CCLA

QUARTERLY BULLETIN

31 March 2018

Brexit and the investment markets

The prospect of the UK's departure from the EU, on terms which have yet to be agreed, is a prominent theme in many conversations about the outlook for the economy and for UK investment markets. What especially challenges investors is the significant uncertainty about what Brexit will mean in practice; nobody can say with confidence how the economy overall will be affected in the short or long term, or the extent to which different businesses and different investment assets will be affected, positively or negatively.

So, what key risks can we identify when thinking about Brexit, and how can these best be managed in investment portfolios? As ever, one key consideration will be inflation expectations. After years of post-recession stagnation, the UK has finally started to see a pickup in wages; and although the effect of sterling's sharp post-Referendum fall has now dropped out of the inflation data, upward pressure on prices is likely to continue in a trading environment of greater constraints on imported goods and labour. Therefore, unless economic activity in the UK unexpectedly turns down, the Bank of England is likely to maintain the path on which it has started towards higher interest rates.

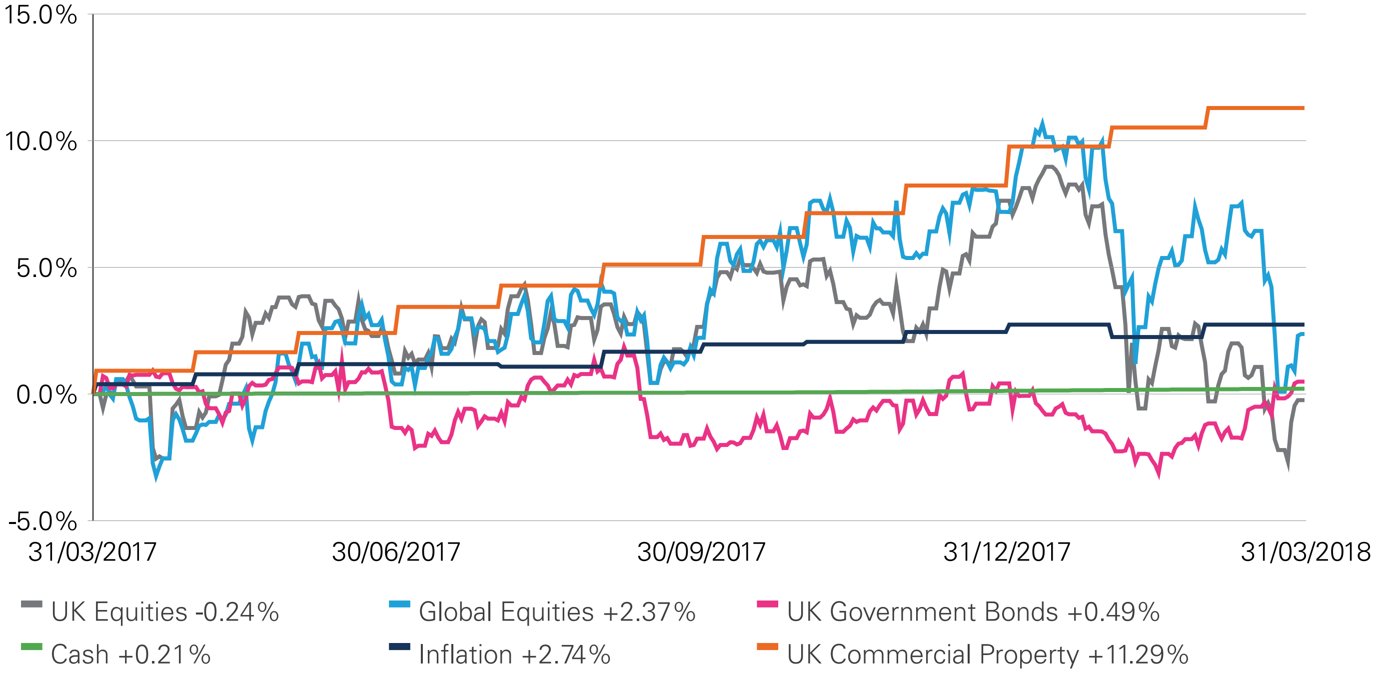
In the fixed interest markets, even relatively modest increases in yields from their current ultra-low levels will have a damaging effect on bond prices. With little if any potential upside to bonds and substantial risks to the downside, it is not surprising that many investors are currently avoiding this asset class. In any event, long-term investors will be more focused on real economic assets than on fixed interest, so what might be the impact of Brexit – whatever it looks like – on infrastructure, property and equities?

In the short term, the low rate of business investment that has been present for much of the post-recession era may well persist until the shape of the Brexit deal becomes clearer; and at least some of the investment that does take place in the medium term is likely to be focused on adapting to the new trading environment rather than on improving productivity. Most commentators believe that the UK's rate of economic growth will continue to lag the progress being made in other major economies.

This is already dampening global investors' appetite for shares in companies that rely for most of their profits on UK consumer demand, especially for 'cyclical' stocks which fare best when demand is in a growth phase. Fortunately, there are still many companies, some of which are listed in the UK, with strong and predictable earnings from a wider global market base; while even within the UK, there are investments which can be expected to perform relatively well in an environment of muted growth. Consumers may hold back on buying new cars or expensive holidays, but more 'defensive' companies supplying consumer basics may be better placed if their earnings are of sufficient quality. Beyond the listed equity sphere, commercial property and specialist vehicles investing in infrastructure offer the attraction of contractual income streams which are comparatively resilient throughout the economic cycle.

