

COIF CHARITIES PROPERTY FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2023

**CCLA**

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\*Collectively, these comprise the Investment 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 Financial Statements are available in large print and audio formats.

**REPORT OF THE BOARD****for the half year ended 30 June 2023 (unaudited)**

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

**Structure and management of the Fund**

The Fund is a Common Investment Fund and was established in 2002. The Fund is governed by a scheme of the Charity Commission dated 12 July 2002 and as modified by a scheme dated 13 May 2009 and a scheme effective on 21 July 2014 and as amended by resolutions of the trustees of the Fund passed under Section 280 of the Charities Act 2011 on 21 July 2014, 22 July 2014 and 29 July 2014 and by an order dated 9 October 2014 and an order dated 19 October 2016 (the Scheme).

The day to day management of the Fund is delegated to the Manager by the Board which is also responsible for appointing the Manager, setting the investment policy and determining the criteria and methods of evaluating the performance. The Board also appoints the Auditors and the Trustee.

The Trustee and Depositary is HSBC Bank plc who is responsible for the supervision and oversight of the Manager's compliance with the Scheme and for the custody and safekeeping of the assets. The division between management and trustee functions provides an additional layer of protection for Unitholders.

The Manager is responsible for management and the administration of the Fund, including marketing the Fund.

**Investment objective**

The Fund aims to provide investors with a high level of income and long-term capital appreciation.

**Investment policy**

The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets, which may be either liquid or illiquid in nature.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

**Benchmark**

The Fund's benchmark is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

**REPORT OF THE BOARD****for the half year ended 30 June 2023 (unaudited)****Target investors**

The Fund is targeted at eligible Charity investors, with at least a basic knowledge of property related investments, who are seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. The Fund has direct holdings in direct property, which is inherently illiquid, and investors should take particular note of the actions the Manager may have to take in stressed market conditions, such as suspending or delaying Fund dealings. The Fund also has a minimum redemption notice period of 90 days, which can be increased up to 6 months. With the effect from 17 October 2022 and until further notice, the redemption notice period has been extended from 90 days to 6 months. The Fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

**Borrowing powers**

Under the Scheme, the Manager may borrow a maximum of 25% of the net asset value of the Fund with the prior written consent of the Board.

**Review of investment activities and policies of the Fund**

The Board held quarterly meetings during the year to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to review investment diversification, suitability and risk and to review the performance of the Fund. In addition, the Board monitored the administration, expenses and pricing of the Fund.

During the year, the Board also met quarterly with the Manager to review investments, transactions and policies of the Fund. The Manager's report, which appears later, provides further details.

The biggest challenge at the moment in 2023 is preserving long term real value in an high inflation environment and the Board have this at the forefront of their thinking when discussing investment policy with the Manager.

**Controls and risk management**

During the year, the Board, assisted by the Manager, reviewed the Fund's systems of internal control and risk report. The Board receives from the Manager and reviews a formal risk management report setting out the main risks facing the Fund, the controls in place to mitigate the risks and the assessment of each risk after application of mitigating controls. Investors should note that the management of direct property is outside the scope of the Financial Services and Markets Act 2000 (as amended or replaced from time to time).

**REPORT OF THE BOARD****for the half year ended 30 June 2023 (unaudited)****Responsible investment**

Achieving sustainable long-term returns is a key objective of the Fund and an important consideration for the Fund's Unitholders. We link the financial assessments of the investments made on behalf of the Unitholders with broader environmental, social and governance (ESG) issues. This recognises the importance of ESG risks for property and is reflected in our investment processes and the day to day management of the Fund's property portfolio. CCLA's Sustainability and Property teams work closely together with the BNP Paribas Real Estate sustainability function, to integrate ESG and performance monitoring. Further details on the Fund's Responsible investment Policy and management information is available on request from the Manager.

N Morecroft

Chair

26 September 2023

## REPORT OF THE PROPERTY MANAGER

### for the half year ended 30 June 2023 (unaudited)

#### Performance

The total return performance record of the COIF Charities Property Fund is noted below and compared to the Benchmark over longer term periods to 30 June 2023. The Benchmark for the Fund is the MSCI/AREF UK Other Balanced Open-Ended Property Fund Index. The Fund continues to produce a competitive set of results in terms of both its income distribution record and the total return.

Having experienced a sharp decline in valuations during the second half of 2022, total returns from commercial property returned, albeit marginally, to positive territory over the first six months of 2023. The Fund also performed well in relative terms: its total return for the period was +0.6% compared to the Benchmark at +0.1%.

The uncertainty and current weakness surrounding capital returns underlines the strategic importance of the more reliable and attractive income return as a firm foundation for long term performance. The Fund's income distribution yield as at 30 June 2023 was 5.1%, comfortably higher than the 3.6% market average as recorded by the MSCI/AREF UK Other Balanced Open-Ended Property Funds Benchmark. Income generation within the Fund overall has been stable and the net income for distribution to Unitholders maintained. Two quarterly income payments to Unitholders in the period produced a distribution over six months of 2.88p per Unit and maintains the twelve-month distribution rate at 5.60p.

#### Annualised total capital and income return

To 30 June 2023	6 months %	1 year %	5 years % p.a.	10 years % p.a.
<b>Performance against benchmark (after expenses)</b>				
<b>COIF Charities Property Fund</b>	+0.60	-16.65	+3.41	+7.22
<b>MSCI/AREF UK Other Balanced Open-Ended Property Fund Index</b>	+0.09	-17.14	+2.28	+6.60

Source: MSCI AREF UK Quarterly Property Fund Digest.  
Past performance is not a reliable indicator of future results.

