

THE CBF CHURCH OF ENGLAND INVESTMENT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended 31 December 2023

CCLA

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*Collectively, these comprise the Manager's Report.

**Audited.

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 Annual Report and Financial Statements are available in large print and audio formats.

REPORT OF THE TRUSTEE**for the year ended 31 December 2023**

On behalf of the Trustee, I have pleasure in presenting the Annual Report and Financial Statements of The CBF Church of England Investment Fund (the “Fund”), which includes a separate report from CCLA Investment Management Limited (the “Manager”) as Manager of the Fund. The Manager is authorised and regulated by the Financial Conduct Authority (“FCA”).

Structure and management of the Fund

The Fund is an investment fund, administered as a common fund and is established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010 (together the “Measure”) and the Trustee Act 2000. The Fund was formed in 1958. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) as amended or changed from time to time. CBF Funds Trustee Limited (the “Trustee”) is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee.

The Manager has been appointed by the Trustee pursuant to the investment management agreement dated September 2008 to provide discretionary investment management services as well as administrative and registration services under the investment management agreement.

Under the provisions of FSMA, the Trustee is not considered to be operating the Fund “by way of business”. Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose.

As the Fund is structured as an unregulated fund, investments in the Fund are not covered by the Financial Services Compensation Scheme.

Charitable status

The Fund is entitled to charitable status by virtue of section 99(4) of the Charities Act 2011. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measures 1958.

Investment objective

The Fund aims to provide a long-term total return comprising growth in capital and income.

REPORT OF THE TRUSTEE**for the year ended 31 December 2023****Investment policy**

The Fund is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. It will have an emphasis on equities, but will also include property, bonds and other asset classes, which may be either liquid or illiquid in nature.

Target benchmark

The target benchmark sets a standard against which the long-term performance of the Fund can be assessed. The Fund has a long-term investment target benchmark designed to help investors meet their objectives. Over time, the Fund aims to achieve an average total return before costs of Consumer Price Index (CPI) inflation plus 5%.

Comparator benchmark

To provide additional guidance on returns, the Manager publishes regular performance information relative to a comparator index designed to represent the typical structure and strategy of the Fund's underlying portfolio. The typical asset mix may change over time, so it may be necessary to review the make-up of the comparator benchmark to ensure that it remains a useful guide to returns. The composite comparator benchmark of the Fund (and the constituents' respective weightings within the comparator benchmark) is as follows: MSCI World Index (75%), MSCI UK Monthly Property Index (5%), Markit iBoxx £ Gilts Index (15%) and Sterling Overnight Index Average (5%).

Target investors

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. 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. Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor. Investors may be either retail or professional clients (both per se and elective).

Review of investment activities and policies of the Fund

The Trustee is ultimately responsible for The CBF Church of England Funds and receives reports on the published financial statements. The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund. The Trustee has appointed the custodian to hold the securities of the Fund in specially designated accounts in safe custody.

REPORT OF THE TRUSTEE**for the year ended 31 December 2023****Delegation of functions**

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Church Funds Investment Measure 1958 and with the investment management agreement.

Controls and risk management

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Shareholders.

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.

At its periodic audit committee meetings, the Trustee receives a report from the Chief Risk Officer of the Manager which covers the following areas amongst others:

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;
- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines any operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

The Manager is currently considering the launch of a Charity 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. Any such change of structure would be subject to investor consultation and Trustee approval. Should this be approved, on completion of the transfer, The CBF Church of England Investment Fund would cease operations and be wound up, with the investors’ existing holdings in The CBF Church of England Investment Fund being replaced with their equivalent in the new CAIF fund. This change in structure is expected to result in savings on at least VAT to the end investor and increased regulatory protection for holders of the fund.

REPORT OF THE TRUSTEE for the year ended 31 December 2023

The Archbishops' Council supported the draft legislation that went to Synod, enabling the future conversion of the funds; however, the timetable is still to be determined following the completion of Trustee approvals.

These events and circumstances therefore represent a material uncertainty which may cast significant doubt on The CBF Church of England Investment Fund's ability to continue as a going concern. In the event that the decision is taken not to make the changes the fund is expected to continue to operate as it does now, and hence continue as a going concern.

Going Concern

Notwithstanding the material uncertainty explained above, the Trustee, 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 Trustee 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.

A Brookes, Chair
CBF Funds Trustee Limited
23 May 2024

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2023

Strategy

To target its aim of maintaining investors' real long term spending power by providing a rising income and capital growth, the portfolio has a structural bias to real assets. These are investments that are expected to achieve returns by participating in real economic activity, as opposed to 'loan' assets like bonds and cash. Global equities (company shares) make up the major part of the portfolio, and the emphasis is on good quality

companies with high standards of governance and growth prospects that are not dependent on trends in the broad economy. Other portfolio assets include UK commercial property, government and non-government bonds, and infrastructure. Infrastructure assets are those which support social and economic activity, such as clean power generation, health and public service facilities, transport and social housing.

Annualised total capital and income return

To 31 December 2023	1 year %	5 years % p.a.	10 years % p.a.
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Performance against market indices (after expenses)

The CBF Church of England Investment Fund	12.57	10.13	9.49
Income shares*	12.57	10.13	9.49
Accumulation shares*	12.57	10.13	9.50
Target benchmark ⁺	8.93	9.30	7.87
Comparator benchmark [#]	13.30	7.72	7.01
MSCI UK Investable Market Index (IMI)	7.96	6.34	5.04
MSCI World ex UK	17.21	13.11	11.93
iBoxx £ Gilts	3.62	-3.00	1.15
MSCI UK Monthly Property	-0.14	1.70	6.15
Consumer Price Index (CPI)	3.93	4.30	2.87

⁺ Target benchmark – Consumer Price Index (CPI) plus 5%.

[#] Comparator benchmark – Composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01.01.16 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/MSCI™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, MSCI™ UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5% and to 31.12.11 FTSE All-Share 60%, FTSE All-World Developed Ex UK 20%, MSCI™ All Properties 10% and FTSE UK Government All Stocks 10%.

* Mid to mid plus income re-invested.

Source: CCLA.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

Performance

The Fund's total return target benchmark of CPI+5% (before fees) is a long-term objective and returns in any one period may be significantly higher or lower than that level, as inflation and investment market returns vary through the economic cycle. To aid investors' understanding of the portfolio's performance in different market conditions, we report the Fund's returns in each reporting period against those of the comparator benchmark which is detailed on page 7. Over the 12-month period under review the Fund's total return was 12.6% on the Income Units and 12.6% on the Accumulation Units (after costs and expenses). This compares with a return of 13.3% on the comparator benchmark.