In fact, while the profound uncertainty associated with Brexit may be unsettling and disruptive, we should remember that uncertainty or 'risk' is always a feature of the investment world which must be addressed by investors seeking attractive returns over the long term. An investment process that favours long-term growth and concentrates on the fundamental characteristics of individual assets will be well placed to identify and manage the relevant risks, whether or not they are Brexit-related.

Markets at a Glance - 12 Months to 31 March 2018



Source: CCLA

Quarterly Market Review & Outlook

Global equity markets began the year positively, but suffered bouts of weakness in both February and March and ended the quarter with negative returns. Economic growth data was supportive, but concerns rose over the likely consequences of growth; higher interest rates and higher inflation. Sentiment was hit too by trade friction concerns as protectionism in the past has been associated with lower growth and stagflation. In the quarter, the global index fell by -4.41% for a UK-based investor, returns for the past 12 months remained positive at 2.37%. All the major regional indices were lower. Europe was the weakest, giving a -4.57% return, but Asia, -4.44%, and the US, -4.18% were close behind and Japan, -2.63%, did little better. Few individual indices made progress. In Europe, Finland gained 4.23% and Italy and Portugal were also ahead. In Asia, Pakistan led the way, up by 5.24%, but Thailand, 4.95%, and Malaysia, +4.15% both made progress. The weakest performances came from Greece, -9.60% and the Philippines, -13.88%. The UK underperformed the international peers and fell by -6.87%. The return over the past 12 months is now also negative at -0.24%. A problem for the UK was the high weighting to sectors such as oil and banks, which underperformed.

There was a divergence of returns in the domestic fixed interest sector. Government bonds, which fell initially, rallied in the final weeks. In contrast, corporate bonds continued to weaken. Government bonds returned 0.07%, corporate issues of a comparable maturity, -1.26%.

Property values continued to improve, supported by capital growth and rising rental values. Industrials and parts of the ‘other’ sub-sector, including hotels, gave the best returns.

Sterling improved against the dollar, 3.71% and euro, 1.04%, but fell against the yen by -2.15%.

It is likely that the global economy will continue to grow at close to the current rate, but with only a modest increase in inflation. Monetary policy will be adjusted to reflect the pace of expansion which will lead ultimately to the end of current quantitative easing programmes, but interest rates are expected to increase only in the US and UK. Growth in the UK is not expected to match the international average, but should reach 1.5% or a little higher. Inflation will ease from current levels, but stay close to 2.5%. Interest rates are likely to be increased in May and could increase again in the Autumn.

Economic expansion and rising corporate profits should support the long-term uptrend in equity prices. We must recognise, however, that the uptrend is increasingly mature and that as a consequence, day-to-day volatility is likely to remain near current levels. Property markets remain well supported by income yields, but we expect more modest progress in capital values in the months ahead. In contrast to these positive expectations, we are concerned that valuations in the fixed income sector are full and that prices will come under pressure in the months ahead.

Distributions for the Quarter

COIF Charities Fund	Distribution per Income unit	Payment Date	
Investment Fund	13.19p	31/05/18	• This payment is 9.1% higher than that for the equivalent period in 2017. This reflects the rebalancing of the payment profile and any increase for the year will not be at this level.
Ethical Investment Fund	2.02p	31/05/18	• This payment is 5.8% higher than that for the equivalent period in 2017. This reflects the rebalancing of the payment profile and any increase for the year will not be at this level.
Global Equity Income Fund	1.64p	31/05/18	• The payment is at the same value as the comparable payment in 2017.
Property Fund	1.53p	31/05/18	• The payment is at the same value as the comparable payment in 2017.
Fixed Interest Fund	1.11p	31/05/18	• The payment is at the same value as the comparable payment in 2017.

