

COIF CHARITIES DEPOSIT FUND
INTERIM REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2024

CCLA

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*Collectively, these comprise the Manager's Report.

References to "CCLA" refer to the CCLA Group, comprising CCLA Investment Management Limited and CCLA Fund Managers Limited.

Disability Discrimination Act 1995

Extracts from the Interim Report and Unaudited Financial Statements are available in large print and audio formats.

REPORT OF THE BOARD**for the half year ended 30 June 2024 (unaudited)**

On behalf of the Board, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of the COIF Charities Deposit Fund (the Fund), which includes a separate report from CCLA Investment Management Limited as Investment Manager of the Fund.

Structure and management of the Fund

The Fund is a Common Deposit Fund established in 1985 and is now regulated by the Scheme dated 2 April 2008 and made under Section 25 of the Charities Act 1993, now Section 100 of the Charities Act 2011, as amended by resolutions of the Charity Trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014 (the Scheme). The Fund is managed by the Manager as an alternative investment fund in accordance with the Financial Conduct Authority Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation. The Fund is authorised by the Financial Conduct Authority as a Low Volatility Net Asset Value (LVNAV) Fund and is authorised as such in accordance with the provisions of the UK Money Market Fund (MMF) Regulation.

The Board acts as an independent body to control and supervise the Fund for the benefit of participating charities, meeting at least four times per annum. Together, these individuals have wide experience of finance, investments and charities. The management and administration of the Fund have been delegated to the Manager.

No Board member is required to be authorised by the Financial Conduct Authority because the Board does not carry out regulated activities in relation to the Fund.

The COIF Board appoints the Manager who is responsible for all the investment management and administration services in relation to the Fund including the day to day management of the Fund. The Manager is also responsible for the risk management of the Fund. The Investment Manager has been appointed by the Manager to provide portfolio management, administrative and secretarial services to the Fund under the Investment Management Agreement. During 2023 the operational independence of CCLA Fund Managers Limited was enhanced.

Deposits taken by the Fund are exempt from the Financial Services and Markets Act 2000 (FSMA) by virtue of the Financial Services and Markets Act (Exemption) Order 2001. Deposits in the Fund are not covered by the Financial Services Compensation Deposit Guarantee. The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

From 20 November 2023, CCLA appointed FNZ TA Services Limited (FNZ) as its transfer agent. As transfer agent, FNZ now process all transactions of the fund, record changes to client static information on behalf of CCLA and facilitate the payment of income distributions.

REPORT OF THE BOARD**for the half year ended 30 June 2024 (unaudited)**

Disappointingly, the transition was not as smooth as CCLA had expected and tested for. This resulted in a period where we fell behind our usually high standards of administration and reporting. Performance has improved and we continue to work tirelessly to ensure we return to the service levels our clients expect from us. The Board have been kept fully informed and understand the difficulties experienced by CCLA and COIF's clients.

Investment objective

The Fund aims to provide a high level of capital security and competitive yield.

Investment policy

The Fund is an actively managed, diversified portfolio of sterling denominated money market deposits and instruments. It will principally invest in sterling denominated Call Accounts, Term Deposits and Money Market Instruments, but may invest in other assets.

Comparator Benchmark

Sterling Overnight Index Average (SONIA) is the benchmark for the Fund.

Target investors

The Fund is aimed at charities seeking a high level of capital security and a competitive rate of interest for their short-term investments.

Review of investment activities and policies of the Fund

The Board met quarterly during the period to carry out its responsibility for the approval of strategy, monitoring investment diversification, suitability and risk and for reviewing the performance of the Fund.

In addition, the Board reviews the administration and expenses of the Fund and is also responsible for the appointment of the Fund's Manager and Auditors.

In addition to receiving regular reports on the management of the Fund, the Board also approves the interim Report and Unaudited Financial Statements.

Delegation of functions

Following regular meetings and consideration of the reports and papers received, the Board are satisfied that the Manager, who is responsible for all the investment management and administration services for the Fund, has complied in all material respects with the terms of the Scheme and with the relevant Management Agreement.