The Fund is actively managed and it is common for performance to be either above or below that of the comparator benchmark over any given reporting period. It is also common for there to be both positive and negative contributing factors to these differences. Over the period under review the principal negative factor was asset allocation. The Fund's weighting to equities, which was the strongest-performing of the major asset classes over the year, was slightly below that of the comparator benchmark; while returns from infrastructure and operating assets, which feature significantly in the Fund's portfolio but are not represented in the comparator, were relatively modest. Conversely the fund held a lower allocation to

fixed interest assets (bonds) than the comparator weighting, which was positive for relative returns as bonds were one of the weaker asset classes over the year.

In terms of asset selection, both positive and negative contributors resulted in overall returns from the Fund's equity holdings (company shares) which were much in line with the equity market as a whole. One key negative factor was related to the remarkable pattern of global market returns. These were narrowly concentrated in exceptional gains for a handful of US 'big tech' stocks which make up a high proportion of the market's overall value. The Fund's equity portfolio is well diversified across many companies and we avoid over-reliance on any individual holding, however favourably we regard its prospects. Hence, although some of these information technology stocks were held in the portfolio, the Fund did not fully participate in the gains seen at the market level. Countering this were better-than-market returns in healthcare, industrials and financials; while the fund's avoidance of traditional energy stocks (oil & gas companies) was another positive contributor over the period.

Economic and Market Review

Equity markets remained volatile during 2023 but made considerable progress over the period as a whole. Shifts in sentiment were most often driven by changing investor expectations for the direction of monetary policy.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

For example shares rallied in the early weeks of the year in response to declining inflation rates and reports of weakening economic growth, leading investors to anticipate that the major central banks would be able to soften their approach in setting interest rates. The mood promptly reversed when central bankers signalled that they regarded the fight against inflation as having some way to go, and that further rate hikes could still be to come. Higher and especially rising interest rates are generally detrimental to asset valuations, so equity markets retreated in response.

In the event interest rates set by the major western central banks (the US Federal Reserve, the European Central Bank and the Bank of England) peaked over the course of the summer, although monetary policy leaders remained keen to impress upon markets that rates could remain 'higher for longer' because persistent pressure to curb demand would be required to squeeze inflation out of the system. Such messaging, coupled with a degree of uncertainty about the possible impact on the world economy of the sudden escalation of tensions in the Middle East, led to a setback for equity markets in the early autumn.

As the year drew to a close, however, markets benefited from mounting optimism that inflation could come back down to policy makers' target levels without a severe economic recession being triggered and that interest rate cuts could be on the horizon for 2024.

Away from equities, fixed income markets were much less turbulent than in the previous year. Bond prices move in the opposite direction from yields and many investors had suffered savage losses during 2022, when valuations declined sharply as central banks hiked policy interest rates. Bond market fortunes are driven significantly by investors' expectations for the future direction of monetary policy and over the course of 2023 markets advanced and reversed at different times in response to emerging economic data and commentary from central bankers. In the closing weeks of the year investors' rising optimism about the prospect of policy easing brought bond yields down and left total returns for fixed income markets as a whole in modestly positive territory over the year.

The higher yield environment continued to depress valuations among some alternative assets, such as some infrastructure and contractual income vehicles. The UK commercial property sector also remained under pressure with very low transaction volumes and modest declines in capital values, but was much steadier than during the savage devaluation experienced in late 2022, with only modest declines in capital values over the course of 2023. Continued resilience in occupier markets and income flows went some way to offsetting the pullback in valuations and total returns from property were only slightly negative for the year.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

There were some brighter spots elsewhere among alternative assets, notably in private equity. Many unlisted vehicles had been subject to heavy discounting as yields rose in 2022. Over the course of 2023 it became clear that in many cases the underlying businesses held in private equity funds remained strong and a resurgence in investor confidence helped valuations in the unlisted market to stage a marked recovery.

Outlook

Global economic growth is likely to take some time to recover from the post-pandemic inflation shock and the rapid tightening of monetary policy that came in response. Inflation has declined sharply from its 2022 highs and the peak of the interest rate cycle now looks to be behind us, but we should not expect a return to the pre-pandemic conditions of very low inflation and interest rates.

The onset of rate cuts, which are widely expected to commence during 2024, could support a positive trend for the markets as a whole – especially if the major economies can continue to avoid a meaningful recession, as now seems the most likely scenario. However there is always the potential for geopolitical developments, whether the elections taking place this year in many large economies or less predictable but sometimes shocking escalations of international tension, to unsettle markets. In any event, now that we have left behind the era of ultra-loose monetary policy and the support that it provided for asset prices, markets are likely to remain volatile for the foreseeable future.

We can expect to see continued divergence between sectors and individual stocks as investors digest the prospects for different businesses in this environment of higher inflation and higher yields. We find that some companies are better able than others to raise their own prices and thus protect revenues, and to control costs to support net earnings.

For alternative assets such as property and infrastructure, a sustained recovery in valuations may have to wait until monetary policy easing is well underway and there has been a significant decline in policy interest rates. In the meantime, provided the major economies continue to avoid a major slowdown in economic activity, it is reasonable to expect that the income stream which is often a key attraction for long-term investors in these sectors can continue contributing meaningfully to total returns.

C Ryland
Head of Investment
CCLA Investment Management Limited
23 May 2024

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2023

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
UK Treasury 4.5% 2042	59,723	UK Treasury 4.25% 2032	50,715
UK Treasury 3.25% 2044	59,570	UK Treasury 0.875% 2033	24,777
The CBF Short Duration Bond Fund	40,301	UK Treasury 1% 2032	19,224
Federated Hermes Sustainable Global		Unilever	16,939
Investment Grade Credit Fund	19,500	Adobe	16,531
Alexandria Real Estate Equities	15,915	Roche Holdings	16,131
Tradeweb Markets	14,748	Intuitive Surgical	15,841
Trane Technologies	13,594	Verisk Analytics	14,164
Deere & Company	11,797	Assa Abloy	13,510
Avantor	11,337	The Walt Disney Company	13,438
Fortinet	10,448		

When a stock has both purchases and sales in the reporting period, these transactions have been netted and the net amount has been reflected as either a net purchase or net sale in the table above.

Risk warning

Past performance is not a reliable indicator of future results. The price of the Fund's Shares and any income distributions from them may fall as well as rise and an investor may not get back the amount originally invested.

The Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Shares are realisable on each dealing day only.

This Fund may invest in emerging market countries which could be subject to political and economic change.

The Fund may invest in collective investment schemes and other assets which may be illiquid. These include limited partnerships and other unquoted investments where valuations are open to substantial subjectivity. The Fund may also invest in The CBF Church of England Property Fund, which invests directly in property and property related assets which are valued by an independent valuer and as such are open to substantial subjectivity. The performance of this Fund may be adversely affected by a downturn in the property market which could impact on the capital and/or income value of this Fund.

Investments in the Fund are not covered by the Financial Services Compensation Scheme.