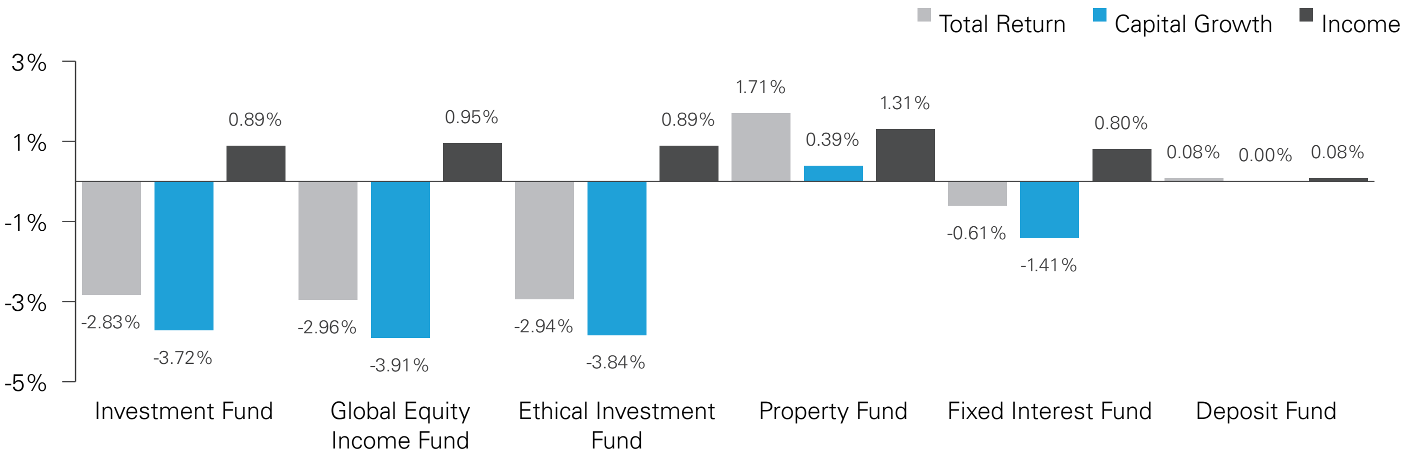
Interest for the Quarter

COIF Charities Deposit Fund

Average interest rate over the quarter	0.37% (0.37% A.E.R.)*	• The interest rate paid to investors rose slightly over the quarter, a reflection of higher money-market rates.
Interest rate at the quarter end	0.32% (0.32% A.E.R.)*	• Interest payments on the Fund will reflect the rates 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.

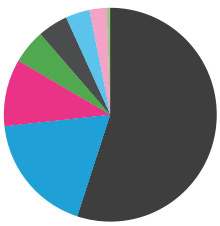
Fund Report
COIF Charities Investment Fund

- The global economy enjoyed a strong quarter, continuing the expansion evident in the final months of 2017. All the major economies participated in what was the first synchronised expansion since the financial crisis of a decade ago, but despite the breadth of the upturn, inflation remained at low levels and interest rates were in uptrends only in the US and UK.

- Investment markets made a positive start to the quarter, but, whilst bonds traded in a narrow range and property values advanced, equity prices declined. Interest rate fears and concerns over trade disputes spurred profit taking in markets which had risen for some time without a correction. All of the major regional markets declined; the UK was the weakest and Japan the most resilient.

- On a gross basis, the Fund returned -2.70% during the quarter compared to a return on the comparator of -4.06%. Over the past 12 months the respective returns are 6.03% and 2.24%. The relative return for the quarter was supported by strong contribution from stock selection. Areas of strength included IT and parts of the financial sector; the low weighting to energy was also helpful to returns. Asset allocation was unhelpful, particularly the absence of any significant weighting to fixed income investments, a sector which enjoyed broadly stable values.

Asset Allocation



- Overseas Equities 55.01%
- UK Equities 18.27%
- Infrastructure & Operating Assets 10.15%
- Cash and Near Cash 5.19%
- Contractual & Other Income 4.56%
- Property 3.66%
- Private Equity & Other 2.62%
- Fixed Interest 0.54%

Overseas Equities	%
North America	33.62
Developed Europe	12.17
Asia Pacific ex Japan	4.45
Japan	4.16
Other Americas	0.61
Total	55.01

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.

Discrete year total return performance (gross) %

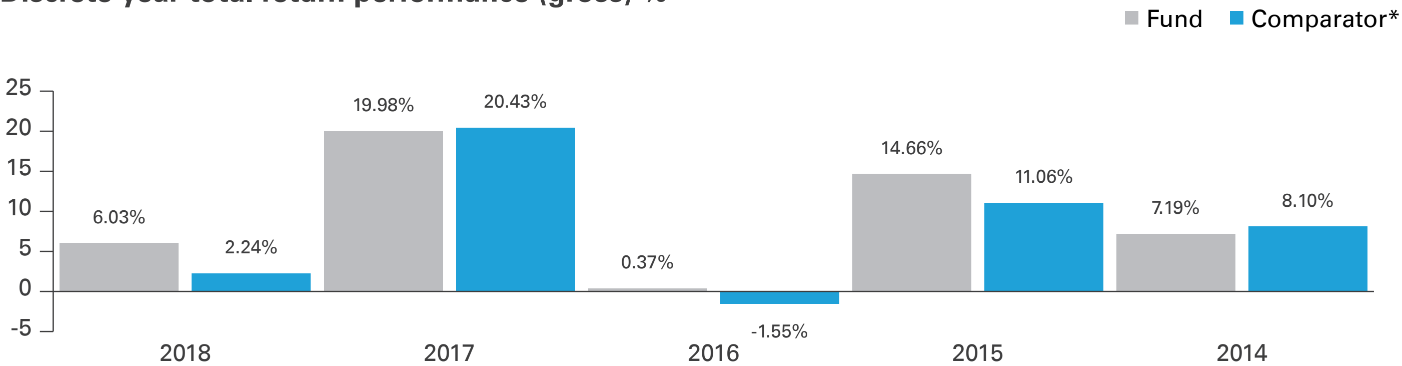
12 months to 31 March	2018	2017	2016	2015	2014
COIF Charities Investment Fund	6.03	19.98	0.37	14.66	7.19
Comparator*	2.24	20.43	-1.55	11.06	8.10

Annualised total return performance (gross) %

Performance to 31 March 2018	1 year	3 years	5 years
COIF Charities Investment Fund	6.03	8.49	9.43
Comparator*	2.24	6.64	7.80

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)

