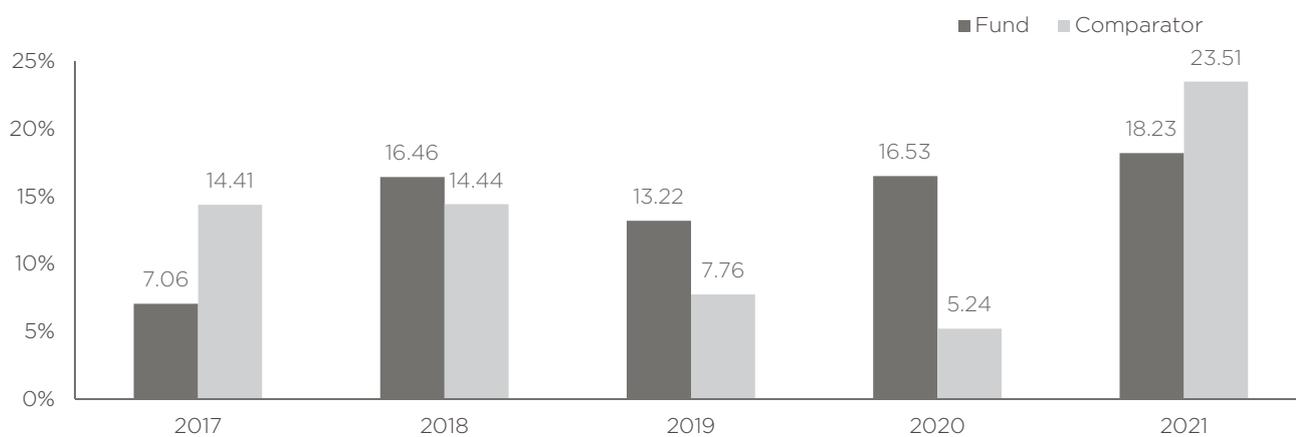
Overseas Equities	%
North America	62.12
Developed Europe	17.45
Asia Pacific ex Japan	7.65
Other	1.42
Japan	0.65
	<b>89.30</b>

## Total return performance

Performance* to 30 September 2021	3 months	1 year	3 years p.a.	5 years p.a.
Global Equity Income	+1.10%	+18.23%	+15.97%	+14.23%
Comparator	+2.45%	+23.51%	+11.89%	+12.90%

## Discrete year total return performance

12 months to 30 September	2017	2018	2019	2020	2021
Global Equity Income	+7.06%	+16.46%	+13.22%	+16.53%	+18.23%
Comparator	+14.41%	+14.44%	+7.76%	+5.24%	+23.51%



Comparator - from 01.01.16 MSCI E World. To 31.12.15 MSCI World 50% Currency Hedged. Source: CCLA

## Top 10 holdings as at 30 September 2021

Microsoft Com NPV	3.5%	Visa Com - Class A Shares USD0.0001	1.9%
Alphabet Inc C Com NPV	3.4%	Danaher Com USD0.01	1.7%
Amazon.Com Com USD0.01	2.7%	UnitedHealth Gp Com USD0.01	1.6%
Adobe Inc Com USD0.0001	2.0%	HDFC Bank ADR(V3 Ord)	1.5%
Mastercard Com USD0.0001	1.9%	Bank Of America Com USD0.01	1.5%

\* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

## COIF Charities Deposit Fund

### Performance comment

The UK economy continued to expand over the period although momentum slowed from the second quarter. Government fiscal policies remained supportive with very low interest rates and a programme of quantitative easing. A key feature of the quarter was the increase in inflation. The initial response of the Bank of England had been relatively sanguine, on the expectation that the problem would ease as unused capacity was utilised. This view changed as it became clear that the price increases were likely to rise higher than the earlier assessment and remain at the higher levels for longer, potentially peaking again in the Spring. The Bank hinted that persistent price pressures could justify a policy adjustment, which was understandably interpreted by investors as an increased chance of a near term rise in interest rates. Growth is expected to strengthen a little in the final quarter, supported by a reduction in supply problems, buoyant consumer expenditure and rising activity overseas. Interest rates may rise but growth remains a key policy objective for the government and so any increases are likely to be both cautious and limited in extent. They must also reflect the potential slowing effects on output of the maturing of the quantitative easing programme, the closure of the furlough scheme and planned tax increases in 2023. On this basis although interest rates on cash deposits could rise, they are unlikely to move far from current levels and will remain below inflation.