Sustainability approach

The Fund is managed in accordance with CCLA's responsible investment approach. This integrates environmental, social and governance issues into investment decision making and prioritises ongoing stewardship with counterparties. These activities are conducted with the aim of increasing the security of the Fund.

REPORT OF THE BOARD**for the half year ended 30 June 2024 (unaudited)**

We monitor our counterparties' environmental, social and governance risk management on a regular basis and take action if necessary. Our research process is based on the work of CCLA's Sustainability Team and their data providers.

The Manager is a signatory to the United Nations backed Principles for Responsible Investment (PRI) and the Financial Reporting Council's Stewardship Code. The most recent PRI Assessment and the full response to the Stewardship Code are available at <https://www.ccla.co.uk/about-us/policies-and-reports>.

Controls and risk management

The Board receives and considers regular reports from the Manager. The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

During the period, the Board, assisted by the Manager, reviewed the Fund's systems of internal control and risk report.

Possible Future Developments

The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on Page 3 of this Annual Report, to a Charities Authorised Investment Fund (CAIF), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. The matter remains under active discussion and any recommendation to change designation will only be advised by the Board in consideration of the best interests of the existing depositors. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change, for their long term funds, this though will be the first CAIF Cash Fund.

In due course, should a formal decision be made by the Board to recommend that the existing assets should transition from a CIF to a CAIF, this will be communicated to depositors, the reasoning of the Board will be laid out in detail and all Trustees will be asked to approve the proposal, probably during 2025. The timetable is still to be determined following the completion of Board due diligence, together with regulatory and Trustee approvals.

REPORT OF THE BOARD**for the half year ended 30 June 2024 (unaudited)**

Should this be approved, on completion of the transfer, The COIF Charities Deposit Fund would cease operations and be wound up, with the investors' existing deposits in the existing CIF being replaced with their equivalent units in the new CAIF. These events and circumstances therefore represent a material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern.

Going Concern

Notwithstanding the material uncertainty explained above, the Board, having made appropriate enquiries and considered the ability of the Fund to meet its ongoing liabilities, has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has considered that the proposal is contingent on depositor consultation and Trustee approval and that the Fund remains a going concern in all other respects.

At this juncture, the Board would like to stress that any costs associated with a transition are expected to be de minimis and that the Board will work with the Manager to ensure this occurs in practice.

N Morecroft
Chairman
3 October 2024

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2024 (unaudited)

Performance

The Fund's daily declared yield averaged 5.09% over the reporting period, providing a net return of 2.57% for the six months; the Fund's comparator benchmark, the Sterling Overnight Index Average (SONIA) returned 2.62%. The Money Market Funds Regulations (MMFR) strongly emphasise security and liquidity. This means that after expenses, there is little opportunity to exceed the comparator benchmark. Depositors can assess the competitiveness of the Fund's daily yield by comparing it against the returns from other similar products, as well as alternative options such as savings and banking accounts. As at 30 June 2024 the declared yield was 5.05% (5.17% Annual Equivalent Yield) reflecting a growing anticipation in the market of upcoming rate cuts.

Client deposits increased by £187 million over the period. As of 30 June 2024, client deposits totalled £1.717 billion.

Market Review

The Bank of England's (BoE) Official Bank Rate (OBR) was unchanged at 5.25% throughout the period under review. While the headline rate remained unchanged over the period, there has been an important shift in the views (and therefore votes) of the individual rate

setters on the BoE's nine-member Monetary Policy Committee (MPC). At the meeting just prior to the start of the period, there were three votes for a rate rise with the remainder voting for no change. By the end of the period there were no votes for a hike and two for a rate cut. In response, the BoE began to signal a potential shift towards looser monetary policy with the focus shifting from "how high rates could go" to "how long to maintain current rates." The MPC's policy guidance also changed, acknowledging inflation risks are "more balanced" and allowing for the possibility of future rate reductions.