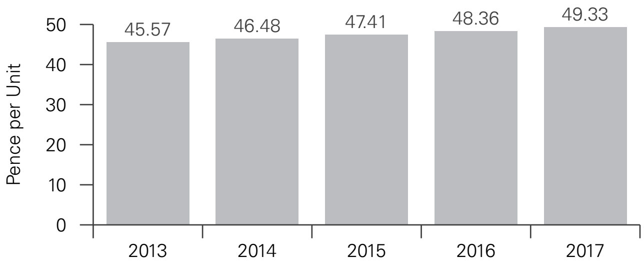
Discrete year total return performance (gross) %



Most overweight companies relative to equity indices

S&P Global	1.73%	London Stock Exchange	1.38%
Thermo Fisher Scientific	1.66%	Deutsche Boerse	1.33%
Taiwan Semiconductor	1.59%	Samsonite	1.30%
AIA Group	1.51%	CME Group	1.28%
Croda	1.49%	RELX	1.27%

Past distributions



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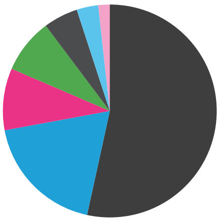
COIF Charities Ethical Investment Fund

- The global economy enjoyed a strong quarter, continuing the expansion evident in the final months of 2017. All the major economies participated in what was the first synchronised expansion since the financial crisis of a decade ago, but despite the breadth of the upturn, inflation remained at low levels and interest rates were in uptrends only in the US and UK.

- Investment markets made a positive start to the quarter, but, whilst bonds traded in a narrow range and property values advanced, equity prices declined. Interest rate fears and concerns over trade disputes spurred profit taking in markets which had risen for some time without a correction. All of the major regional markets declined; the UK was the weakest and Japan the most resilient.

- On a gross basis, the Fund returned -2.85% during the quarter compared to a return on the comparator of -4.06%. Over the past 12 months the respective returns are 5.24% and 2.24%. The relative return for the quarter was supported by strong contribution from stock selection. Areas of strength included IT and parts of the financial sector; the low weighting to energy was also helpful to returns. Asset allocation was unhelpful, particularly the absence of any significant weighting to fixed income investments, a sector which enjoyed broadly stable values.

Asset Allocation



- Overseas Equities 53.41%
- UK Equities 18.68%
- Infrastructure & Operating Assets 9.40%
- Cash and Near Cash 8.29%
- Contractual & Other Income 5.22%
- Property 3.27%
- Private Equity & Other 1.73%

Overseas Equities	%
North America	34.42
Developed Europe	11.40
Asia Pacific ex Japan	4.37
Japan	3.22
Total	53.41

Discrete year total return performance (gross) %

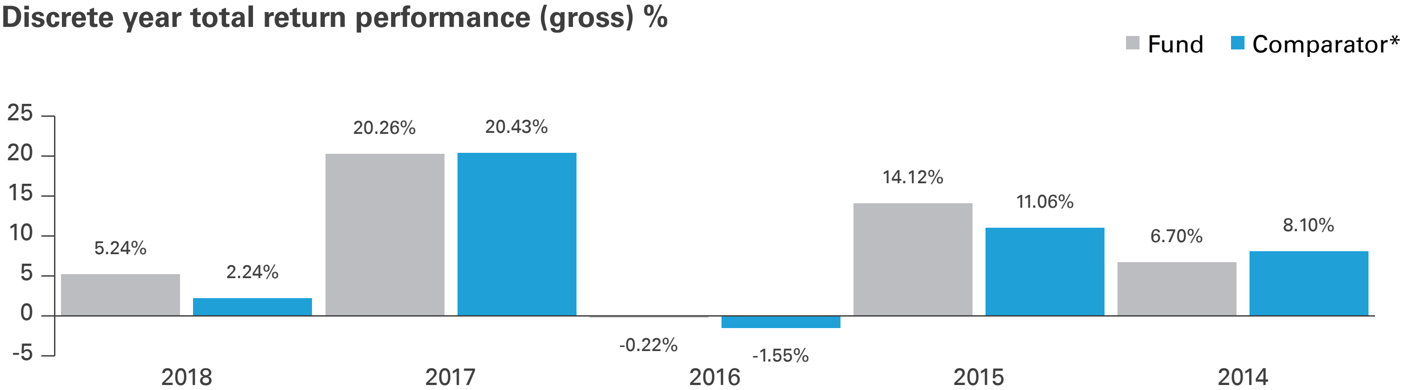
12 months to 31 March	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Ethical Investment Fund	5.24	20.26	-0.22	14.12	6.70
Comparator*	2.24	20.43	-1.55	11.06	8.10

Annualised total return performance (gross) %

Performance to 31 March 2018	**1 year**	**3 years**	**5 years**
COIF Charities Ethical Investment Fund	5.24	8.09	8.99
Comparator*	2.24	6.64	7.80

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) %

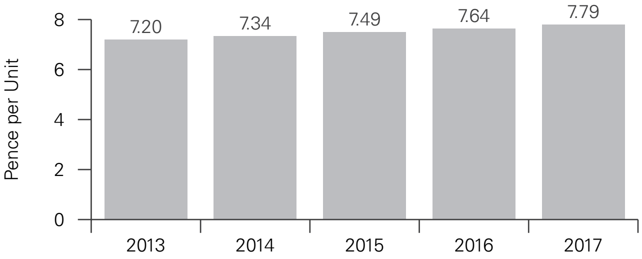


The annual management fee is 0.60% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed.