### Fund update

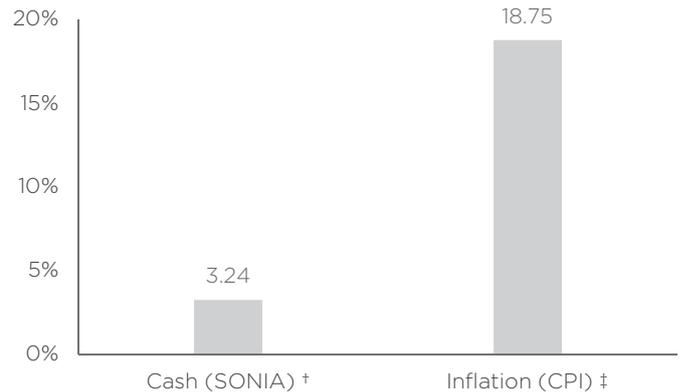
The prime focus of the investment strategy is to provide capital security with excellent liquidity and a competitive rate of interest. The portfolio is invested only in cash and near cash assets with a managed list of approved, high-quality counterparties.

### Income

Average yield over the quarter 0.0124%

Yield at the quarter end 0.0111%

### Cumulative total return over last 10 years



### Yield as at 30 September 2021

0.0111%

\*\* Source: CCLA - Performance is shown gross of management fees and other expenses; net returns will be lower after the deduction of fees and other expenses. The daily rate on the Fund will fluctuate and past performance is not a reliable indicator of the future results. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

† Source: CCLA

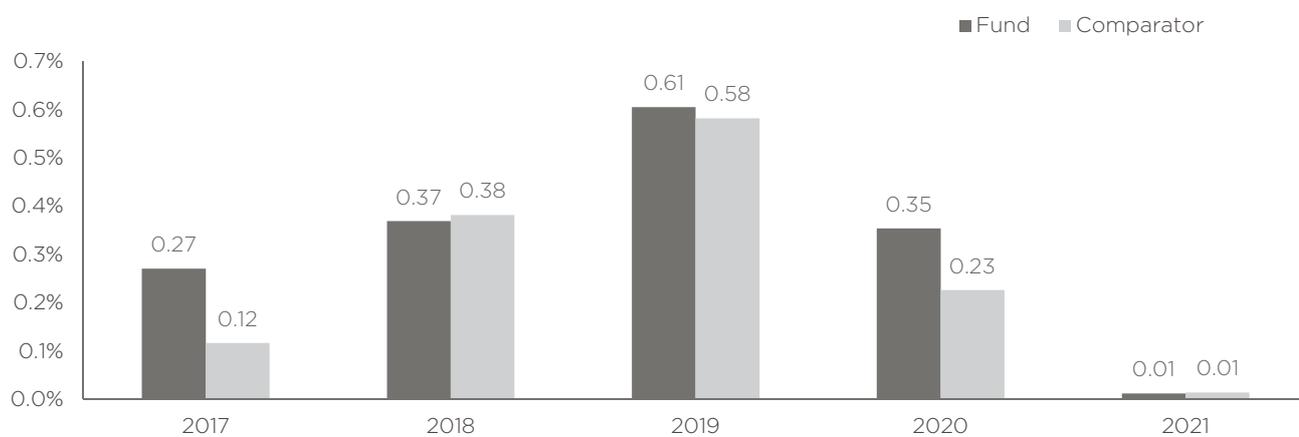
‡ CPI is estimated for the last month of the quarter.

## Total return performance

Performance* to 30 September 2021	3 months	1 year	3 years p.a.	5 years p.a.
Deposit	+0.00%	+0.01%	+0.32%	+0.32%
Benchmark	+0.01%	+0.01%	+0.27%	+0.26%