## REPORT OF THE PROPERTY MANAGER for the half year ended 30 June 2023 (unaudited)

As at 30 June 2023 the Fund was £568.5m in size, slightly smaller than the £582.6m at the beginning of the year. The decline came from valuation movement and from a modest net outflow of investor capital amounting to £4.8m. The Fund's holding of capital cash ended the period at £8.4m compared to £13.7m six months ago and the current liquidity rate is 1.5%. For the time being and in the best interests of all unitholders, the notice period for redemption requests remains at 180 days. At the half-year end, outstanding redemption requests subject to the notice period amounted to £11.2m.

### Strategy

The strategy focuses on portfolio structure, asset selection and active management to target a competitive performance advantage and control risk over the long term. The Fund's investment objectives combine a relatively high income yield plus some capital appreciation over the longer term. Gearing is not used to boost investment returns.

In terms of structure the aim is to maintain a well diversified portfolio which captures sub-sector strength, navigating short term sub-sector and asset difficulties, whilst gaining from long term trends. The portfolio is weighted in favour of industrial warehouse property, where occupier market fundamentals are the most attractive and rental growth by far the strongest, and to the retail warehouse sub-sector which continues to offer good value and defensive qualities.

In contrast, the Fund's portfolio is under-weight the office sub-sector which has been underperforming and remains challenging. While some office settings continue to thrive, others are more challenged by changing working practices and ESG requirements and more of the portfolio's office assets are likely to be sold in the future. Elsewhere there have been growing allocations to the 'Other' category, which includes a range of alternative property uses such as hotels, gyms, and car showrooms. These assets typically offer attractive and long-term income streams and assured growth mechanisms, while further helping to diversify the portfolio.

### Market review

Markets were a good deal more settled during the period under review than in the previous six months, when the steep climb in bond yields precipitated savage downgrades in property valuations. Capital declines were much more modest in the first half of 2023, while resilient income flows resulted in total returns being marginally positive.

## REPORT OF THE PROPERTY MANAGER

### for the half year ended 30 June 2023 (unaudited)

Investment transaction volumes across the UK commercial property market remained at historically low levels with both buyers and sellers exercising caution in the face of uncertainty over valuation. The office sector was the worst-hit, with volumes in the second quarter of 2023 being less than half of the quarterly average. Industrial & logistics properties, having suffered a particularly severe pricing correction in 2022, recovered significantly and volumes in the latest quarter were only 20% below the five-year quarterly average. Retail warehousing, meanwhile, continued to attract demand with volumes only 3% below average. Overseas buyers continued to dominate the market, and representing 56% of total volume.

Despite the challenging economic outlook, occupier markets remained firm and income returns at the market level were encouraging. The MSCI Quarterly Rental Growth Indices added 1.8% over the half year with twelve-month rental growth still attractive at 3.5%. However, there is a wide range in outcomes for different sectors and this overall rental growth is still almost entirely driven by industrial property. Industrial warehouse rents increased by 3.5% over the period and 7.7% over twelve months.

### Activity

Investment management activities over the period were dominated by a programme of asset sales. This reflects two developments. Firstly, there is a strategic plan to reshape the portfolio, notably by re-allocating capital away from office assets. Secondly, there has been a higher-than-usual volume of redemption requests. Some of these requests have been prompted by investor uncertainty about the outlook for property returns; in other cases, investors reported that they needed to realise capital in response to tough financial circumstances.

Two asset sales were concluded during the half year, while several others were advanced during the period and completed shortly after the period end. The assets sales included three small shops (two in Truro, one in Newcastle-upon-Tyne), a retail warehouse unit in Bristol and an office building in Leicester. All these sales achieved prices ahead of the external valuations. A further seven assets are currently in legal hands, including several office sales. Our expectation for 2023 as a whole is to raise around £60m in sales receipts, supporting liquidity and providing funds for new investment opportunities.



## REPORT OF THE PROPERTY MANAGER for the half year ended 30 June 2023 (unaudited)

Compared to UK property capital markets, occupier markets have remained more supportive, and it has been a busy period for portfolio management activities too guided by our aims to build and secure asset income streams. With the rent collection function largely returning to pre-Covid normality, asset and lease event management can now focus on opportunities to improve letting terms and support portfolio income.

This activity has included the completion of new leases of previously vacant accommodation at the Fund's largest holding, the office building on Cannon Street in the City of London. Several other new leases, rent renewals and reviews were also completed, most of which resulted in enhanced and/or more secure income streams.

Typically, positive lease management activity is counterbalanced by new vacancies and during the half year significant leases expired on the offices in Bracknell and Aberdeen, and an industrial warehouse property at Stakehill in Greater Manchester. This demonstrates the nature of the ongoing risks to be managed within a typical property investment portfolio and the benefits of diversification and a pro-active approach. As a result, the portfolio investment vacancy rate has increased temporarily to 11.8% compared to 9.4% at the end of 2022. The development void rate is unchanged at 4.2%. The MSCI Monthly Index investment void rate increased to 10.4%, whilst the total reversionary potential from voids on this Index, which includes developments, also marginally increased to 20.1%.

### **Our approach to ESG in managing the property portfolio**

Responsible property investment, sustainability, impact and ESG considerations are at the core of our management approach and the investment process. This includes improving existing holdings, investing in new assets offering supportive ESG credentials and specifications, and disposing of assets that do not meet standards and for which improvement are not viable.

In terms of capital transactions, our strategic re-allocation away from office assets is partly motivated by the fact that this sector is exposed to significant obsolescence risk and the demands of the ESG challenge, especially those connected to energy efficiency and carbon reduction ambitions.

