



Fitch Rates COIF Charities Deposit Fund 'AAAmmf'; Affirms and Withdraws 'AAAf'/'S1' rating

Fitch Ratings - London - 23 April 2019: Fitch Ratings has assigned COIF Charities Deposit Fund (COIF) a 'AAAmmf' rating following its conversion on 15 March to a low volatility net asset value (LVNAV) money market fund (MMF) under European Market Fund Reforms (MMFR).

Fitch has simultaneously affirmed and withdrawn the 'AAAf'/'S1' rating assigned under the "Global Bond Fund Rating Criteria". In the vast majority of cases, and unless specifically indicated, Fitch will rate LVNAVs and other European short-term MMFs under its MMF criteria. Historically this fund has fallen outside of the scope of MMF regulations and accordingly Fitch had viewed its bond fund criteria as the most appropriate approach to evaluating risk in this fund.

The fund is a UK domiciled, alternative investment fund managed by CCLA Fund Managers Limited, a wholly owned subsidiary of CCLA Investment Management Limited (CCLA).

The ratings were withdrawn with the following reason Reorganization Of Rated Entity

KEY RATING DRIVERS

The 'AAAmmf' rating is driven by the fund's overall credit quality, diversification and low exposure to interest rate and spread risk as well as high levels of overnight and one-week liquidity. The rating also takes into account the stable nature of assets under management post conversion.

Credit Risk

The fund has very high credit quality, consistent with Fitch's money market fund rating criteria at the 'AAAmmf' level.

As of end-March 2019, the fund had a Portfolio Credit Factor (PCF) of 1.26, which meets Fitch's 'AAAmmf' rating criterion (0.0 - 1.5). The PCF is a risk-weighted measure of the fund's portfolio assets that accounts for the credit quality and maturity profile of securities.

Market Risk

The fund seeks to limit interest rate and spread risk by maintaining its assets' weighted average maturity (WAM), weighted average life (WAL), and maximum individual asset maturity below 60 days, 120 days and 397 days respectively. As of end-March 2019, the fund had a WAM and WAL of 57 days, which are within the 'AAAmmf' ranges set out in Fitch's rating criteria.

Liquidity Risk

The fund maintains high levels of overnight and one-week liquidity. At end-March 2019, the fund had 36% overnight and 40% one-week liquidity, which are comfortably above regulatory and Fitch criteria guidelines.

INVESTMENT MANAGER

Fitch views CCLA Fund Managers Limited as being suitably qualified, competent, and capable of managing the fund. CCLA is a UK-based fund management group offering a range of fund products. As at 31 January 2019, it had GBP8.8 billion assets under management (AuM). Almost 90% of CCLA's ownership is held by

The CBF Church of England Investment Fund, The COIF Charities Investment Fund and The Local Authorities Mutual Investment Trust; with the remaining shares held by current and former executive directors of the fund manager.

RATING SENSITIVITIES

The rating may be sensitive to material changes in the credit quality, market risk, and/or liquidity profile of the fund. Temporary deviations from metrics outlined in Fitch's criteria need not automatically result in a rating change. However, material adverse and continued deviations from Fitch's guidelines for any key rating driver may lead to the rating being placed on Rating Watch Negative or downgraded.

Fitch has published "Exposure Draft: Short-Term Ratings" (see 'RELATED RESEARCH section below for full report'), proposing updated methodology for incorporating short-term ratings to money market fund rating analysis. Fitch does not anticipate significant impact to the rating of the fund included in this rating commentary.

RELATED RESEARCH

Exposure Draft: Short-Term Ratings

<https://www.fitchratings.com/site/re/10061058>

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
CCLA - COIF Charities Deposit Fund	Sensitivity S1 Affirmed	S1
	Sensitivity WD Withdrawn	S1
	MMF AAAmf New Rating	
	Fund Cr Qual Rtg AAAf Affirmed	AAAf
	Fund Cr Qual Rtg WDf Withdrawn	AAAf

Additional information is available on www.fitchratings.com

FITCH RATINGS ANALYSTS

Primary Rating Analyst

Abis Soetan

Director

+44 20 3530 1311

Fitch Ratings Ltd

30 North Colonnade, Canary Wharf

London E14 5GN

Secondary Rating Analyst

Minyue Wang

Associate Director
+44 20 3530 1406

Committee Chairperson
Davie Rodriguez
Senior Director
+1 212 908 0386

MEDIA CONTACTS

Athos Larkou
London
+44 20 3530 1549
athos.larkou@thefitchgroup.com

Applicable Criteria

Money Market Fund Rating Criteria (pub. 15 Nov 2018)

Additional Disclosures

Solicitation Status
Endorsement Policy

DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

COPYRIGHT

Copyright © 2018 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts

a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are

not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Endorsement Policy

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Fitch Updates Terms of Use & Privacy Policy

We have updated our Terms of Use and Privacy Policies which cover all of Fitch Group's websites. Learn more.