STATEMENT OF ETHICAL INVESTMENT POLICY**to the Shareholders of The CBF Church of England Investment Fund****Ethical investment**

The Fund is managed in accordance with ethical investment policies developed by the three National Investing Bodies (the Church Commissioners and Church of England Pensions Board being the other two) based on the advice of the Church's Ethical Investment Advisory Group (EIAG). Responsibility for accepting National Investing Bodies (NIBs) policy and EIAG recommendations rests with the Trustee. The Trustee is represented on the EIAG by C Chan, a director of the Trustee. The Ethical Investment Policy embraces stewardship, engagement and investment exclusions.

Responsible investment and stewardship

The Fund also implements CCLA's responsible investment policy, which we believe will improve long-term Shareholder returns. This includes policies to integrate Environmental, Social and Governance (ESG) factors into the investment decision making process and stewardship activities associated with the Fund's holdings, more details can be found at <https://www.ccla.co.uk/sustainability/corporate-governance/approach-esg>.

The Manager is a signatory to both the UK Stewardship Code and the United Nations Principles for Responsible Investment (PRI) and is a member of CDP (formerly the Carbon Disclosure Project), the Institutional Investors Group on Climate Change (IIGCC) and UK Sustainable Investment and Finance Association (UKSIF).

Engagement

The NIBs expect companies in which they invest to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice. The NIBs engage with investee companies to seek improvement in ethical standards in these areas. From time to time, policies, papers and reports are also published to inform engagement on individual environmental and social issues.

STATEMENT OF ETHICAL INVESTMENT POLICY

to the Shareholders of The CBF Church of England Investment Fund

Investment exclusions

The NIBs do not wish to directly profit from, or provide capital to, activities that are materially inconsistent with Christian values, and are also mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were they to do so. A range of investment exclusions is therefore maintained. The NIBs may, exceptionally, recommend exclusion from investment of any individual company in any line of business on ethical grounds.

Direct investments in equities and corporate debt:

The NIBs do not invest in any company involved in indiscriminate weaponry. Moreover, they do not invest in companies involved in conventional weapons if their strategic military sales exceed 10% of revenue. The NIBs do not invest in any company that derives more than 3% of revenue from the production or distribution of pornography or in any company, a major part of whose business activity or focus (defined as more than 10% of group revenue) is tobacco, gambling, non-military firearms, or high interest rate lending. The National Investing Bodies will exclude from their investments any company deriving more than 25% of its revenue from the production or licensed sale of alcoholic drinks, except in the case of companies whose sole business is the provision of alcoholic drinks with

food. The climate change policy (2015) does not allow investments in companies that derive more than 10% of revenue from tar sands or thermal coal. In addition, the Fund Trustee has approved a restriction on investment in any company that derives more than 10% of its revenue from the production, extraction or refining of oil and gas.

Individual policy documents are published separately setting out the criteria employed in each area to determine whether companies breach the NIB's policy and to explain the theology, ethics and reasoning underlying the policies. More information can be found at <https://www.churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group/policies-and-reviews>.

Direct investments in property: The NIBs apply the same exclusions to direct property investments as are used for equities and corporate debt investments. To implement this policy, we seek to screen properties prior to investing in them. We do this by assessing the activities undertaken by the underlying tenants. Full details on how the policy is applied can be found in our values based screening policy which can be accessed at <https://www.ccla.co.uk/about-us/policies-and-reports/policies/values-based-screening-policy>.

STATEMENT OF ETHICAL INVESTMENT POLICY to the Shareholders of The CBF Church of England Investment Fund

Indirect investments via pooled funds:

The NIBs are only able to invest in some assets, asset classes and investment strategies through pooled funds. Pooled funds are funds in which a number of different investors invest. Because the ethical investment policies of the EIAG and NIBs cannot be applied fully, or at all, in these investments, the Pooled Funds Policy gives detailed guidance on how the NIBs should ensure that their use of pooled funds is consistent with ethical investment. Full details on how the policy is applied can be found in our values based screening policy which can be accessed at <https://www.ccla.co.uk/about-us/policies-and-reports/policies/values-based-screening-policy>.

The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is currently

Chaired by Barbara Ridpath who took over from the Right Reverend David Walker, The Bishop of Manchester, on the 8 July 2020. More information about the EIAG is available at www.churchofengland.org/eiag.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

Report on the audit of the financial statements
Opinion

In our opinion the financial statements of
The CBF Church of England Investment Fund
(the 'Fund'):

- give a true and fair view of the financial position of the Fund as at 31 December 2023 and of the net revenue and the net capital gains on the property of the Fund for the year ended 31 December 2023;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

We have audited the financial statements which comprise for each fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the summary of significant accounting policies, judgements and estimates applicable to all sub-funds and individual notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards,

including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1[a] in the financial statements, which indicates that the Manager is currently considering the launch of a Charity Authorised Investment Fund, 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 would be transferred. Any such change of structure and transfer would be subject to Investor consultation and Trustee approval. Should this

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

be approved, on completion of the transfer the Fund would cease operations and be wound up. The plan under consideration has been discussed at General Synod and has the support of the Archbishops council but not yet been put to shareholders and both the timetable and potential outcome of such a vote remain uncertain. As stated in note 1[a], these events or conditions, along with the other matters as set forth in note 1[a], indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the trustees and Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees and Manager

As explained more fully in the trustees' responsibilities statement and the Manager's responsibilities statement, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ("the Trustee")
of The CBF Church of England Investment Fund

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty. These included The Church Funds Investment Measure 1958 and Trustee Act 2000.

We discussed among the audit engagement team, including relevant internal specialists such as financial instruments specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ("the Trustee")
of The CBF Church of England Investment Fund

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-funds. In response we have: agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Use of our report

This report is made solely to the shareholders of the Fund, as a body, in accordance with paragraph 14 of the Schedule to the Church Investment Funds Measure 1958. Our audit work has been undertaken so that we might state to the shareholders of the Fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than shareholders of the Fund, as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
23 May 2024

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.



The Manager has classified The CBF Church of England Investment Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could 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 Recommended Holding Period of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Investors can request redemption at any time and the Fund deals on a daily basis. The Fund does not include any protection from future market performance, so you could lose some or all of your investment.