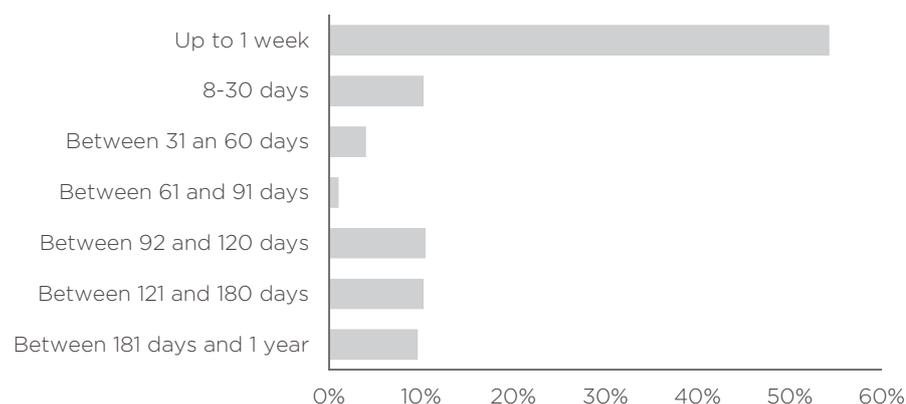
## Discrete year total return performance

12 months to 30 September	2017	2018	2019	2020	2021
Deposit	+0.27%	+0.37%	+0.61%	+0.35%	+0.01%
Benchmark	+0.12%	+0.38%	+0.58%	+0.23%	+0.01%



Benchmark - From 1/1/21: Sterling Overnight Index Average (SONIA). Initial BM: 7-Day London Interbank Sterling Bid Rate (7-Day LIBID). Source: CCLA

## The Fund's maturity profile



\* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

## COIF Charities Fixed Interest Fund

### Performance comment

The UK economy continued to recover in the period although the pace of expansion did not match the improvement achieved in the second quarter. Government policies remained supportive. Fiscal policy was expansionary and monetary conditions stayed accommodative. Growth slowed as a result of lingering Covid effects and the impact of product shortages. Inflation rose as demand in many areas grew faster than supply could recover, domestic and international issues contributed to higher price pressures. The reaction of the Bank of England to higher inflation changed significantly, from an initial view that the issue would be limited in both extent and duration, to concern that pressure would be sufficient for a policy response to be required. In this environment investor expectations for interest rate policy changed to reflect an increased risk of a rise in borrowing costs. Against this background fixed income markets failed to make progress. Sentiment became more cautious as inflation rose and turned negative as an increase in borrowing costs became more likely. Government bonds underperformed the corporate alternatives, the weakest part of the market was the longer dated sector. Over the quarter the Fund returned -1.17% compared with the benchmark return of -1.45%. Over the last 12 months, the Fund returned -3.00% compared with the benchmark return of -3.78%.

### Fund update

The portfolio has a defensive strategy, the managers take the view that, in the current low yield environment, the income available on longer dated issues is a poor and insufficient compensation for the risks involved. The cautious structure is reflected in a modified duration of 7.50 years compared with 10.11 years for the benchmark. There is a bias to corporate issues over gilts, with the former accounting for 62.12% of total assets. We expect fixed interest securities to move within a relatively narrow trading range in the immediate future with some upside risk to yields. At the end of the quarter the Fund had an income yield of 3.11% and a gross redemption yield of 1.34%.

### Income

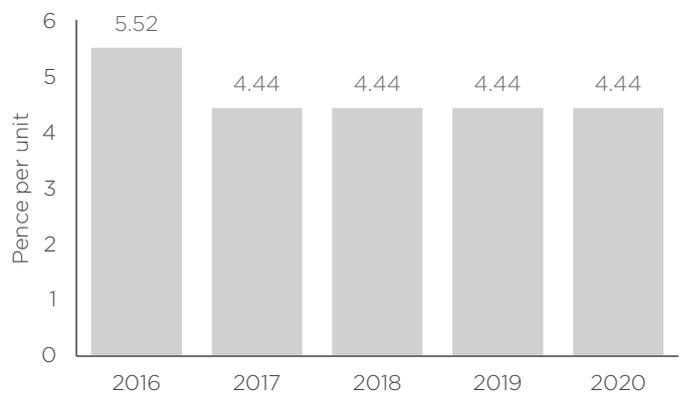
Gross dividend yield 2.70%\*

Gross redemption yield 1.27%

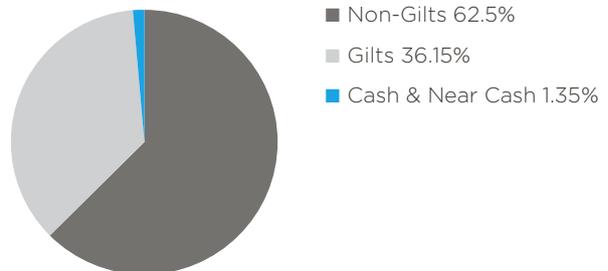
\* Based upon the net asset value and an estimated annual dividend of 3.60p.