ESG considerations also play an important role in our management of portfolio assets during their life cycle. Our standard lease terms feature green lease clauses which support our access to data across a range of metrics such as tenants' energy and water consumption, and waste and recycling regimes. In multi-let properties we expect to retain a direct involvement in the management of the asset and implement planned improvements.

## REPORT OF THE PROPERTY MANAGER for the half year ended 30 June 2023 (unaudited)

Over the past six months work has continued on the Fund's approach and management systems. Energy Performance Certificates (EPCs) are an important focus with an aim to ensure compliance with the Minimum Energy Efficiency Standards (MEES) regulations, which requires valid EPCs to certify a minimum rating of an E. EPC ratings last for ten years and often do not correctly reflect current property conditions and specifications, especially where energy saving features such as LED lights have been installed. As part the Fund's approach, costings are being obtained to improve the sustainability credentials and EPC rating of the poorer rated properties.

### Outlook

We expect that capital performance will remain weak given that asset valuations are expected to decline further over the remainder of this year. The pace of decline should be much more modest than in 2022 but the higher yield environment and uncertainty over property valuations are likely to leave sentiment, confidence, and investor appetite fragile. This will keep a lid on property investment market activity, hampering price discovery and limiting motivation among buyers and sellers for the time being.

Once the financial backdrop settles, we can expect a growing appetite for new buying opportunities at more attractive prices and yields to underpin valuations and commence a period of modest recovery. Market conditions will remain challenging, unsettled by the economic

and financial backdrop that is likely to include higher interest rates for longer and inevitably suppressing transaction volume. The potential for a further shock linked to the macro environment, combined with ongoing structural issues that present more fundamental challenges for parts of the property investment sector, and notably in the office sub-sectors, is likely to push prospects for a recovery back and into 2024, and is unhelpful for liquidity.

A return to pricing and valuation movements based on property fundamentals should mean sectors benefitting from rental growth, such as industrial warehouse will remain resilient, while low yielding income secure investments and more exposed parts of the market, in particular secondary offices, may see further yield rises and therefore falls in capital valuations.

Property specific risk will be high, and some parts of the market will inevitably prove more resilient than others. Assets compromised by structural or environmental factors will continue to face significant adjustments to value to allow for viable repositioning or redevelopment, and this means offices will drive the further decline in capital performance overall. In contrast, industrial and retail warehouse assets are anticipated to dominate market demand whilst investment and occupier market fundamentals remain attractive. Overall, the variable capital performance will be uncertain and limited but income will continue to support total returns even if relatively flat for 2023.

## REPORT OF THE PROPERTY MANAGER

### for the half year ended 30 June 2023 (unaudited)

This outlook indicates that investors should remain focused on the fundamentals, asset management and the longer-term investment objectives, positioning their portfolios accordingly as beyond this period of uncertainty and disruption a more attractive total returns picture can emerge but still driven by income.

#### Association of Real Estate Funds

The Fund complies with the minimum requirements of the Association of Real Estate Funds (AREF) Code of Practice, which is a

voluntary Code which aims to encourage members of AREF to adopt best practice whenever possible. The code is publicly available and published on the Association's website: [www.aref.org.uk](http://www.aref.org.uk)

P Hannam

Head of Property

CCLA Investment Management Limited

26 September 2023

#### Risk warning

Investors should consider the risk factors identified in the Scheme Particulars. Past performance is not a reliable indicator of future results. 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.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result, valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved, even where such sale occurs shortly after the valuation point.

The performance of the Fund could be affected adversely by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants.

Rental revenues and property values are affected by changes in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The Fund's Units are intended only for long term investment and are not suitable for money liable to be spent in the near future. The Units are realisable only on each monthly dealing day and whilst investors can request a redemption at any time, all such requests are subject to a minimum notice period of 90 calendar days which may be increased to up to six months in accordance with the provisions in the Scheme Particular. In certain circumstances, the rights for Unitholders to redeem Units may be suspended. Unitholders should note that where a suspension is implemented, they may not be able to redeem their Units as quickly as they would like to, and that this may have an impact on redemption and may consequently impact the Unitholder's own liquidity.

## REPORT OF THE VALUERS

Dear Sirs,

**The COIF Charities Property Fund**  
**Property Valuation as at 30 June 2023**

In accordance with your instructions received from The COIF Charities Property Fund (“the Fund”) to value all the property investments owned by the Fund (“the Properties”) on a monthly basis, we have valued the Properties as at 30 June 2023. The valuation has been prepared on the basis of Fair Value, in accordance with the current edition of the RICS valuation – Professional Standards published by the Royal Institution of Chartered Surveyors (RICS). We understand that our valuation is required for unit pricing and financial statements purposes. Our report is addressed to the Fund.

We are of the opinion that the aggregate Fair Values of all the properties held by the Fund as at 30 June 2023 is £565,975,000 (Five Hundred and Sixty Five Million Nine Hundred and Seventy Five Thousand Pounds).

Details of the basis of our valuation and the individual properties are set out in our valuation report, dated 5 July 2023.

Yours faithfully,

Knight Frank LLP  
26 September 2023

## 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 Property Fund as 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 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 investment in the Fund for the RHP of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Property is recognised as an illiquid asset and is thus most suited to long-term investment. Whilst investors can request redemption at any time, all such requests are subject to a minimum notice period of 6 months. The Fund normally deals on the last Tuesday and Thursday of each month. The Fund does not include any protection from future market performance, so you could lose some or all your investment.

Property can be an illiquid asset class and the Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the Fund to meet redemptions and, in agreement with the Trustee, may suspend the buying and selling of units in the Fund due to stressed market conditions. Where an investor makes an application to sell or cancel units the Manager may, with the agreement of the Trustee, arrange to transfer scheme property out of the Fund in place of payment in cash for the units, but only if it is judged by the Manager not to disadvantage the remaining investors.