At the beginning of the year, as the UK economy dipped into a brief and mild recession, significant discussion centred on the potential extent of a pause in Bank Rate adjustments before a reduction could be considered. However, the data releases from the Office of National Statistics suggested some improvement in activity levels. Real (after inflation) household income was reported to have risen slightly in the final quarter of last year to hit a 2.5 year high; while economic growth in the month of January had returned to positive territory, at 0.2%. These data helped to substantiate the view that the economy was proving more resilient to higher rates.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2024 (unaudited)

CPI fell significantly to an annual rate of 3.4% in February. A sharp reduction in the rate of food price inflation was a key driver of the decline in the headline rate; though core CPI also fell, from 5.1% to 4.6%. Meanwhile the unemployment rate has been gradually increasing; the reading in the three months to February was 4.2%, up from its low of 3.7% after the pandemic. Wage growth at 5.6% remained too strong, far removed from a level consistent with the Bank's 2% inflation target, but there were growing signs that even this may be cooling and with labour demand easing, wage growth tends to slow, albeit with a lag.

The latter half of the period witnessed confirmation of economic growth resumption. Concurrently, inflation exhibited a downward trend, largely attributable to declining energy and food prices. The final reading of the period saw inflation fall to an annual rate of 2%. It marked the first-time inflation met the BoE's 2% target since July 2021. A positive byproduct of on target inflation is that it will reduce pressure on wage claims, offering more comfort for the BoE before it likely starts a cutting cycle. Services inflation – which remains a key metric for the BoE – continues to gravitate lower but more slowly than expected. It fell to 5.7% from 5.9% in May, still well over its long term average, and will therefore do little to alleviate concerns around sticky services prices fuelling a pick-up in headline inflation later this year.

The general election called in May was viewed as a non-event within money markets, with polls correctly predicting a strong majority for the Labour Party. This outcome was seen by the market to offer economic continuity.

Strategy

The Fund is structured to provide both capital security and adequate daily liquidity. The short-term nature of the Fund allows us quickly to adapt the portfolio composition to reflect our assessment of changing market conditions. The assets of the Fund are placed strictly within agreed limits with a diversified list of quality financial institutions, in order to achieve a very low overall level of risk and high security of capital. The List of Approved Financial Institutions is constantly monitored, and lending limits immediately amended following changes in CCLA's assessment of high credit quality. The Fund has maintained a high level of liquidity to ensure that sufficient money is always readily available to meet client withdrawals. The balance of the Fund was invested for periods of up to one year with the aim of boosting the overall yield of the Fund for the benefit of the depositors.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2024 (unaudited)

The weighted average maturity as at 30 June 2024 was 55 days (30 June 2023 52 days). This strategic lengthening of the portfolio's maturity profile reflects a deliberate decision to capture higher yields available for longer terms as the likelihood of rate cuts increased. By selectively adding longer-dated holdings, we aimed to enhance the Fund's overall yield, while maintaining sufficient short-term liquidity to ensure operational flexibility.

Rated AAmmf by Fitch Ratings

Following a regular scheduled review, the 'AAmmf' rating was affirmed on 6 February 2023 by Fitch Ratings (Fitch). This rating reflects the high quality of the Fund's List of Approved Financial Institutions, the employment of an appropriate investment policy, a low overall level of risk through diversification, and the quality of management and internal controls. The rating is awarded to funds that have the lowest credit risk and where the total returns exhibit relative stability, performing consistently across a broad range of interest rate scenarios and changing market conditions.

Outlook

In August, the MPC decided to cut the OBR by 0.25% for the first time since the start of the pandemic, bringing to an end the joint longest peak in rates since the BoE gained independence. The Committee pointed out that there had been "some progress" in curbing the persistence of inflation and it appeared to downgrade the importance of individual overshoots in services inflation data and above trend wage increases.

Despite the cut in the OBR, the Committee cautioned that monetary policy would need to continue to "remain restrictive" for sufficiently long enough so that inflation is fully stamped out. Notwithstanding, when the MPC meets in November, it will be in possession of another round of economic forecasting and there will have been three more crucial CPI and labour market data releases. This will likely be the next opportunity for the BoE to enact another 0.25% reduction in its OBR.

We anticipate a gradual and measured reduction in the OBR over the next eighteen months, subject to the BoE's increasing confidence in the moderation of service inflation and wage growth.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2024 (unaudited)**Climate-related financial disclosures**

CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities.

CCLA produces a TCFD Product Report for each fund it manages, which are consistent with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Product Reports are designed to help you understand how the Fund is exposed to climate-related risks.