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

COMPARATIVE TABLE

Change in net assets per Share

	Year to 31.12.2023 pence per Share	Income Shares Year to 31.12.2022 pence per Share	Year to 31.12.2021 pence per Share
Opening net asset value per Share	2,063.85	2,339.61	2,045.66
Return before operating charges*	272.10	(200.68)	368.65
Operating charges**	(14.32)	(13.29)	(14.71)
Return after operating charges*	257.78	(213.97)	353.94
Distributions on Income Shares	(61.79)	(61.79)	(59.99)
Closing net asset value per Share	2,259.84	2,063.85	2,339.61
* after direct transaction costs of:	0.34	0.62	0.90

Performance

Return after charges	12.49%	(9.15%)	17.30%
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Other information

Closing net asset value (£'000)	1,942,355	1,779,919	1,994,206
Closing number of Shares	85,950,875	86,242,662	85,236,533
Operating charges**	0.81%***	0.80%***	0.67%
Direct transaction costs	0.02%	0.03%	0.04%

Prices (pence per Share)

Highest Share price (offer)	2,273.01	2,337.88	2,380.84
Lowest Share price (bid)	2,029.99	2,013.32	1,991.08

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

*** Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2023 and 31 December 2022 include synthetic costs of 0.14% and 0.18% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

COMPARATIVE TABLE

Change in net assets per Share

	Accumulation Shares		
	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share	Year to 31.12.2021 pence per Share
Opening net asset value per Share	5,298.94	5,834.67	4,964.38
Return before operating charges*	708.12	(501.51)	906.39
Operating charges**	(37.49)	(34.22)	(36.10)
Return after operating charges*	670.63	(535.73)	870.29
Distributions on Accumulation Shares	(124.01)	(109.94)	(94.78)
Retained distributions on Accumulation Shares	124.01	109.94	94.78
Closing net asset value per Share	5,969.57	5,298.94	5,834.67

* after direct transaction costs of: 0.88 1.55 2.22

Performance

Return after charges 12.66% (9.18%) 17.53%

Other information

Closing net asset value (£'000)	140,333	134,925	146,631
Closing number of Shares	2,350,808	2,546,265	2,513,104
Operating charges**	0.82%***	0.81%***	0.67%
Direct transaction costs	0.02%	0.03%	0.04%

Prices (pence per Share)

Highest Share price (offer)	5,971.38	5,830.36	5,899.03
Lowest Share price (bid)	5,325.50	5,055.37	4,831.93

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

*** Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2023 and 31 December 2022 include synthetic costs of 0.14% and 0.18% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

OPERATING CHARGES ANALYSIS

for the year ended 31 December 2023

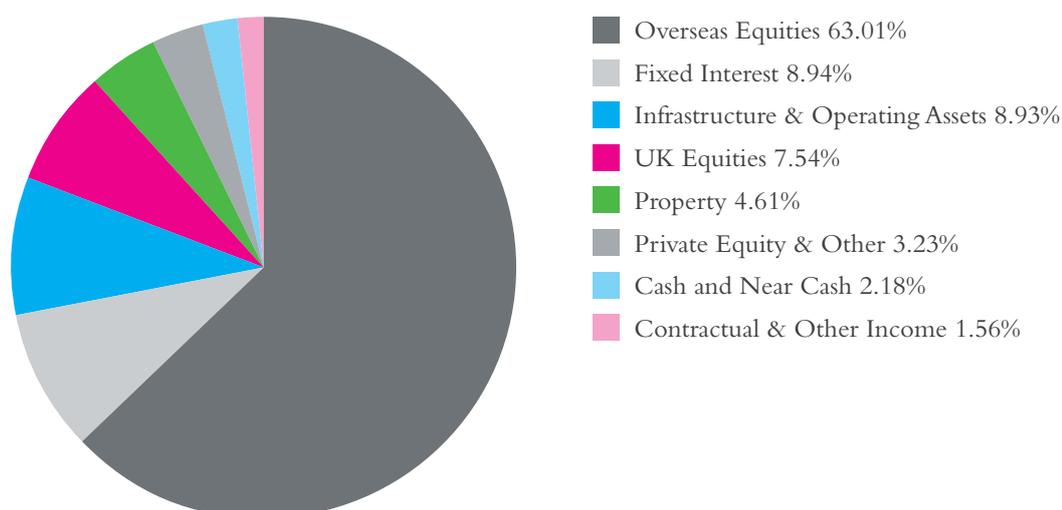
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2023 %	31.12.2022 %
Manager's annual management charge including VAT	0.61	0.60
Safe custody fees and depositary fee	0.01	0.01
Other expenses	0.05	0.01
Total operating charges	0.67	0.62

PORTFOLIO ANALYSIS

at 31 December 2023

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	46.20%
Developed Europe	11.84%
Asia Pacific ex-Japan	3.06%
Other	1.04%
Japan	0.87%
	63.01%

Breakdown of Equities by Sector

Information Technology	18.05%
Health Care	14.02%
Financials	12.76%
Industrials	10.02%
Consumer Discretionary	6.08%
Consumer Staples	4.99%
Communication Services	2.59%
Real Estate	1.47%
Utilities	0.51%
Materials	0.06%
	70.55%

The portfolio analyses above differ from the portfolio statement because: prices used here are mid-market, rather than bid; and allocations are adjusted on a 'look through' basis in respect of cross holdings in other CCLA funds (i.e. such funds are shown in a single category in the portfolio statement, but are analysed by their underlying holdings on this page).

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 7.58%			
(31.12.2022 – 10.30%)			
Consumer Discretionary 0.75% (31.12.2022 – 0.50%)			
InterContinental Hotels Group	219,731	15,632	0.75
Consumer Staples 0.00% (31.12.2022 – 0.89%)			
Financials 1.15% (31.12.2022 – 1.19%)			
London Stock Exchange Group	170,421	15,832	0.76
Prudential	926,793	8,198	0.39
Health Care 0.88% (31.12.2022 – 0.96%)			
AstraZeneca	173,057	18,299	0.88
Industrials 1.99% (31.12.2022 – 1.53%)			
Experian	674,811	21,621	1.04
RELX	640,930	19,920	0.95
Funds 2.81% (31.12.2022 – 2.75%)			
The CBF Church of England UK Equity Fund Income Shares*	29,661,353	58,495	2.81
Real Estate 0.00% (31.12.2022 – 2.48%)			
OVERSEAS EQUITIES 63.14% (31.12.2022 – 58.60%)			
DEVELOPED EUROPE 10.84% (31.12.2022 – 11.54%)			
Communication Services 0.98% (31.12.2022 – 0.87%)			
Universal Music Group	904,148	20,313	0.98
Consumer Discretionary 0.92% (31.12.2022 – 0.98%)			
LVMH Moët Hennessy Louis Vuitton	30,054	19,216	0.92
Consumer Staples 2.26% (31.12.2022 – 2.21%)			
Kerry Group	219,144	14,962	0.72
L'Oreal	33,101	12,989	0.62
Nestlé	209,729	19,115	0.92