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

## COMPARATIVE TABLE

## Change in net assets per Unit

	Half year to 30.06.2023 pence per Unit	Year to 31.12.2022 pence per Unit	Income Units Year to 31.12.2021 pence per Unit	Year to 31.12.2020 pence per Unit	Year to 31.12.2019 pence per Unit
Opening net asset value per Unit	110.15	125.21	109.41	115.45	119.05
Return before operating charges	4.62	(8.05)	22.69	0.97	4.51
Operating charges	(1.32)	(1.41)	(1.29)	(1.81)	(1.71)
Return after operating charges	3.30	(9.46)	21.40	(0.84)	2.80
Distributions on income Units	(5.60)	(5.60)	(5.60)	(5.20)	(6.40)
Closing net asset value per Unit****	107.85	110.15	125.21	109.41	115.45

## Performance

Return after charges**	3.00%	(7.56%)	19.56%	(0.73%)	2.35%
Gross yield***	4.94%	4.94%	4.35%	4.62%	5.40%

## Other information

Closing net asset value (£'000)	568,504	582,571	652,497	584,485	615,605
Closing number of Units	527,128,044	528,870,157	521,122,608	534,234,121	533,227,472

## Prices (pence per Unit)

Highest Unit price (offer)	112.60	141.12	129.98	119.63	122.09
Lowest Unit price (bid)	107.42	109.62	109.68	107.50	114.71

Annual management charge*	0.64%	0.66%	0.64%	0.65%	0.65%
Other fund level operating costs	0.08%	0.04%	0.06%	0.04%	0.06%
<b>Total Global Expense Ratio (TGER)</b>	<b>0.72%</b>	<b>0.70%</b>	<b>0.70%</b>	<b>0.69%</b>	<b>0.71%</b>
<b>Real Estate Expense Ratios (REER)</b>	<b>0.48%</b>	<b>0.43%</b>	<b>0.48%</b>	<b>0.88%</b>	<b>0.73%</b>
Total charges figure	1.20%	1.13%	1.18%	1.57%	1.44%

All of the above figures are ratios set against the Fund's average net assets calculated over the year.

\* The Annual Management Charge is 0.65% (plus VAT, which is recoverable) of the net asset value of the Fund and is charged to capital. The month end valuation forms the basis of the charge for the following month.

\*\* The return after charges has been calculated in accordance with the Statement of Recommended Practices' prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed on the Report of the Fund Manager.

\*\*\* The gross yield is calculated as the sum of the gross of tax, net of expenses income distributed over the period expressed as a percentage of the offer price at the year end.

\*\*\*\* Closing net asset value per unit shown is calculated using the closing net assets attributable to unitholders as presented in these financial statements. This is for financial statements reporting purposes only and may differ from the Unit price disclosed in the Report of the Property Manager.

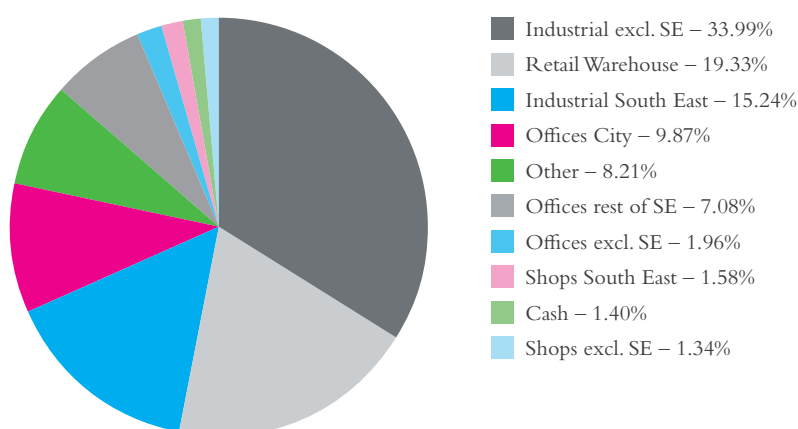
## PORTFOLIO ANALYSIS

at 30 June 2023 (unaudited)

## Top Ten Property Holdings

Property		% of Fund
London, 80 Cannon Street	Offices/Shops	8.25%
Mendlesham, Norwich Road	Industrial	6.33%
Brighton, Lewes Road	Retail Warehouses	6.08%
Ashby-de-la-Zouch, 15 Coalfield Way	Industrial	5.52%
Lutterworth, 3320, Hunter Boulevard	Industrial	4.00%
Bath, Rossiter Road	Other	3.76%
Bristol, 1400-1600 Aztec West Business	Industrial	3.55%
Lutterworth, 3220 Magna Park, Wellington Parkway	Industrial	3.52%
London, 7 St Andrews Way	Industrial	2.93%
Northampton, 100 Pavilion Drive	Industrial	2.86%

## Regional and sector analysis



## Portfolio turnover

	Period to 30.06.2023	Period to 31.12.2022
Portfolio turnover rate	0.01%	3.90%

The portfolio turnover rates are calculated by the total sales or purchases (excluding cash), whichever is less, divided by average monthly assets during the period.