Most overweight companies relative to equity indices

S&P Global	1.82%	Croda	1.50%
Thermo Fisher Scientific	1.76%	London Stock Exchange	1.43%
AIA Group	1.66%	Booking Holdings Inc	1.42%
Taiwan Semiconductor	1.63%	Reckitt Benckiser	1.42%
Unilever	1.56%	Nestle	1.39%

Past distributions



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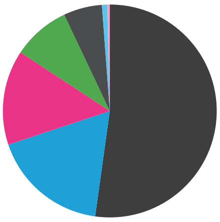
COIF Charities Global Equity Income Fund

- The global economy grew over the quarter, in a synchronised expansion which embraced all the major economies. Despite this, inflation remained low in most developed areas and only one, the US, increased interest rates although the UK had moved rates higher in the previous quarter. Global equity markets began the period well, but early progress was soon reversed as concerns surfaced over future interest rate trends and the threat of protectionism. By the end of March all the major regional indices were lower. The UK was the weakest performer; Japan the most resilient. For UK-based investors, the declines were exacerbated by currency factors, as sterling moved higher.

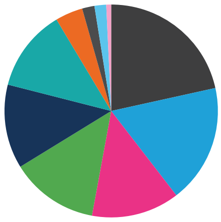
- On a gross basis, the Fund returned -2.74% during the quarter compared to a return on the comparator of -4.80%. Over the past 12 months the respective returns are 4.55% and 1.25%. Stock selection was the main influence on the relative performance. The Fund benefited from a low exposure to energy companies and mainstream banks, both of which underperformed. There was a positive contribution from holdings in the IT sector and specialist financial companies.

Asset Allocation



North America 52.19%
Developed Europe 17.70%
UK Equities 14.39%
Asia Pacific ex Japan 8.71%
Japan 5.83%
Other Americas 0.81%
Cash and Near Cash 0.37%

Sector Allocation



Information Technology 21.45%
Financials 17.94%
Consumer Staples 13.29%
Consumer Discretionary 13.28%
Industrials 12.71%
Health Care 12.40%
Materials 4.16%
Real Estate 1.86%
Energy 1.77%
Utilities 0.74%

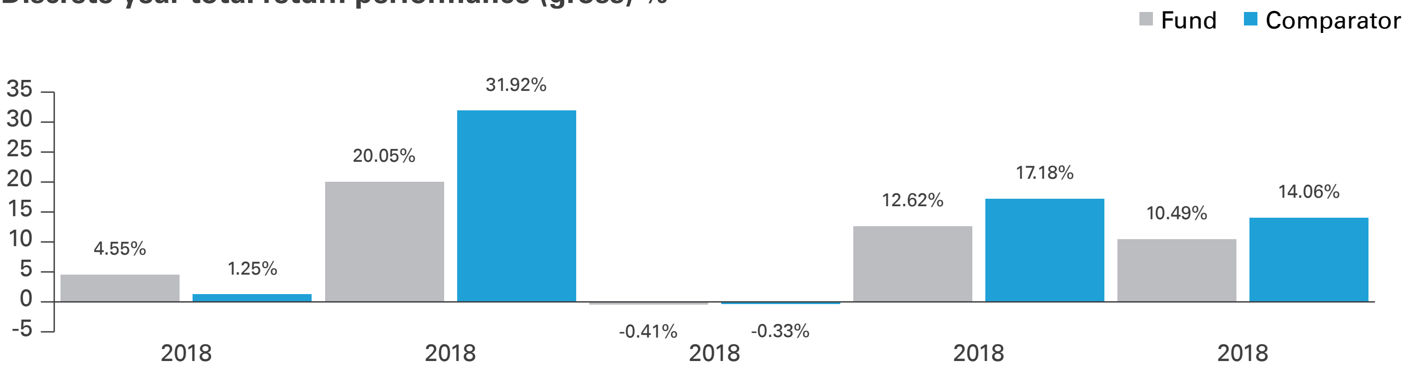
Discrete year total return performance (gross) %

12 months to 31 March	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Global Equity Income Fund	4.55	20.05	-0.41	12.62	10.49
Comparator	1.25	31.92	-0.33	17.18	14.06

Performance to 31 March 2018	**1 year**	**3 years**	**5 years**
COIF Charities Global Equity Income Fund	4.55	7.72	9.24
Comparator	1.25	10.01	12.22

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

Discrete year total return performance (gross) %

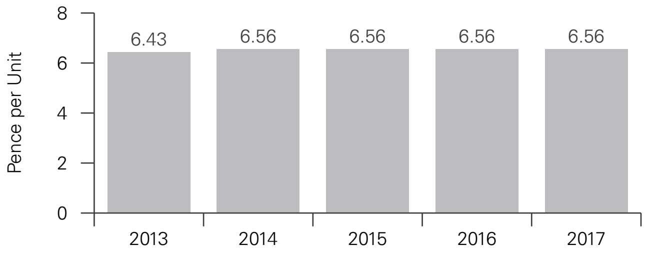


Most overweight companies relative to equity indices

Unilever	2.11%	AIA Group	1.55%
Taiwan Semiconductor	1.89%	Kao Corp	1.55%
London Stock Exchange	1.84%	Thermo Fisher Scientific	1.53%
RELX NV	1.65%	CME Group	1.46%
Samsonite	1.57%	Prudential	1.36%

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.