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Financials 1.49% (31.12.2022 – 1.20%)			
Deutsche Boerse	87,974	14,194	0.68
Partners Group	14,720	16,807	0.81
Health Care 1.65% (31.12.2022 – 2.97%)			
Essilor International	118,873	18,755	0.90
Novo Nordisk	190,692	15,538	0.75
Industrials 1.62% (31.12.2022 – 1.78%)			
Schneider	102,739	16,260	0.78
Wolters Kluwer	155,759	17,435	0.84
Information Technology 1.92% (31.12.2022 – 1.53%)			
ASML Holding	30,470	18,163	0.87
Hexagon	2,301,695	21,930	1.05
Utilities 0.29% (31.12.2022 – 0.00%)			
NORTH AMERICA 42.01% (31.12.2022 – 37.34%)			
Communication Services 1.18% (31.12.2022 – 1.47%)			
Alphabet C	222,160	24,628	1.18
Consumer Discretionary 3.50% (31.12.2022 – 2.86%)			
Amazon.com	220,730	26,556	1.28
McDonald's	56,285	13,068	0.63
Nike B	180,811	15,440	0.74
Starbucks	235,932	17,756	0.85
Consumer Staples 2.20% (31.12.2022 – 2.10%)			
Estee Lauder	96,584	11,186	0.54
PepsiCo	95,749	12,724	0.61
The Coca-Cola Company	241,575	11,137	0.53
Costco Wholesale	20,763	10,802	0.52

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Financials 6.81% (31.12.2022 – 4.94%)			
CME Group	104,527	17,309	0.83
Intercontinental Exchange Group	240,656	24,282	1.16
Marsh & McLennan	64,249	9,517	0.46
Mastercard	52,743	17,652	0.85
S&P Global	63,417	21,998	1.06
The Blackstone Group	127,391	13,306	0.64
Tradeweb Markets	238,565	16,915	0.81
Visa A	101,642	20,766	1.00
Health Care 10.06% (31.12.2022 – 10.39%)			
Avantor	643,638	11,650	0.56
Abbott Laboratories	225,149	19,502	0.94
Agilent Technologies	144,175	15,821	0.76
Danaher	97,899	17,917	0.86
Edwards Lifesciences	262,192	15,782	0.76
Humana	59,761	21,363	1.02
ICON	101,312	22,700	1.09
Illumina	37,046	4,131	0.20
Stryker	72,402	16,998	0.81
Thermo Fisher Scientific	50,316	21,061	1.01
UnitedHealth Group	56,040	23,087	1.11
Zoetis	126,138	19,523	0.94
Industrials 4.90% (31.12.2022 – 3.81%)			
Ametek	99,133	12,841	0.62
Deere & Company	39,608	12,415	0.60
IDEX	84,701	14,433	0.69
Ingersoll Rand	184,269	11,248	0.54
Trane Technologies	96,136	18,399	0.88
TransUnion	390,729	21,223	1.02
Union Pacific	59,931	11,574	0.55

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Information Technology 11.49% (31.12.2022 – 10.52%)			
Accenture	50,782	14,013	0.67
Adobe	42,145	19,699	0.95
Ansys	84,815	24,082	1.16
Broadcom	18,938	16,668	0.80
Fortinet	167,866	7,822	0.38
Intuit	47,054	23,185	1.11
Microsoft	117,540	34,606	1.66
Nvidia	28,086	10,911	0.52
NXP Semiconductors	113,755	20,623	0.99
Roper Technologies	49,708	21,291	1.02
ServiceNow	28,228	15,564	0.75
Synopsys	48,730	19,770	0.95
Texas Instruments	81,883	11,032	0.53
Real Estate 1.40% (31.12.2022 – 0.57%)			
Alexandria Real Estate Equities	157,527	15,930	0.77
American Tower	77,405	13,194	0.63
Utilities 0.47% (31.12.2022 – 0.68%)			
NextEra Energy	205,587	9,846	0.47
JAPAN 0.81% (31.12.2022 – 0.67%)			
Information Technology 0.81% (31.12.2022 – 0.67%)			
Keyence	49,000	16,837	0.81
ASIA PACIFIC EX JAPAN 2.78% (31.12.2022 – 2.82%)			
Financials 1.79% (31.12.2022 – 2.12%)			
AIA Group	2,645,000	18,078	0.87
HDFC Bank	366,021	19,307	0.92
Information Technology 0.99% (31.12.2022 – 0.70%)			
Taiwan Semiconductor Manufacturing Company	1,362,000	20,658	0.99

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
MULTI GEOGRAPHY 5.75% (31.12.2022 – 5.40%)			
Funds 5.75% (31.12.2022 – 5.40%)			
The CBF Church of England Global Equity Fund*	39,557,687	119,703	5.75
OTHER 0.95% (31.12.2022 – 0.83%)			
Information Technology 0.95% (31.12.2022 – 0.83%)			
Nice	125,146	19,738	0.95
PRIVATE EQUITY & OTHER 3.23%			
(31.12.2022 – 3.77%)			
CCLA Shares 2.14% (31.12.2022 – 2.55%)			
CCLA Investment Management – Ordinary Shares**	13,000,000	44,590	2.14
Other 0.00% (31.12.2022 – 0.16%)			
Private Equity 1.09% (31.12.2022 – 1.06%)			
Blackstone Capital Partners Asia**	1	11,644	0.56
Cambridge Innovation Capital II**	1	1,321	0.06
Rubicon Partners**	1	9,712	0.47

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
INFRASTRUCTURE & OPERATING ASSETS 8.89%			
(31.12.2022 – 7.83%)			
Energy Resources & Environment 3.88%			
(31.12.2022 – 3.67%)			
Aquila European Renewables Income Fund	3,413,584	2,299	0.11
Bluefield Solar Income Fund	3,392,438	3,983	0.19
Brookfield Renewable Partners	494,414	10,175	0.49
Clean Energy and Environment Fund**	1	8,103	0.39
Clean Growth Fund**	1	3,298	0.16
Foresight Solar Fund	6,389,401	6,504	0.31
Greencoat Renewables	6,857,745	5,996	0.29
Greencoat UK Wind	11,333,172	17,102	0.82
NextPower III**	1	6,796	0.32
SDCL Energy Efficiency Income Trust	10,525,434	6,884	0.33
The Forest Company**	624,524	1,617	0.08
The Renewables Infrastructure Group	5,086,534	5,768	0.28
US Solar Fund	5,649,619	2,305	0.11
General 3.83% (31.12.2022 – 3.69%)			
Brookfield Infrastructure Partners	474,983	11,728	0.56
Infracapital Partners III**	1	20,603	0.99
International Public Partnership	4,760,124	6,493	0.31
KKR Global Infrastructure Investors III**	1	14,291	0.69
Macquarie Korea Infrastructure Fund	1,452,335	10,890	0.52
Pan-European Infrastructure Fund I**	1	7,367	0.36
Strategic Partners Offshore Real Assets – Infrastructure II**	1	8,360	0.40
Social 1.18% (31.12.2022 – 0.47%)			
Assura	18,823,551	9,118	0.44
Empiric Student Property	7,079,778	6,662	0.32
European Student Housing Fund**	1	888	0.04
HICL Infrastructure	7,688	11	0.00
KMG Wren Retirement Fund ⁺	6,479	4,813	0.23
Target Healthcare REIT	3,671,080	3,113	0.15

