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## Fitch Affirms 2 CCLA Money Market Funds at 'AAAmmf'

Fitch Ratings - London - 06 Feb 2023: Fitch Ratings has affirmed two money market funds (MMF) managed by CCLA Investment Management Limited (CCLA) at 'AAAmmf':

CCLA - COIF Charities Deposit Fund (COIF)

CCLA Public Sector Investment Fund - The Public Sector Deposit Fund (PSDF)

### KEY RATING DRIVERS

The affirmation of the MMF Ratings is driven by the funds' high credit quality and diversification, high levels of daily and weekly liquid assets and low exposure to interest-rate and spread risks. The ratings also reflect the capabilities and resources of CCLA as investment manager.

### CREDIT RISK

The funds' Portfolio Credit Factor (PCF), which is a risk-weighted measure that considers the credit quality and maturity profile of the portfolio securities, met Fitch's 'AAAmmf' rating criterion of 1.5 or less throughout the review period.

### LIQUIDITY RISK

The funds had at least 10% of total assets in securities offering daily liquidity and at least 30% of total assets in securities providing weekly liquidity, consistent with the 'AAAmmf' rating range, throughout the review period.

### MARKET RISK

The funds' weighted average maturity and weighted average life were below 60 days and 120 days (the 'AAAmmf' rating range), respectively, throughout the review period.

### FUND PROFILE

Fitch views the legal and regulatory frameworks of the funds satisfactory.

COIF is a common deposit fund, governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. It is managed as an alternative investment fund and falls under the alternative investment fund managers directive (AIFMD) legislation as defined in the scheme particulars. The fund is authorised and supervised in the UK by the Financial Conduct Authority as a

short-term low volatility net asset value MMF as defined in EU Money Market Fund Regulation 2017/1131.

PSDF is a sub-fund of the umbrella fund, CCLA Public Sector Investment Fund, which is an open-ended investment company that falls under the UCITS directive. The fund is authorised and supervised in the UK by the Financial Conduct Authority as a low volatility net asset value MMF as defined in Regulation (EU) Money Market Fund 2017/1131.

The CCLA COIF Charities Deposit Fund investment objective is to provide a high level of capital security and a competitive yield.

The CCLA Public Sector Investment Fund - The Public Sector Deposit Fund (PSDF) investment objective is to maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality sterling-denominated deposits and instruments. The primary objective is to maintain the net asset value of the fund at par (net of earnings).

## **INVESTMENT MANAGER**

CCLA is a UK-based fund management group offering a range of fund products. CCLA is jointly owned by CCLA Executive Directors, The CBF Church of England Investment Fund, The COIF Charities Investment Fund and The Local Authorities' Mutual Investment Trust. An independent operational risk, internal audit and compliance team maintains oversight of the fund's operations. At as end-March 2022, CCLA managed approximately GBP13.9 billion of assets. Fitch deems CCLA suitably qualified, competent and capable of managing the rated funds.

## **RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to positive rating action/upgrade:

The ratings are at the highest level on Fitch's scale and therefore cannot be upgraded.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Fitch's stress testing shows that the ratings are robust at their current levels. However, material negative credit developments (downgrades) in underlying portfolio holdings and /or material unexpected and short-term redemptions could negatively affect the funds' rating profiles, potentially leading to downgrades.

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**Rating Actions**

ENTITY/DEBT	RATING		RECOVERY	PRIOR
CCLA - COIF Charities Deposit Fund	MMF	AAAmmf	Affirmed	AAAmmf
CCLA Public Sector Investment Fund - The Public Sector Deposit Fund	MMF	AAAmmf	Affirmed	AAAmmf

**RATINGS KEY OUTLOOK WATCH****POSITIVE****NEGATIVE****EVOLVING****STABLE****Applicable Criteria**

## Money Market Fund Rating Criteria (pub.02 Nov 2021)

### Additional Disclosures

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