These reports are available on the relevant fund page at www.ccla.co.uk/investments.

S Freeman
Director, Investments (Cash)
CCLA Investment Management Limited
3 October 2024

Risk warning

The Manager undertakes to exercise reasonable care in its placing of deposits with a selected list of banks and building societies but it cannot give guarantees regarding repayment of deposits. The daily yield

on the Fund is variable and past performance is no guarantee of future results. Deposits in the Fund are not covered by the Financial Services Deposit Guarantee.

SUMMARY RISK INDICATOR

The UK PRIIPs Regulation requirements set out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be 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 the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the recommended holding period (RHP).



The Manager has classified the COIF Charities Deposit Fund as 1 out of 7, which is the lowest risk class. This rates the potential losses from future performance at a very low level and poor market conditions are very unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes deposits in the Fund for the RHP of less than one year.

A more detailed description of risk factors that apply to this product is set out in the latest Scheme Particulars, which is available on CCLA's website or by request. Depositors can request a withdrawal at any time and the Fund deals on a daily basis. The Fund does not include any protection from counterparty failure, so you could lose some or all of your deposit.

AVERAGE RATES OF INTEREST PAID
for the half year ended 30 June 2024 (unaudited)

Month	Yield % p.a.	AEY* % p.a.
January 2024	5.14	5.26
February 2024	5.11	5.24
March 2024	5.10	5.22
April 2024	5.07	5.19
May 2024	5.08	5.20
June 2024	5.05	5.17
Calendar year	Yield % p.a.	AEY* % p.a.
2019	0.62	0.62
2020	0.21	0.21
2021	0.01	0.01
2022	1.22	1.23
2023	4.48	4.57
Six months to 30 June 2024	5.09	5.22

*Annual Equivalent Yield (AEY) illustrates what the annual interest rate would be if the monthly interest payments were compounded.

The yields are published on the Manager's website at www.ccla.co.uk.

INTEREST PAID TABLE

for the half year ended 30 June 2024 (unaudited)

Period ended	Date of payment		Total £'000	Average rates of interest paid	
	2024	2023		2024 %	2023 %
31 January	2 February	6 February	6,840	5.14	3.30
28 February	4 March	6 March	6,590	5.11	3.71
31 March	3 April	6 April	7,125	5.10	3.82
30 April	2 May	5 May	7,007	5.07	4.02
31 May	4 June	6 June	7,280	5.08	4.20
30 June	2 July	6 July	7,098	5.05	4.38
			41,940	5.10	3.90

Amounts paid include interest paid on closed accounts during the period.

SUMMARY OF DEPOSITS PLACED BY MATURITY

at 30 June 2024 (unaudited)

Repayable	Period ended 30.06.2024		Year ended 31.12.2023	
	£'000	%	£'000	%
On call	15,352	0.89	32,970	2.17
Within 5 business days	691,998	40.32	712,998	46.83
Within 30 days	240,930	14.04	86,794	5.70
Between 31 and 60 days	240,689	14.02	170,688	11.21
Between 61 and 91 days	148,950	8.68	184,895	12.15
Between 92 and 182 days	229,743	13.38	238,832	15.69
Between 183 days and one year	148,777	8.67	95,219	6.25
Total deposits	1,716,439	100.00	1,522,396	100.00

STATEMENT OF TOTAL RETURN
for the half year ended 30 June 2024 (unaudited)

	Period ended 30.06.2024		Period ended 30.06.2023	
	£'000	£'000	£'000	£'000
Net capital losses		(502)		(843)
Revenue	43,840		28,438	
Expenses	(1,900)		(1,526)	
Net revenue		41,940		26,912
Total return before distributions		41,438		26,069
Distributions		(41,940)		(26,912)
Change in net assets attributable to depositors from investment activities		(502)		(843)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO DEPOSITORS
for the half year ended 30 June 2024 (unaudited)

	Period ended 30.06.2024		Period ended 30.06.2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to depositors		1,530,672		1,409,534
Amounts receivable on issue of deposits	574,572		719,908	
Amounts payable on cancellation of deposits	(387,547)		(746,611)	
		187,025		(26,703)
Change in net assets attributable to depositors from investment activities		(502)		(843)
Closing net assets attributable to depositors		1,717,195		1,381,988

The note on page 16 forms part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2023, whereas the opening net assets for the current accounting period commenced on 1 January 2024.