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
PROPERTY 4.57% (31.12.2022 – 3.15%)			
Aberdeen Standard European Logistics Income	2,762,544	1,666	0.08
Nazeing Park Farm**	1	8,000	0.38
PRS REIT	6,210,017	5,341	0.25
Segro REIT	1,350,993	12,013	0.58
The CBF Church of England Property Fund Income Shares	39,044,654	47,835	2.30
Tritax Big Box REIT	8,498,678	14,329	0.69
Tritax Eurobox REIT	10,038,097	6,033	0.29
CONTRACTUAL & OTHER INCOME 1.56% (31.12.2022 – 2.34%)			
Ares Capital	577,384	9,092	0.44
GCP Asset Backed Income Fund	7,177,456	4,694	0.23
Hipgnosis Songs Fund	13,113,808	9,389	0.45
KKR Mezzanine Partners I**	1	2,982	0.14
KKR Private Credit Opportunities Partners II**	1	1,228	0.06
RM Infrastructure Income Fund	2,992,795	2,170	0.10
Social and Sustainable Housing**	1	2,828	0.14
FIXED INTEREST 8.96% (31.12.2022 – 4.86%)			
Government Bonds 6.00% (31.12.2022 – 4.86%)			
UK Treasury 3.25% 2044	£71,347,000	62,726	3.01
UK Treasury 4.5% 2042	£59,127,000	62,242	2.99
Non-Government Bonds 2.96% (31.12.2022 – 0.00%)			
Federated Hermes Sustainable Global Investment Grade Credit Fund	£19,500,478	19,879	0.95
The CBF Church of England Short Duration Bond Fund*	28,854,478	41,766	2.01

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
CERTIFICATES OF DEPOSIT 0.24%			
(31.12.2022 – 2.44%)			
Nordea Bank London 5.3% 26/04/2024	£5,000,000	4,999	0.24
INVESTMENT ASSETS		2,044,587	98.17
NET OTHER ASSETS		38,101	1.83
TOTAL NET ASSETS		2,082,688	100.00

All investments, are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

* The CBF Church of England UK Equity Fund, The CBF Church of England Global Equity Fund, The CBF Church of England Short Duration Bond Fund and The CBF Church of England Property Fund are managed by the Manager and represent related party transactions.

** Unquoted investments.

+ The last available price for this SICAV was 29 December 2023

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2023

	Note	Year ended 31.12.2023		Year ended 31.12.2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		205,228		(224,816)
Revenue	3	46,670		41,511	
Expenses	4	(13,295)		(12,266)	
Interest payable and similar charges		(11)		(2)	
Net revenue before taxation		33,364		29,243	
Taxation	5	(436)		(699)	
Net revenue after taxation			32,928		28,544
Total return/(deficit) before distributions			238,156		(196,272)
Distributions	6		(56,434)		(55,799)
Change in net assets attributable to Shareholders from investment activities			181,722		(252,071)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2023

	Year ended 31.12.2023		Year ended 31.12.2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		1,914,844		2,140,837
Amounts receivable on issue of Shares	49,321		59,050	
Amounts payable on cancellation of Shares	(69,086)		(35,766)	
In-specie transactions	2,854		–	
		(16,911)		23,284
Change in net assets attributable to Shareholders from investment activities		181,722		(252,071)
Retained distributions on Accumulation Shares		3,033		2,794
Closing net assets attributable to Shareholders		2,082,688		1,914,844

The notes on pages 34 to 53 and distribution tables on page 54 form part of these financial statements.

BALANCE SHEET
at 31 December 2023

	Note	31.12.2023		31.12.2022	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			2,044,587		1,786,413
Current assets:					
Debtors	7	6,319		5,327	
Cash equivalents	8	33,872		127,687	
Cash and bank balances	8	13,450		10,037	
Total current assets			53,641		143,051
Total assets			2,098,228		1,929,464
LIABILITIES					
Creditors:					
Bank overdraft			28		–
Other creditors	9	2,086		1,149	
Distribution payable on Income Shares			13,426		13,471
Total creditors			15,540		14,620
Total liabilities			15,540		14,620
Net assets attributable to Shareholders			2,082,688		1,914,844

The financial statements on pages 32 to 54 have been approved by the Trustee.

Approved on behalf of the Trustee
23 May 2024

A Brookes, Chair
CBF Funds Trustee Limited

The notes on pages 34 to 53 and distribution tables on page 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS 102, the Scheme Information, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

The Fund is exempt from preparing a statement of cash flows under FRS 102 and The Church Funds Investment Measures Act 1958 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.

The Manager is currently considering the launch of a Charity 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. Any such change of structure would be subject to investor consultation and Trustee approval. Should this be approved, on completion of the transfer, The CBF Church of England Investment Fund would cease operations and be wound up, with the investors' existing holdings in The CBF Church of England Investment Fund being replaced with their equivalent in the new CAIF fund. This change in structure is expected to result in savings on at least VAT to the end investor and increased regulatory protection for holders of the fund.

The Archbishops' Council supported the draft legislation that went to Synod, enabling the future conversion of the funds; however, the timetable is still to be determined following the completion of Trustee approvals.

These events and circumstances therefore represent a material uncertainty which may cast significant doubt on The CBF Church of England Investment Fund's ability to continue as a going concern. In the event that the decision is taken not to make the changes the fund is expected to continue to operate as it does now, and hence continue as a going concern.

Notwithstanding the material uncertainty explained above, the Trustee, 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 Trustee 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting policies (*continued*)

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate, and distributions received on collective investment schemes are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise on receipt of cash. Interest on Government stocks, convertible loan stocks and other fixed interest stocks are accrued on a daily basis. Interest on bank deposits are accrued on a daily basis and interest on deposits in The CBF Church of England Deposit Fund are credited to revenue on receipt of cash. Direct property income is accrued on a daily basis.

Revenue on debt securities is recognised on the effective yield basis which takes into account the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Accrued interest purchased or sold is excluded from the cost of the security and is recognised as revenue of the Fund.

Dividends received from US real estate investment trusts (US REITs) are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior year's aggregated dividend split for each US REIT.

Revenue is stated net of irrecoverable tax credits. In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge. Overseas tax recovered is recorded in the period it is received.

(c) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital.

(d) Special dividends, share buy-back or additional share issue

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature.

It is likely that where the receipt of a special dividend, share buy-back, additional share issues results in a significant reduction in the capital value of the holding, then the special dividend, share buy-back, additional share issue is treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend, share buy-back, traditional share issue is treated as revenue.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (*continued*)

(e) Expenses

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.55% pa plus VAT.