Past distributions



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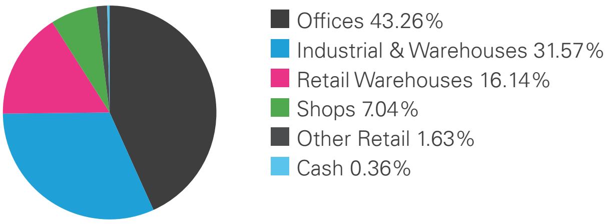
COIF Charities Property Fund

- Valuations in the property sector rose over the quarter, maintaining the uptrend which began in the final months of 2016. Prices were supported by continued buying interest from domestic and overseas investors and by further increases in rental values. Returns in the sector, however, were uneven. Industrial assets continued to enjoy strong support in an environment where the supply of good quality assets was low and there was continued demand for assets with secure long-term income. In contrast, retail assets remained under pressure, with sentiment weakened by company closures and poor trading news from the 'High Street'.

- On a net basis, the Fund returned 1.71% during the quarter compared to a return on the benchmark of 2.02%. Over the past 12 months the respective returns are 9.30% and 10.50%. The high weighting to industrial assets has supported returns, as has the low exposure to shops. Offices, however, have been mixed and there has been an impact on returns from the Fund's busy asset management programme, which has resulted in increased costs and a temporary rise in the void rate.

Gross asset allocation



Property portfolio details
Top 5 properties: 29.1% of portfolio
Top 5 tenants: 21.0% of rental inc
Weighted unexpired lease: 5.3 yrs
Vacancy rate: 9.2%
The Fund has a revolving credit facility which, at quarter end, had a net balance of £5.0m.

Discrete year total return performance (net) %

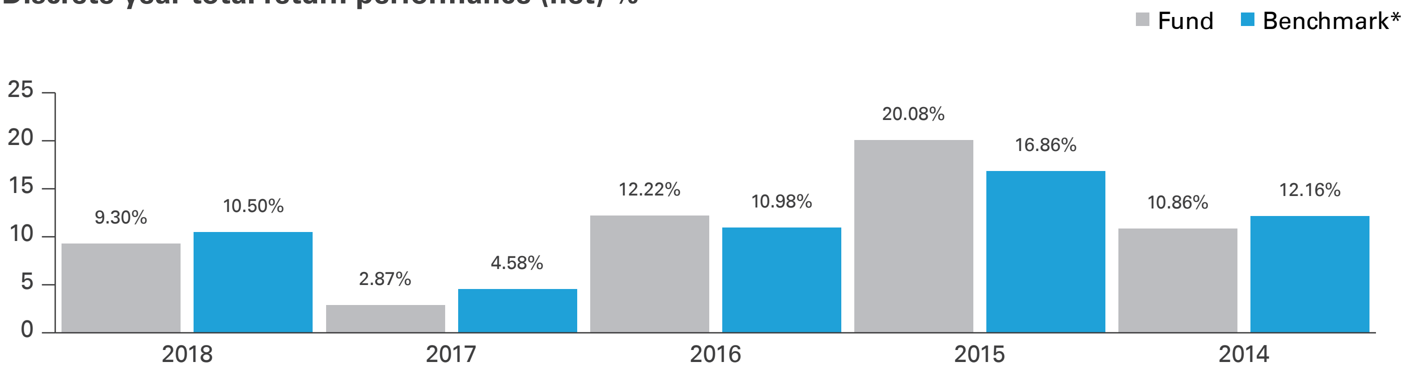
12 months to 31 March	2018	2017	2016	2015	2014
COIF Charities Property Fund	9.30	2.87	12.22	20.08	10.86
Benchmark*	10.50	4.58	10.98	16.86	12.16

Annualised total return performance (net) %

Performance to 31 March 2018	1 year	3 years	5 years
COIF Charities Property Fund	9.30	8.06	10.93
Benchmark*	10.50	8.63	10.94

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 42.95%

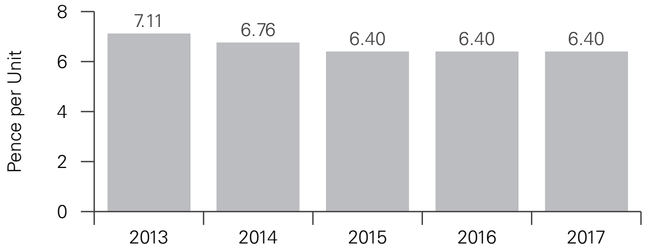
London, Cannon Street
Bracknell, Arlington Sq.
Mendlesham, Ind. Est.
London, Fetter Lane
London, College Hill
Chertsey, Syward Place
Bristol, Aztec West
Uxbridge, Stockley Park
Northampton, B'Mills
Aberdeen, Arnhall

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 by region and category

Fund Data as at end March 2018 and AREF/IPD™ Other Balanced Property Fund Index as at end December 2017.

