KEY INFORMATION DOCUMENT



Purpose

This document provides you with key information about this investment product. It is not marketing material. This information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Fund Name	Diversified Income Fund (the "Fund")	
Unit Class 2 (ISIN)	GB00BDS68Q24	
Name of manufacturer	CCLA Fund Managers Limited (the "Manager")	
Website	http://www.ccla.co.uk	
Client Services	0800 022 3505	

The Manager is authorised and regulated by the Financial Conduct Authority.

As of 19 November 2018.

What is this product?

Type

The Fund is a sub-fund within an Authorised Contractual Scheme and is a Non-UCITS Retail Scheme. For the purposes of the Alternative Investment Fund Managers Directive the Fund qualifies as an Alternative Investment Fund.

Objectives

The Fund seeks to provide income and the potential for capital growth over the long-term through an actively managed diversified portfolio. The control of risk is therefore integral to the Fund's strategy. The Manager aims to constrain annual market volatility to not more than 50% of the MSCI UK Investable Market Index by varying the asset classes in the Fund in response to the economic and market environment and expectation of future returns and volatility.

The Fund will be managed across a diversified range of assets which may include, but will not be limited to, equities in the UK and overseas, fixed interest securities, cash and near-cash investments, property and infrastructure related investments. Exposure to these assets may be direct or via funds including those managed by the Manager. The Fund will not invest in derivatives but may use forward foreign exchange transactions for efficient portfolio management. The Fund will not use borrowings. The portfolio will follow CCLA's ethical and responsible investment policies which may mean that some assets will be excluded from the Fund.

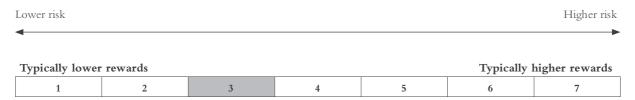
Intended retail investor

The Fund is intended for local authorities, public sector organisations and charity entities resident in the UK for tax purposes who meet the minimum investment criteria. The Fund may not be appropriate for those with an investment horizon of less than three to five years. Investors must have the ability to bear losses.

The Fund does not have a fixed duration however it may be wound up in certain circumstances and in this event the net property will be distributed proportionately to investors. Further details of which are available in the Prospectus available on the Manager's website or by request.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. The risk indicator assumes you keep the product for the recommended holding period of three to five years. The risk of the Fund may be significantly higher than the one represented in the summary risk indicator where the Fund is not held for the recommended holding period.

The Fund should be considered illiquid as it is not admitted to trading on a secondary market and no alternative liquidity facility is promoted by the Manager or a third party.

We have classified this product a 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of the Manager to pay you.

A more detailed description of risk factors that apply to this product is set out in the latest Fund Prospectus available on the Manager's website or by request.

This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'what happens if we are unable to pay you'). The indicator shown above does not consider this protection.

Performance scenarios

Investment scenarios		1 year	3 years	5 years
Stress scenario	What you might get back after costs	£8,516	£10,506	£11,739
	Average return each year	-14.84%	1.66%	3.26%
Unfavourable scenario	What you might get back after costs	£10,142	£11,464	£13,155
	Average return each year	1.42%	4.66%	5.64%
Moderate scenario	What you might get back after costs	£10,833	£12,848	£15,238
	Average return each year	8.33%	8.71%	8.79%
Favourable scenario	What you might get back after costs	£11,563	£14,390	£17,641
	Average return each year	15.63%	12.90%	12.02%

This table shows the money you could get back over the next five years under different scenarios, assuming that you invest £10,000. The scenarios shown have been prepared as required under EU regulatory rules and illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

As the Fund was launched on 2 December 2016, the scenarios presented use the past performance of the Fund's benchmark (see prospectus for details) as a representative proxy of the assets and exposures of the Fund where there is no, or insufficient, price data for the Fund. As future returns are unlikely to mirror the last five years, investors should treat them with caution.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if the Manger is unable to pay out?

The assets of the Fund are held for the benefit of investors by an independent Depository, HSBC Bank Plc, and so are held separately from those of the Manager.

Investors may be eligible for compensation under the Financial Services Compensation Scheme (FSCS) if they have claims against the Manager, Depository or other service provider of the Fund which is unable or likely to be unable to pay claims against it (for example where the firm has stopped trading and has insufficient assets to meet claims). Further details are available at https://www.fscs.org.uk

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the Fund itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment of £10,000						
Scenario	If you cash in after 1 year	If you cash in after 3 years If you cash in after 5 years				
Total costs	1.50%	0% 3.40% 5.30				
	For an investment of £10,000, £150	For an investment of £10,000, £340	For an investment of £10,000, £530			
Impact on return (RIY) per year	1.50%	1.13%	1.06%			
	For an investment of £10,000, £150	For an investment of £10,000, £113	For an investment of £10,000, £106			

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories:

This table shows the impact on return per year						
One-off costs	Entry costs	0.39%	The impact of the costs you pay when entering your investment. These are already included in the price.			
	Exit costs	0.16%	The impact of the costs you pay when exiting your investment. These are already included in the price.			
Ongoing costs	Portfolio transaction costs	0.20%	The impact of the costs of us buying and selling underlying investments for the product.			
	Other ongoing costs	0.75%	The impact of the costs that we take each year for managing your investments including custody costs.			
Incidental costs	Performance fees	N/A	The impact of performance fees on your investment.			
	Carried interests	N/A	The impact of carried interests on your investment.			

How long should I hold it and can I take money out early?

Recommended holding period is at least 3 to 5 years.

The Fund is intended for medium and long-term investors with an investment horizon of at least three years, this reflects the investment policy and likely strategies used by the Manager. There is no minimum holding period and investors can request redemption at any time without penalty. Redemption requests must be received no later than on the business day prior to the dealing day. The Fund deals each standard business day There is a minimum redemption request amount of £25,000.

How can I complain?

Complaints concerning the Fund and/or the Manager should be referred to Client Services CCLA at Senator House, 85 Queen Victoria Street, London EC4V 4ET or by email to client.services@ccla.co.uk

If you were advised on investing into the Fund any complaints regarding that advice should be taken up with the party who provided it.

Other relevant information

Investors shall be allocated Fund units of a class with reference to their tax status. Unit class 1 of the Fund is reserved for CCLA funds only. Unit class 2 of the Fund is intended for UK local authority investors only. Unit class 3 of the Fund is intended for charities within the meaning of section 96 or 100 of the Charities Act 2011, as amended.

Income is paid for the preceding quarter at the end of February, May, August and November.

The Manager's policy is to calculate and, if applicable, apply a dilution levy daily, on the basis of the net inflows and outflows from purchases and sales of units on the relevant day, to offset transaction related costs.

CCLA have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Fund Prospectus. We also strongly recommend you seek independent professional advice prior to investing.

The minimum initial investment is £1,000,000; the minimum subsequent investment is £25,000.