The Fund received AMC rebates credited to the capital of the Fund for its holdings during the year in The CBF Church of England Property Fund, The CBF Church of England Global Equity Fund and The CBF Church of England UK Equity Fund. The Fund also received AMC rebates credited to revenue of the Fund for its deposits in The CBF Church of England Deposit Fund and its holdings in The CBF Church of England Short Duration Bond Fund, where the AMC is charged to revenue.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the fee AMC due. The Manager charges an AMC for the provision of managing investments. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services.

The depositary fee, audit, legal, safe custody fees and transaction charges, insurance and other fees are charged separately to the revenue of the Fund before distribution.

(f) Distributions

Distributions are paid quarterly and can also be supported by the Fund's capital.

A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

The Fund can utilise an income reserve to even out the fluctuations in revenue which arise over the years. Movements in the income reserve are therefore adjustments made to net revenue in determining the distributions. The income reserve was £nil as at 31 December 2023. There was no change in the income reserve balance during the current and prior reporting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (*continued*)

(g) *Basis of valuation*

Quoted investments are valued at bid–market values at 12pm London time on the last business day of the accounting period. Any unquoted, unlisted, delisted or suspended investments are stated at valuation by the Manager and reviewed by the Trustee.

The Manager's valuation is based upon valuations supplied by the manager of the underlying investments. The Manager satisfies itself that these valuations can be relied on by valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity. The estimates and assumptions underlying the valuations are kept under review by the Manager and judgements are reviewed, considering all factors affecting the investments.

For unquoted investments, the latest valuation point may be prior to the year end, but the Manager is satisfied that the resultant portfolio valuation would not be materially different from a valuation carried out as at the year end.

Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

Agricultural property is valued yearly by the Manager on the basis of open market value as advised by independent chartered surveyors.

(h) *Foreign exchange*

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at 12pm London time on 29 December 2023, the last valuation point in the accounting period. This also includes management fee rebates received on underlying investments within the portfolio.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (continued)

(h) Foreign exchange (continued)

The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates. Fluctuations in the value of such forward currency contracts are recorded as unrealised gains or losses. Realised gains or losses include net gains or losses on transactions that have terminated by settlement or by the Fund entering into offsetting commitments.

(i) Cash equivalents

The Manager has treated some assets as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily convertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater than the rate of a three month high quality government bond.

2. Net capital gains/(losses)

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
The net capital gains/(losses) during the year comprise:		
Realised gains on non-derivative securities*	56,883	66,967
Unrealised gains/(losses) on non-derivative securities*	147,482	(292,554)
Manager's annual management charge rebate – see note 1(e)**	1,483	1,636
Currency losses	(622)	(853)
Realised gains/(losses) on forward currency contracts*	2	(12)
	205,228	(224,816)

* Where net realised gains include gains/(losses) arising in previous reporting periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

** This amount includes the rebates credited to the capital of the Fund for its holding in The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Global Equity Fund where, in all Funds, management fees are charged to capital.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

3. Revenue

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
Overseas dividends	19,628	20,814
UK dividends	4,614	4,850
Franked dividend distributions	7,337	7,899
Franked dividends on unquoted stocks	3,380	3,210
Interest on debt securities	6,313	1,596
Interest distributions from The CBF Short Duration Bond Fund	1,118	–
Interest on The CBF Church of England Deposit Fund	1,959	1,112
Property income distributions	1,813	1,582
Bank interest	425	120
Other income	2	–
Manager's annual management charge rebate*	81	328
	46,670	41,511

* This amount represents the annual management charge rebates credited to the Fund's revenue for the Fund's deposit in The CBF Church of England Deposit Fund and holdings in The CBF Church of England Short Duration Bond Fund where the annual management charge is charged to revenue.

4. Expenses

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's annual management charge – see note 1(e)	12,021	11,861
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Monitoring fee	92	94
Safe custody fees	104	105
	196	199

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

4. Expenses (*continued*)

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
Other expenses:		
Audit fee	17	20
Insurance fee	29	29
Other fees	1,032	157
	1,078	206
Total expenses	13,295	12,266

Audit fee net of VAT is £16,400 (31.12.2022, £15,600).

The above expenses include VAT where applicable.

5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to Shareholders on the basis that all recoverable UK taxation has been reclaimed.

Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
Overseas taxation suffered in the year	372	625
Overseas recoverable withholding tax written off in the year	64	74
Total taxation	436	699

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

6. Distributions

Distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares, and comprise:

	Year ended 31.12.2023 £'000	Year ended 31.12.2022 £'000
31 March – interim distribution	13,846	13,681
30 June – interim distribution	14,089	13,834
30 September – interim distribution	14,169	13,981
31 December – final distribution	14,271	14,332
	56,375	55,828
Add: revenue deducted on cancellation of Shares	176	65
Deduct: revenue received on in-specie transactions	(4)	–
Deduct: revenue received on issue of Shares	(113)	(94)
Net distribution for the year	56,434	55,799
Net revenue after taxation for the year	32,928	28,544
Irrecoverable tax payable on dividends	(2)	–
Amortisation under coupon accounting	(428)	(411)
Distributions from capital	12,019	15,739
Expenses charged to capital	–	66
Movement in Net Income Property	(104)	–
Manager's periodic charge – see note 1(e)	12,021	11,861
Net distribution for the year	56,434	55,799

Details of the distribution per Share are set out in the distribution tables on page 54.

The Manager's annual management charge is charged to capital, so this amount is added back in the table above to the net distribution for the year and deducted from capital.

There were unclaimed distributions as at 31 December 2023 of £175,269 (31.12.2022, £30,878).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

7. Debtors

	31.12.2023 £'000	31.12.2022 £'000
Accrued revenue	5,643	5,152
Amounts receivable on creation of Shares	20	–
Annual management charge rebate receivable	133	150
Sales awaiting settlement	281	–
Prepayments	7	8
Income tax recoverable	235	17
	6,319	5,327

8. Cash equivalents, cash and bank balances

	31.12.2023 £'000	31.12.2022 £'000
Cash equivalent – cash in The CBF Church of England Deposit Fund	1,878	112,691
Cash equivalent – cash in The CCLA Public Sector Deposit Fund	27,000	–
Cash equivalent – certificates of deposit	4,994	14,996
Cash and bank balances – cash at bank	13,450	10,037

9. Other creditors

	31.12.2023 £'000	31.12.2022 £'000
Purchases awaiting settlement	767	–
Amounts payable on cancellation of Shares	11	–
Accrued expenses	1,308	1,149
	2,086	1,149

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

10. Financial instruments

Fair value

Securities held by the Fund are valued at bid–market value (see note 1(g)). Bid–market value is considered to be a fair representation of the amount repayable to Shareholders should they wish to sell their Shares. Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

The main risks arising from the Fund’s financial instruments and the Manager’s policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative year.

Market price risk

This is an actively managed Fund which invests mainly in UK and overseas equities. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the Share price from time to time, although there will generally be a positive correlation in the movement of the Share price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund’s investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

At 31 December 2023, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would increase or decrease respectively by approximately £102,229,000 (31.12.22, £89,321,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager.