BALANCE SHEET

at 30 June 2024 (unaudited)

	30.06.2024 £'000	31.12.2023 £'000
ASSETS		
Debtors	13,381	18,821
Cash	14,352	31,970
Cash equivalents	1,702,087	1,490,426
Total assets	1,729,820	1,541,217
LIABILITIES		
Creditors	12,625	10,545
Total liabilities	12,625	10,545
Net assets attributable to depositors	1,717,195	1,530,672

The financial statements on pages 14 to 16 have been approved by the Board.

Approved on behalf of the Board
3 October 2024

N Morecroft, Chair

The note on page 16 forms part of these financial statements.

NOTE TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2024 (unaudited)

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with United Kingdom Generally Accepted Accounting Practice including FRS 102 “The Financial Reporting Standard applicable in the United Kingdom and Ireland”, the Charities Act 2011, Money Market Fund Regulation (MMFR) and Alternative Investment Fund Managers Directive (AIFMD). The financial statements have been prepared on historical cost basis, as modified by revaluation of investments.

The Fund is exempt from preparing a statement of cash flows under FRS 102 as substantially all of the Fund’s investments are highly liquid, substantially all of the Fund’s investments are carried at market value and the Fund provides a statement of change in net assets.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023 and are described in those financial statement.

The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on page 3 of this Interim Report, to a Charities Authorised Investment Fund (CAIF), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. The matter remains under active discussion and any recommendation to change designation will only be advised by the Board in consideration of the best interests of the existing unitholders. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change. In due course, should a formal decision be made by the Board to recommend that the existing assets should transition from a CIF to a CAIF, this will be communicated to unitholders, the reasoning of the Board will be laid out in detail and all Trustees will be asked to approve the proposal, probably during 2025. The timetable is still to be determined following the completion of Board due diligence, together with regulatory and Trustee approvals.

NOTE TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2024 (unaudited)

1. Accounting policies (continued)

Basis of preparation (continued)

Should this be approved, on completion of the transfer, The COIF Charities Deposit Fund would cease operations and be wound up, with the investors' existing holdings in the existing CIF being replaced with their equivalent in the new CAIF. These events and circumstances therefore represent a material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern. Notwithstanding the material uncertainty explained above, the Board, having made appropriate enquiries and considered the ability of the Fund to meet its ongoing liabilities, has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has considered that the proposal is contingent on investor consultation and Trustee approval and that the Fund remains a going concern in all other regard.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

The Board shall comply with the duty of care when exercising its powers and discharging its duties under the Scheme, as follows:

- making and revising the written statement of the investment objectives of the Fund and ensuring that details of such investment objectives will be included in the Scheme Particulars;
- determining the criteria and methods for evaluating the performance of the Fund;
- granting prior written approval to the Manager should the Manager wish to enter into certain types of investment or a specific course of borrowing on behalf of the Fund;
- appointing the Auditor of the Fund and agreeing their terms of engagement;
- making an annual report on the discharge of the Board's responsibilities;
- determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- applying to the Charity Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme;
- making representations to the Trustee on the winding up of the Fund: provided that any Board member who has any interests in the Trustee or the Manager shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- informing the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

Under the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has certain additional responsibilities including:

- the duty to inform the Financial Conduct Authority promptly and in writing if the Board is not satisfied with the compliance of the Trustee or the Manager with the applicable provisions of AIFMD; and
- the direct power (without reference to the Charity Commission) to require the removal of the Manager and/or the Trustee where it considers for good and sufficient reason that a change of Manager or Trustee is in the interests of the Participating Charities.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee

The Trustee shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Trustee shall comply with the duty of care when exercising its powers and discharging its duties. The following are the duties and powers of the Trustee:

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied that the Manager is competently exercising its powers and discharging its duties under the Scheme, and that the Manager is maintaining adequate and proper records;
- the appointment, supervision and oversight of any Registrar or other delegate which it has appointed in accordance with the Scheme;
- the custody and control of the property of the Fund and the collection of all income due to the Fund;
- the maintenance of the Registrar of depositing charities by the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);
- making distributions or allocations to Participating Charities in proportion to their respective deposits in the property of the Fund;

- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
- winding up the Fund.