The gross redemption yield indicates what the total return would be if the Fund's current investments were held to maturity, in other words, the aggregate of gross interest received and the capital gain or loss at redemption, annualised.

### Past distributions



### Asset allocation as at 30 September 2021



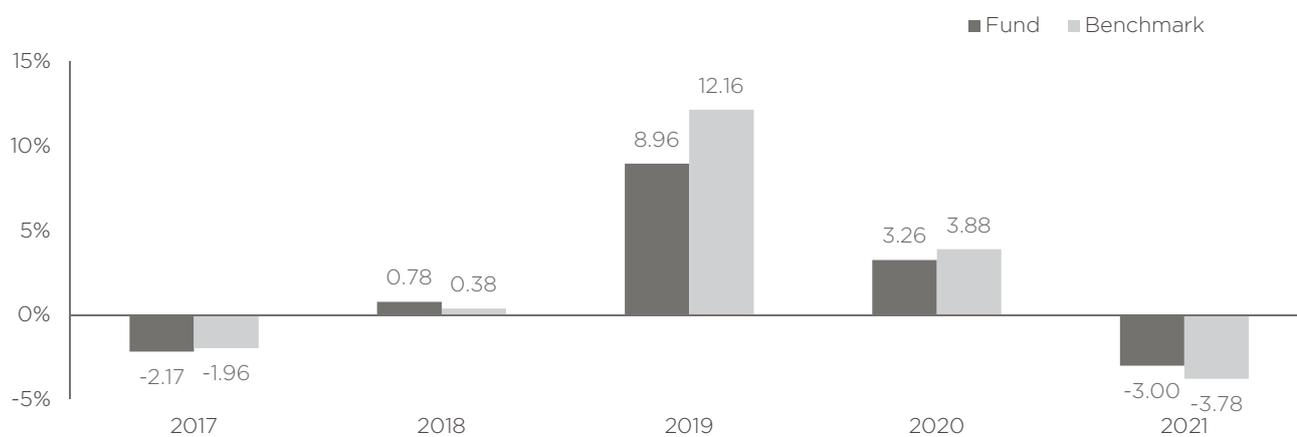
## FUND INFORMATION

### Total return performance

Performance* to 30 September 2021	3 months	1 year	3 years p.a.	5 years p.a.
Fixed Interest	-1.17%	-3.00%	+2.96%	+1.47%
Benchmark	-1.45%	-3.78%	+3.88%	+1.98%

### Discrete year total return performance

12 months to 30 September	2017	2018	2019	2020	2021
Fixed Interest	-2.17%	+0.78%	+8.96%	+3.26%	-3.00%
Benchmark	-1.96%	+0.38%	+12.16%	+3.88%	-3.78%



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%.  
Source: CCLA

### Portfolio asset allocation

#### By credit rating

Rating Category	% Fund
AAA	9.3
AA	49.6
A	26.8
BBB	13.5
Non Investment Grade	0.0
Not rated (Debentures/Prefs)	0.8

#### By term to maturity

Period	% Fund
0 - 5 years	38.0
5 - 10 years	25.1
10 - 15 years	15.5
Over 15 years	21.5
Duration (yrs)	7.6
Average term to maturity (yrs)	9.3

\* Performance of the funds is shown net of management fees and other expenses with income reinvested. Comparator performance is based on market indices which are not adjusted for any management fees or investment expenses. Past performance is not a reliable indicator of future results.

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## RiskWarning

Performance is shown net of management fees. 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 in the COIF Charity Funds is only available to charities within the meaning of section 1(1) of the Charities Act 2011. 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 forwardlooking 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. 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. The COIF Charity Funds are approved by the Charity Commission as Common Investment Funds under section 24 of the Charities Act 1993 (as has been replaced by the Charities Act 2011) and are Unregulated Collective Investment Schemes and unauthorised Alternative Investment Funds. The COIF Charities Deposit Fund was approved by the Charity Commission as a Common Deposit Fund under section 25 of the Charities Act 1993 (as has been replaced by the Charities Act 2011) and is categorised as a short-term LVNAV Money Market Fund under the EU Money Market Fund Regulation 2017/1131. Investments in the COIF Charity Funds and the Funds, and Investments and Deposits in the COIF Charities Deposit Fund and COIF Charities Property Fund are not covered by the Financial Services Compensation Scheme (FSCS).

## GDPR

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>.

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