**PORTFOLIO STATEMENT**  
at 30 June 2023 (unaudited)

**Properties**

Total in valuation ranges	£'000	% of Fund
Valued between £0 and £5m 15 properties	41,875	7.37%
Valued between £5 and £10m 21 properties	141,350	24.86%
Valued between £10 and £25m 15 properties	234,600	41.27%
Valued at over £25m 4 properties	148,150	26.06%
Net other assets	2,529	0.44%
<b>Net assets</b>	<b>568,504</b>	<b>100.00%</b>

**Ownership of the Fund**  
for the half year ended 30 June 2023 (unaudited)

	Number of investors	Number of Units in issue '000	% of Units in issue
Less than 1%	653	139,450,406	26.45
1% or greater but less than 2%	3	25,112,967	4.77
2% or greater but less than 4%	3	49,576,975	9.40
4% or greater but less than 8%	1	27,505,089	5.22
Greater than 8%	3	285,482,607	54.16
	663	527,128,044	100.00
Held by the largest investor	1	146,141,357	27.72
Held by top 5 investors	5	331,495,722	62.89

The COIF Charities Investment Fund has a holding of 87,072,475 units – 16.52% (2022: 87,072,475 – 16.46%), the COIF Charities Ethical Investment Fund has a holding of 52,268,775 units – 9.92% (2022: 57,249,775 – 9.88%) and the The CBF Church of England Property Fund has a holding of 146,141,357 units – 27.72% (2022: 146,483,811 – 27.69%).



**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Standard Retail**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
71-72 East St CHICHESTER	Oliver Bonas Ltd	10 yrs 21.10.22	5 yrs	2027/ 2032	120,000	0-5
	Victoria Davey	1 yr 24.02.21	0 yrs	2022	13,200	
76/77 East Street CHICHESTER	C & J Clark International Ltd	5 yrs 20.11.22	5 yrs	2027	120,000	0-5
	World of Solar Ltd	5 yrs 14.07.22	0 yrs	2027	30,000	
131-135 Northumberland St NEWCASTLE UPON TYNE	Clydesdale Bank Plc	5 yrs 25.06.19	5 yrs	2024	124,275	0-5
	Starbucks Coffee Company (UK) Ltd	10 yrs 29.09.20	5 yrs	2025/ 2030	65,000	
8-9 High Street STRATFORD UPON AVON	Waterstones Booksellers Ltd	10 yrs 29.03.19	5 yrs	2024/ 2029	112,500	0-5
	Queensway Coffee House Ltd	10 yrs 14.06.17	5 yrs	2027	80,000	
18-20 Boscaven Street TRURO	Wilco Retail Ltd	15 yrs 06.01.17	5 yrs	2022/ 2032	420,000	0-5

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Offices

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Aspect 32 ABERDEEN	Vacant					0-5
5 Arlington Square BRACKNELL	Virgin Media Ltd	10 yrs 06.02.12	3 yrs	2018/ 2022	2,645	10-25
	Verizon UK Ltd	3 yrs 30.01.08	0 yrs	2011	2,637	
	Paratus AMC Ltd	6 yrs 17.10.17	0 yrs	2023	562,708	
	Skillsoft UK Ltd	10 yrs 15.03.19	5 yrs	2024/ 2029	215,604	
	Centrilogic Ltd	24 yrs 26.04.18	5 yrs	2022/ 2042	88,592	
	Centrilogic Ltd	25 yrs 01.12.17	5 yrs	2022/ 2042	289,124	

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Offices (continued)

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Wellbrook Court CAMBRIDGE	Streets Whitmarsh Sterland LLP	15 yrs 08.08.16	5 yrs	2026/ 2031	93,295	10-25
	Chase De Vere IFA Group Plc	10 yrs 10.05.13	0 yrs	2023	53,328	
	Tescan-UK Ltd	5 yrs 20.12.18	0 yrs	2023	52,480	
	Henry Riley LLP	10 yrs 03.06.13	5 yrs	2018/ 2023	40,986	
	Element Materials Technology Ltd	11 yrs 24.06.16	0 yrs	2027	105,000	
	Aecom Ltd	5 yrs 24.07.22	0 yrs	2027	135,768	
	MM Wealth Ltd	10 yrs 22.03.18	5 yrs	2023/ 2028	91,500	
	Atkins Ltd	5 yrs 26.06.21	0 yrs	2026	106,667	
	EA First Ltd	10 yrs 23.08.21	5 yrs	2026/ 2031	53,910	
	EA First Ltd	10 yrs 23.08.21	1 yr	2022/ 2031	2,500	
4 Smith Way LEICESTER	Selfridges Retail Ltd	15 yrs 28.10.15	5 yrs	2025/ 2030	340,992	0-5
3 Penman Way LEICESTER	Sytner Group Ltd	22 yrs 08.04.19	5 yrs	2024/ 2041	280,000	0-5
7 Lewis Court, LEICESTER	RSM UK Management Ltd	10 yrs 29.09.22	5 yrs	2027/ 2032	197,200	0-5

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Offices (*continued*)

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
1-3 College Hill LONDON	Hedley Foundation Ltd	10 yrs 25.03.18	5 yrs	2023/ 2028	62,820	10-25
	Woodalls Design LLP	12 yrs 12.08.14	0 yrs	2026	122,640	
	Interfax Europe Ltd	5 yrs 08.03.19	0 yrs	2024	90,000	
	MRA Search Ltd	4 yrs 22.12.20	0 yrs	2024	69,120	
	Woodalls Design LLP	10 yrs 08.03.16	0 yrs	2026	59,995	
	Woodalls Design LLP	8 yrs 02.11.18	0 yrs	2026	58,435	
	Thames Estate Commercial Ltd	20 yrs 18.08.21	0 yrs	2041	95,000	
	Warren Lefton	2 yrs 28.10.22	0 yrs	2024	3,750	
	Interior Motives International Ltd	10 yrs 01.07.14	0 yrs	2024	60,000	
	Capital Asset Management	10 yrs 04.07.14	0 yrs	2024	116,000	
	MRA Search Ltd	5 yrs 18.01.19	0 yrs	2024	132,720	
	Kinney Green LLP	5 yrs 11.02.19	0 yrs	2024	61,468	

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Offices (*continued*)

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Windsor Road MAIDENHEAD	Vacant	—	—	—	—	5-10
AECOM House ST ALBANS	Vacant	—	—	—	—	5-10
1 Roundwood Avenue LONDON	Kuehne & Nagel Ltd	15 yrs 16.07.15	5 yrs	2025/ 2030	285,110	5-10
	Kuehne & Nagel Ltd	8 yrs 15.07.22	3 yrs	2025/ 2030	151,000	

\* Date in the past indicates that the review has not been settled yet.