Past distributions



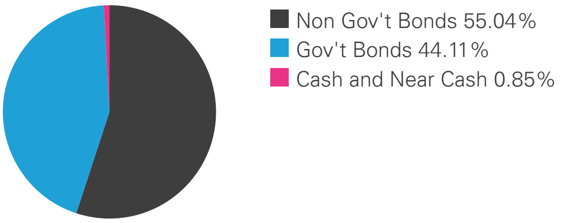
The annual management fee is 0.65% and is deducted from capital. Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

COIF Charities Fixed Interest Fund

- The fixed interest investment markets began the quarter cautiously, but recovered later, supported by safe-haven buying by investors concerned at equity volatility and also by data which suggested that government borrowing requirements could be below previous expectations. Interest rates were unchanged, but comments by the Bank of England raised expectations of increases in the future, with most observers focussed on May and November as the likely dates.

- On a gross basis, the Fund returned -0.58% during the quarter compared to a return on the benchmark of -0.47%. Over the past 12 months the respective returns are 0.85% and 0.89%. The portfolio has a modest underweight allocation to government bonds, the part of the sector which gave the best returns. This was the cause of the slight underperformance over the quarter.

Asset Allocation



By term to maturity

Period	% Fund
0 - 5 years	30.6
5 - 10 years	28.4
10 - 15 years	14.2
Over 15 years	26.7
Duration (modified)	8.2 yrs
Ave term to maturity	10.6 yrs

Discrete year total return performance (gross) %

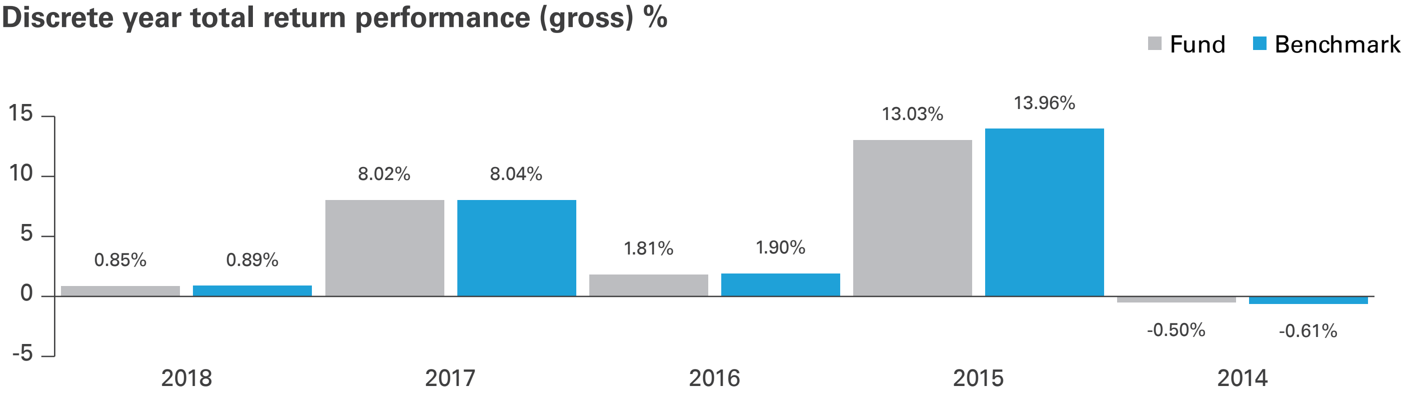
12 months to 31 March	**2018**	**2017**	**2016**	**2015**	**2014**
COIF Charities Fixed Interest Fund	0.85	8.02	1.81	13.03	-0.50
Benchmark	0.89	8.04	1.90	13.96	-0.61

Annualised total return performance (gross) %

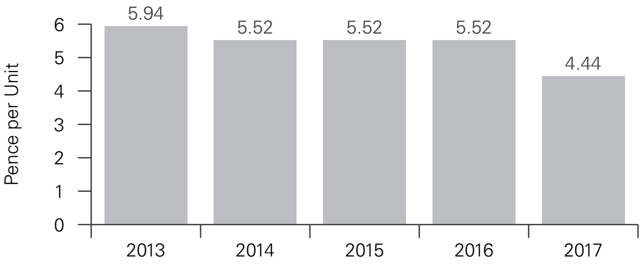
Performance to 31 March 2018	**1 year**	**3 years**	**5 years**
COIF Charities Fixed Interest Fund	0.85	3.51	4.52
Benchmark	0.89	3.56	4.70

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.

COIF Charities Deposit Fund

- The UK economy grew over the period, but at a moderate pace reflecting the pressure on consumer expenditure from higher inflation and the continued uncertainties associated with the Brexit negotiations. Inflation declined from the highest levels reached in the final quarter of 2017, but remained above wage growth. Estimates of economic capacity and productivity suggested that an expansion rate of 1.5% would result in strains developing. As a result, the Bank of England reiterated its guidance that interest rates were likely to be increased.
- The expectation of higher official rates in the months ahead caused the interest rates available in the money markets to rise in anticipation. As a result, it was possible to increase the rate payable on the Fund.