The Trustee shall take all steps and execute all documents as are necessary to ensure that instructions given to it by the Manager are carried out as to the exercise of rights (including voting rights) attached to the ownership of property of the Fund and that the purchases and sales of investments for or of the Fund are properly completed.

The Trustee shall maintain such records as are necessary to enable it to comply with the Scheme and with section 130 of the Charities Act 2011 and to demonstrate that such compliance has been achieved.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Depositary

The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD"), the UK Money Market Funds Regulation ("MMFR") (together "the Regulations") and the Fund's Scheme Particulars.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of the assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Regulations;
- the assets under management and the net asset value per Unit of the Fund are calculated in accordance with the Regulations;

- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- that the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme Particulars in relation to the investment and borrowing powers applicable to the Fund.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

The Manager shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Manager shall comply with the duty of care when exercising its powers and discharging its duties under the Scheme. The following are the duties and powers of the Manager:

- instructing the Trustee with respect to the maintenance of deposits and withdrawals;
- managing the investments of the Fund in conformity with the investment objectives made by the Board;
- ensuring that regular valuations of the property of the Fund are carried out;
- the creation and revision of the Scheme Particulars;
- maintenance of a daily record of deposits and withdrawals on behalf of the Trustee;
- the creation of all records in respect of the Fund, available for inspection by the Trustee;
- the preparation of reports and accounts in respect of every accounting period; and
- the supervision and oversight of any appointed delegate.

The Manager of the Fund is required by the Scheme to:

- prepare and submit to the Charity Commission a statement of accounts and annual report complying with the requirements of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, as amended or replaced from time to time; and
- prepare and submit to the Charity Commission a half- yearly report and accounts for the Fund made up to the date of the interim balance sheet.

The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of FRS 102;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the Financial Statements as prepared comply with the above requirements;

**STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND
MANAGER RESPONSIBILITIES**

- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee has appointed the Manager to act as Registrar to the Fund.

Under AIFMD, the Manager has certain additional responsibilities including, ensuring compliance with the applicable provisions of AIFMD and that any delegation by the Manager is in accordance with AIFMD.

Should the Manager wish to retire, the Manager can only be discharged from its duties under the Scheme following the appointment of a replacement Manager who is eligible under AIFMD to act as Manager of the Fund.

(Charity Registration No. 1046249)

DIRECTORY

Board

N Morecroft, ASIP (Chair)
K Corrigan, FCCA
J Hobart, MA
C Ong, MBA
K Shenton
A Richmond MA (Hons) ASIP
S Wiltshire

Manager, Alternative Investment Fund Manager (AIFM), and Registrar
CCLA Fund Managers Limited

Investment Manager

CCLA Investment Management Limited
Both CCLA Fund Managers Limited and CCLA Investment Management Limited are authorised and regulated by the Financial Conduct Authority
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Transfer Agent

FNZ TA Services Limited
7th Floor, 2 Redman Place
London
E20 1JQ

Administrator

HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ
HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Executive Directors of the Manager

E Sheldon (Chief Operating Officer)
D Sloper (Chief Executive Officer)
J Berens

Non-Executive Directors of the Manager

J Bailie (Chair)
N Mcleod-Clarke
R Fuller – appointed 1 April 2024

Fund Manager (CCLA Investment Management Limited)

S Freeman
R Evans
S Mehta – till 1 April 2024

Company Secretary

J Fox

Chief Risk Officer

J-P Lim

Head of Sustainability

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Banker

HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Independent Auditor

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

Founded in 1958, CCLA is now the UK's largest charity fund manager. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This means we must provide a supportive and stable environment for our staff, and deliver trusted, responsibly managed products and services to our clients, irrespective of their size.

CCLA

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T: 0800 022 3505 E: clientservices@ccla.co.uk

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CCLA is the trading name for CCLA Investment Management Limited (Registered in England and Wales No. 2183088) and CCLA Fund Managers Limited (Registered in England and Wales No. 8735639).

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