**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Offices/Shops**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
80 Cannon Street LONDON	Boots UK Ltd	10 yrs 16.10.19	5 yrs	2024/ 2029	350,000	>25
	Cabot Credit Management Ltd	10 yrs 01.03.19	5 yrs	2024/ 2029	255,024	
	International Registries (UK) Ltd	10 yrs 25.03.20	5 yrs	2025/ 2030	306,393	
	Expleo Technology UK Ltd	5 yrs 01.06.23	0 yrs	2028	312,260	
	Calypso Technology Ltd	10 yrs 13.05.22	5 yrs	2027/ 2032	307,500	
	Structuretone Ltd	10 yrs 13.05.22	5 yrs	2028/ 2033	316,103	
	The Penny Group Ltd	5 yrs 29.03.22	0 yrs	2027	314,375	
	Silver Development and Construction	10 yrs 11.11.13	5 yrs	2023	238,619	
	Freight Investor Services Ltd	5 yrs 10.11.20	0 yrs	2025	384,000	
	Nexthink Ltd	5 yrs 15.06.18	0 yrs	2023	242,450	
	ISQ Research Ltd	5 yrs 21.09.18	0 yrs	2023	128,467	
	Netroadshadow Inc	5 yrs 27.09.18	0 yrs	2023	150,309	

\* Date in the past indicates that the review has not been settled yet.

**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Industrial**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Wallace Facility Badentoy ABERDEEN	Biffa Waste Services Ltd	22 yrs 12.12.22	5 yrs	2027/ 2044	460,000	5-10
15 Coalfield Way ASHBY-DE- LA-ZOUCH	EV Downton Ltd	10 yrs 01.01.21	5 yrs	2026/ 2031	1,425,400	>25
Drum Industrial Estate BIRTLEY	Rettig (UK) Ltd	99 yrs 17.10.69	14 yrs	2025/ 2068	669,814	10-25
1400-1600 Aztec West Business BRISTOL	Aardman Holdings Ltd	6 yrs 25.03.19	3 yrs	2022/ 2025	95,272	10-25
	Aardman Holdings Ltd	6 yrs 25.03.19	3 yrs	2022/ 2025	269,130	
	Aardman Holdings Ltd	6 yrs 25.03.19	3 yrs	2022/ 2025	63,820	
	Aardman Holdings Ltd	6 yrs 25.03.19	3 yrs	2022/ 2025	62,820	
	PJH Group Ltd	10 yrs 03.12.18	5 yrs	2023/ 2028	78,000	
	Aardman Holdings Ltd	6 yrs 25.03.19	3 yrs	2022/ 2025	68,958	
	Spandex Ltd	10 yrs 22.01.21	5 yrs	2026/ 2031	621,650	
Batchelor Road CARDIFF	Giant Booker Ltd	25 yrs 28.02.05	5 yrs	2020/ 2030	652,923	5-10

\* Date in the past indicates that the review has not been settled yet.

**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Industrial (continued)**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Manor Gate Manor Royal CRAWLEY	Rossetts (UK) Ltd	10 yrs 26.11.18	5 yrs	2023/ 2028	132,000	10-25
	Creative Technology Ltd	5 yrs 13.09.21	0 yrs	2026	650,000	
Unit 61 Finlan Road MANCHESTER	Romac Logistics Ltd	16 yrs 03.12.20	5 yrs	2026/ 2036	454,010	5-10
Unit B Telford Point KETTERING	Knights of Old Ltd	13 yrs 01.07.13	5 yrs	2026	445,000	5-10
7 St Andrews Way LONDON	Vacant	—	—	—	—	10-25
3320 Hunter Boulevard LUTTERWORTH	VWR International Ltd	35 yrs 10.10.94	5 yrs	2024/ 2029	1,044,223	10-25
3220 Wellington Parkway LUTTERWORTH	DHL Supply Chain Ltd	10 yrs 25.12.14	0 yrs	2024	980,699	10-25
Unit G1 Touchet Hall Road MANCHESTER	Vacant	—	—	—	—	5-10
Norwich Road MENDLESHAM	CEVA Logistics Ltd	20 yrs 20.05.10	1 yr	2030	2,370,117	>25
Brackmills Industrial Estate NORTHAMPTON	C Butt Ltd	10 yrs 24.06.14	5 yrs	2024	635,000	10-25
Dimensions House NORTHAMPTON	Harvey Nichols and Company Ltd	10 yrs 11.03.15	5 yrs	2025	597,223	10-25

\* Date in the past indicates that the review has not been settled yet.



PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Industrial (*continued*)

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
100 Pavilion Drive NORTHAMPTON	Intelligent Processing Solutions Ltd	15 yrs 25.12.10	0 yrs	2025	1,350,000	10-25
35 Willis Way Industrial POOLE	Sunseeker International Ltd	10 yrs 19.12.22	5 yrs	2027/ 2032	480,000	5-10
Units 1& 2 Longfield Road TUNBRIDGE WELLS	SH Muffet Ltd	10 yrs 24.03.20	5 yrs	2025/ 2030	124,613	5-10
	R.H. Claydon Ltd	10 yrs 04.10.21	5 yrs	2026/ 2031	247,490	
Javelin Park WEDNESBURY	Smiths News Trading Ltd	5 yrs 03.07.20	0 yrs	2025	285,000	5-10
6 Weston Avenue WEST THURROCK	Royal Mail Group Ltd	11 yrs 31.12.19	5 yrs	2025/ 2030	246,000	10-25
	Cosentino UK Ltd	10 yrs 01.12.22	5 yrs	2027/ 2032	314,328	

\* Date in the past indicates that the review has not been settled yet.

**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Retail Warehouses**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Lewes Road BRIGHTON	Aldi Stores Ltd	20 yrs 18.06.18	5 yrs	2023/ 2038	400,000	>25
	Hobbycraft Trading Ltd	15 yrs 25.05.18	0 yrs	2023/ 2033	236,828	
	Halfords Ltd	10 yrs 04.09.17	5 yrs	2027	240,000	
	B&Q Plc	15 yrs 04.08.16	5 yrs	2021/ 2031	945,765	
	Costa Ltd	10 yrs 04.06.18	5 yrs	2023/ 2028	67,500	
Unit 5, Highwood Lane BRISTOL	Tesla Motors Ltd	10 yrs 05.09.22	5 yrs	2027/ 2032	400,000	5-10
Silver Street BROWNHILLS	B & M Retail Ltd	31 yrs 30.04.03	5 yrs	2023/ 2034	309,100	0-5
Chorley Retail Park CHORLEY	Wickes Building Supplies Ltd	25 yrs 24.10.00	5 yrs	2015/ 2025	330,000	5-10
	DP Realty Ltd t/a Domino's Pizza	25 yrs 24.10.00	5 yrs	2025	17,500	
	Subway Realty Ltd	10 yrs 26.01.15	5 yrs	2020/ 2025	20,000	
	BJR Foods Ltd t/a KFC	10 yrs 24.10.20	5 yrs	2025/ 2030	67,575	
	Diets 2 Go Ltd	10 yrs 10.10.19	5 yrs	2024/ 2029	18,000	
	Sunseeker Beds Ltd	10 yrs 23.09.19	5 yrs	2024/ 2029	25,000	

\* Date in the past indicates that the review has not been settled yet.

**PROPERTY PORTFOLIO**  
at 30 June 2023 (unaudited)

**Retail Warehouses (continued)**

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Unit 8 DERBY	Boots UK Ltd	20 yrs 12.11.04	5 yrs	2019/ 2024	227,988	0-5
Holmer Road HEREFORD	B & M Retail Ltd	10 yrs 11.02.16	0 yrs	2026	210,000	5-10
	Dreams Plc	6 yrs 12.12.18	0 yrs	2024	75,000	
	Iceland Food Ltd	10 yrs 11.12.21	5 yrs	2026/ 2031	166,306	
	Jacmar Developments Ltd	125 yrs 25.12.93	0 yrs	2118	0	
Snowden Drive MILTON KEYNES	Wickes Building Supplies Ltd	25 yrs 03.10.03	5 yrs	2023/ 2028	638,750	5-10
Wellingborough Road NORTHAMPTON	B & M Retail Ltd	30 yrs 11.10.12	5 yrs	2027/ 2042	405,810	5-10
St Peter's Way NORTHAMPTON	TJX UK	24 yrs 24.06.03	5 yrs	2027	285,000	0-5
Portway Road OLDBURY	Matalan Retail Ltd	5 yrs 03.12.21	5 yrs	2026	237,000	0-5
Solihull Gate Retail Park SOLIHULL	Wren Kitchens Ltd	10 yrs 10.04.13	0 yrs	2023	296,221	10-25
	Sofology Ltd	10 yrs 08.04.13	0 yrs	2023	445,804	
	Tapi Carpets & Floors Ltd	10 yrs 24.07.17	5 yrs	2022/ 2027	330,693	
	Furniture Village Ltd	20 yrs 04.05.07	15 yrs	2022/ 2027	325,000	

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Retail Warehouses (*continued*)

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
230-234 Winchester Road SOUTHAMPTON	CDS(Superstores International) Ltd	32 yrs 28.11.03	5 yrs	2023/ 2035	431,037	5-10
Units 1 & 2 TAMWORTH	TJX UK Ltd	20 yrs 25.12.02	5 yrs	2022	379,300	5-10
	Pure Gym Ltd	15 yrs 11.05.23	5 yrs	2028/ 2038	220,000	

\* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO  
at 30 June 2023 (unaudited)

Other

Property	Tenant	Term/ from	Lease review period	Next* review	Rent £	Mkt value range £m
Rossiter Road BATH	Travelodge Hotel Ltd	40 yrs 02.06.08	1 yr	2023/ 2048	1,464,328	10-25
Rutherford Way CHELTENHAM	Broughtons of Cheltenham Ltd	15 yrs 11.01.11	5 yrs	2021/ 2026	261,500	5-10
	Car Shops Ltd	15 yrs 04.11.21	5 yrs	2026/ 2036	155,000	
Europe Way COCKERMOUTH	Travelodge Hotel Ltd	32 yrs 14.12.07	5 yrs	2027/ 2039	223,670	0-5
Rennie Drive DARTFORD	Motorline Holdings Ltd	25 yrs 23.11.18	5 yrs	2023/ 2043	400,000	5-10
100 West Street GLASGOW	Eastern Western Motor Group Ltd	25 yrs 27.07.01	5 yrs	2026	331,847	0-5
Newark Road PETERBOROUGH	Sportsdirect.com Retail Ltd	5 yrs 21.10.22	5 yrs	2027	625,000	5-10

\* Date in the past indicates that the review has not been settled yet.

## STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2023 (unaudited)

	30.06.2023		30.06.2022	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(11,226)		64,606
Revenue	17,881		17,725	
Expenses	(3,702)		(5,802)	
Net revenue before taxation	14,179		11,923	
Taxation	–		–	
Net revenue after taxation		14,179		11,923
Total return before distributions		2,953		76,529
Distributions		(15,258)		(15,996)
Change in net assets attributable to Unitholders from investment activities		(12,305)		60,533

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the half year ended 30 June 2023 (unaudited)

	30.06.2023		30.06.2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Unitholders		582,571		652,497
Amounts receivable on issue of Units	3,081		73,777	
Amounts payable on cancellation of Units	(4,843)		(7,864)	
		(1,762)		65,913
Change in net assets attributable to Unitholders from investment activities		(12,305)		60,533
Closing net assets attributable to Unitholders		568,504		778,943

The note on page 33 and distribution table on page 34 form part of these financial statements.

**BALANCE SHEET**

at 30 June 2023 (unaudited)

	30.06.2023		31.12.2022	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment property		559,178		568,897
Debtors	11,951		11,220	
Cash and bank balances	5,153		7,547	
Cash equivalents	6,915		8,912	
Total other assets		24,019		27,679
<b>Total assets</b>		<b>583,197</b>		<b>596,576</b>
<b>LIABILITIES</b>				
Creditors	7,577		6,759	
Distribution payable on income units	7,116		7,246	
<b>Total liabilities</b>		<b>14,693</b>		<b>14,005</b>
<b>Net assets attributable to Unitholders</b>		<b>568,504</b>		<b>582,571</b>

The financial statements on pages 30 to 32 have been approved by the Board.

Approved on behalf of the Board  
26 September 2023

N Morecroft, Chair

The note on page 33 and distribution table on page 34 form part of these financial statements.

## CASH FLOW STATEMENT

for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Year ended 31.12.2022	
	£'000	£'000	£'000	£'000
Net revenue for the period/year		14,179		25,993
<b>Adjustments for</b>				
Realised profit/(loss) on disposal of property due to unamortised Rent Free Provision write off		—		(145)
<b>Net cash inflow from operating activities</b>				
Decrease/(increase) in accrued revenue	126		(349)	
(Increase)/decrease in debtors	(857)		235	
Increase/(decrease) in creditors	818		(402)	
		87		(516)
<b>Net cash-flow from investment activities</b>				
Capital expenses	(2,560)		(2,050)	
Payments to acquire investments	(77)		(45,405)	
Proceeds on disposal of investments	1,130		28,298	
		(1,507)		(19,157)
<b>Net cash inflow from financing activities</b>				
Issue of Units	3,081		78,576	
Cancellation of Units	(4,843)		(59,190)	
Net revenue received on issue of Units	(28)		(124)	
Distributions paid	(15,360)		(31,234)	
		(17,150)		(11,972)
Decrease in cash and cash equivalent		(4,391)		(5,797)
Opening balance		16,459		22,256
Closing balance		12,068		16,459

The note on page 33 and distribution table on page 34 form part of these financial statements.



NOTE TO THE FINANCIAL STATEMENTS  
for the half year ended 30 June 2023 (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” and The Charities Act 2011 and AIFM in so far as applicable.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those financial statements.

## DISTRIBUTION TABLE

for the half year ended 30 June 2023 (unaudited)

Period ended	Date paid/payable	Dividends paid/payable pence per Unit	
		2023	2022
<b>Income Units</b>			
31 March	31 May	1.53	1.53
30 June	31 August	1.35	1.35
		2.88	2.88

## 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 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 FCA 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 creation and cancellation of units as instructed 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 units 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 secure that instructions given to it by the Manager are carried out as to the exercise of rights (including voting rights) attaching 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 this Scheme and with section 130 of the Charities Act 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") (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 this Scheme. The following are the duties and powers of the Manager:

- instructing the Trustee with respect to the creation and cancellation of units;
- 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 and to ensure that the units are correctly priced;
- the creation and revision of the Scheme Particulars;
- maintenance of a daily record of units purchased or sold 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 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 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 the 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 Investment 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. 1093084)

## DIRECTORY

**Board**

N Morecroft, ASIP (Chair)  
 K Corrigan, FCCA  
 J Hobart, MA  
 C Ong, MBA  
 A Watson, CBE – deceased – resigned on 6 March 2023  
 K Shenton – appointed on 6 June 2023

**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*

Registered Office Address:

One Angel Lane

London

EC4R 3AB

Telephone: 0207 489 6000

Client Service:

Freephone: 0800 022 3505

Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)

[www.ccla.co.uk](http://www.ccla.co.uk)

**Executive Directors of the Manager**

E Sheldon (Chief Operating Officer)

D Sloper (Chief Executive Officer)

J Berens – appointed on 9 February 2023

**Non-Executive Directors of the Manager**

R Horlick (Chair)

J Jesty

A Roughead

**Fund Manager**

P Hannam

**Company Secretary**

J Fox

**Chief Risk Officer**

JP Lim

**Head of Sustainability**

J Corah

**Third Party Advisors****External Property Valuer**

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## ABOUT CCLA

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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 requires us to provide a supportive and stable environment for our staff and deliver trusted, responsibly managed and strongly performing products and services to our clients, irrespective of their size.



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