Discrete year total return performance (gross) %

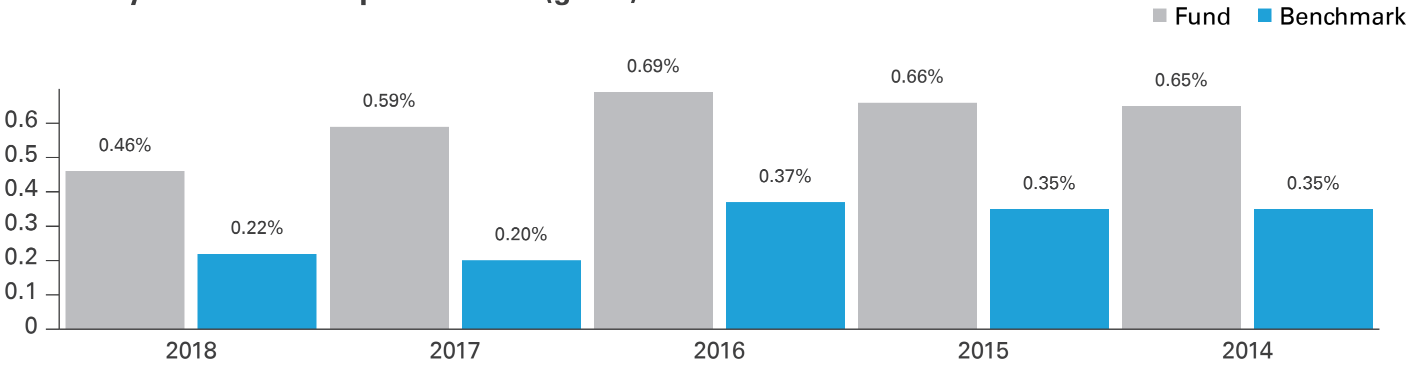
12 months to 31 March	2018	2017	2016	2015	2014
COIF Charities Deposit Fund	0.46	0.59	0.69	0.66	0.65
Benchmark	0.22	0.20	0.37	0.35	0.35

Annualised total return performance (gross) %

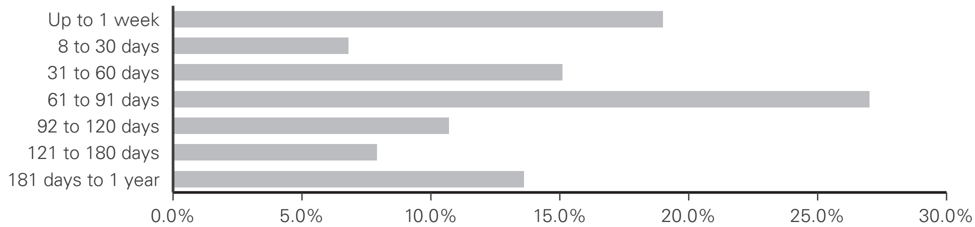
Performance to 31 March 2018	1 year	3 years	5 years
COIF Charities Deposit Fund	0.46	0.58	0.61
Benchmark	0.22	0.26	0.30

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

- We continue to recognise climate change as a significant risk to long-term investment performance. We remain significantly underweight in the energy sector and met with the Chairmen of Rio Tinto and Royal Dutch Shell during the quarter to discuss the low-carbon transition.

- We have published our 2018 proxy voting policy. This brings together like-minded investors to address excessive executive pay and encourage high standards of corporate governance.

- We have completed our annual assessment process, as required by the Principles of Responsible Investment. This rates our approach to stewardship and integrating environmental, social and governance factors. The results will be released next quarter.

Voting in more 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 investee company management in 17% of the resolutions proposed this quarter (17% for the Ethical Fund and 28% for the Global Equity Income Fund).

- We continue to seek executive remuneration policies that incentivise long-term value creation for shareholders. During the quarter, we did not support 57% of the Executive Remuneration Reports and Policies. This included joining 52% of shareholders in voting against the pay plan at Walt Disney. This followed an award of $36.3m to the CEO, Bob Iger.

- We have continued our engagement with French luxury goods company LVMH. We are asking the company to increase the number of independent members on their Audit Committee.

Ethical constraints:

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

- We have completed our ethical investment survey and are giving clients the opportunity to transfer between the COIF Investment and COIF Ethical Funds at a low cost.

Focus on Ethical Investment
In Summary:

- The ethical investment policies adopted by the COIF Funds are designed to reflect your values. We have recently completed a client survey and, on the back of your comments, are making some small changes.

- We are also aware that several unitholders would like to transfer between our two multi-asset Investment Funds. We are offering the opportunity to do this at low cost.

About Our Approach to Ethical Investment

- Many of our charity clients seek to reflect their values in their investments and most trustees are conscious that a hard-won reputation can be undermined by inappropriate holdings. For this reason, we implement ethical investment policies in the management of our pooled investment funds for charities.

- We also recognise that ethical investment priorities differ from charity to charity. Consequently, we offer two different versions of our flagship multi-asset fund; the Investment Fund and the Ethical Investment Fund.

- To ensure that our ethical investment policies continue to meet the needs of the sector, we have just completed our latest client survey. We will be making small changes to the Funds' policies as a result.

About the Investment and Ethical Investment Funds

- The Investment and Ethical Investment Funds have the same investment objective; a focus on delivering good, growing income and attractive, long-term capital growth. Both Funds have a similar performance record and benefit from our approach to stewardship and ESG integration, however, they have very different ethical policies.

- The Investment Fund has limited ethical restrictions. These prohibit investment in companies producing weapons banned by international treaties, tobacco producers and companies generating over 10% of their revenue from online gambling or making pornography.

- The Ethical Fund implements more extensive restrictions and will introduce a new screen on companies testing cosmetics on animals.

Way Forward

- The full ethical policies of our charity funds are available on our website. If you would like to transfer between the two funds at low cost or would like more information, please email ethical.fund@ccla.co.uk well before the 31st May 2018.

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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