Portfolio asset allocation by credit rating

Rating category	31.12.2023 % Fund	31.12.2022 % Fund
AAA	–	–
AA	100	100
A	–	–
BBB	–	–
Non investment grade	–	–

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest securities, pooled funds and sterling and overseas cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any redemption of Shares that Shareholders may wish to make. However, 7.38% (31.12.2022: 8.16%) of the net asset value of the Fund comprises unquoted investments, which are illiquid.

Currency risk

The Fund is exposed to fluctuations in foreign currencies as some of its assets and revenue are denominated in currencies other than sterling, the base currency of the Fund. The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates on investments and revenue accrued, but not yet received. In respect of revenue, receipts are converted to sterling shortly after receipt.

At 31 December 2023, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would decrease or increase respectively by approximately £13,128,000 (31.12.22 increase or decrease respectively by £11,345,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Currency risk (continued)

The total foreign currency exposure at 31 December 2023 and 31 December 2022 was:

Currency	31.12.2023			31.12.2022		
	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000
Danish krona	–	15,539	15,539	–	22,705	22,705
Euro	81	170,066	170,147	154	159,558	159,712
Hong Kong dollar	–	18,078	18,078	–	19,267	19,267
Japanese yen	–	16,837	16,837	–	12,829	12,829
Korean won	–	10,890	10,890	290	10,551	10,841
Swedish krona	–	21,930	21,930	–	22,408	22,408
Swiss franc	–	35,922	35,922	–	44,665	44,665
Taiwanese dollar	79	20,658	20,737	59	13,441	13,500
US dollar	1,615	1,001,084	1,002,699	2,718	825,855	828,573
Total	1,775	1,311,004	1,312,779	3,221	1,131,279	1,134,500

Interest rate risk

The majority of the Fund's financial assets are equities which neither receive interest nor have maturity dates. The Fund also invests in fixed interest securities and cash deposits, the revenue of which may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2023 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	47,214	129,967	608,240	785,421
Euro	–	–	170,175	170,175
Japanese yen	–	–	16,837	16,837
US dollar	108	–	1,002,591	1,002,699
Other	–	–	123,096	123,096
Total	47,322	129,967	1,920,939	2,098,228

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	15,512	15,512
Euro	28	–	–	28
Total	28	–	15,512	15,540

The total exposure at 31 December 2022 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	136,433	139,943	518,588	794,964
Euro	43	–	159,669	159,712
Japanese yen	–	–	12,829	12,829
US dollar	1,248	–	827,325	828,573
Other	–	–	133,386	133,386
Total	137,724	139,943	1,651,797	1,929,464

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Interest rate risk (continued)

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	14,620	14,620
Total	–	–	14,620	14,620

* The floating rate financial assets of the Fund earn interest at rates based on either SONIA or base rate.

All financial liabilities are due to be settled within one year or on demand.

11. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2023 £	31.12.2022 £
Strategic Partners Offshore Real Assets – Infrastructure II	5,796,139	6,512,880
KKR Global Infrastructure Investors III	2,454,819	3,054,379
Clean Growth Fund	2,704,475	3,974,317
Blackstone Capital Partners Asia	1,492,290	2,812,256
KKR Private Credit Opportunities Partners II	4,191,434	4,278,918
Infracapital Partners III	3,187,510	3,637,977
Rubicon Partners V	3,075,717	4,333,645
Pan-European Infrastructure Fund I	2,234,061	2,280,691
Social and Sustainable Housing	255,214	944,174
Clean Energy and Environment Fund	194,557	1,596,974
NextPower III	–	1,938,887
KKR Mezzanine Partners I	571,235	605,260
Cambridge Innovation Capital II	3,787,634	4,458,205
Total	29,945,085	40,428,563

There were no other commitments or contingent liabilities as at 31 December 2023 (31.12.2022, £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

12. Unquoted and other investments

Unquoted investments include the Fund's holding of the issued share capital of the parent company of the Manager, CCLA Investment Management Limited (CCLA IM), which provides investment management and administrative services to the CBF Church of England Funds. The valuation of £44,590,000 (31.12.2022, £48,880,000) is based on a discounted market value calculation, prepared biannually by an independent valuer.

The table below shows the percentage of the Net Asset Value of The CBF Church of England Investment Fund which are held in the following investments:

	31.12.2023 %	31.12.2022 %
The CBF Church of England Global Equity Fund	5.75	5.40
The CBF Church of England Property Fund	2.30	2.62
The CBF Church of England UK Equity Fund	2.81	2.75
CCLA Investment Management – Ordinary Shares	2.14	2.55
The CBF Church of England Short Duration Bond Fund	2.01	n/a

The table below shows the percentage of the Net Asset Value of the following investments which are held by The CBF Church of England Investment Fund:

	31.12.2023 %	31.12.2022 %
The CBF Church of England UK Equity Fund	82.76	81.28
The CBF Church of England Global Equity Fund	49.75	49.75
The CBF Church of England Property Fund	32.49	31.06
CCLA Investment Management – Ordinary Shares	53.85	53.69
The CBF Church of England Short Duration Bond Fund	59.79	n/a

The investment in The CBF Church of England Property Fund Shares is not readily realisable, as the Manager may impose a period of notice (which is currently 180 days) before carrying out a redemption of Shares in that fund, if it is deemed to be necessary to protect the interests of Shareholders of the fund or to permit properties to be sold to meet a redemption. The Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the fund to meet redemptions.

All unquoted investments are listed in the Portfolio Statement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

13. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of this inclusive of annual management charge rebates are disclosed in note 4. Please see note 1(e) for further information. An amount of £1,018,321 was due to the Manager at 31 December 2023 (31.12.2022, £934,798). During the year, the Fund received dividends of £2,730,000 from the Manager (31.12.2022, £2,470,000).

There were no other transactions entered into with the Manager during the year (31.12.2022, £nil).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2023 (31.12.2022, £nil). There were no other transactions entered into with CBFFT during the year (31.12.2022, £nil)

At 31 December 2023, a cash balance of £1,877,739 (31.12.2022, £112,691,099) was held in The CBF Church of England Deposit Fund. During the year the Fund received interest of £1,958,842 (31.12.2022: £1,112,174) from the The CBF Church of England Deposit Fund.

Further details of the Fund's holdings in the manager and in other CBF Church of England Funds are disclosed in note 12.

There is no individual investor holding more than 20% of the Fund.

14. Portfolio transaction costs

For the year ended 31 December 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	367,022	151	0.04	19	–	367,192
Fund transactions	59,802	–	–	–	–	59,802
Bond transactions	148,389	–	–	–	–	148,389
In-specie transactions	2,858	–	–	–	–	2,858
Corporate actions	10,482	–	–	–	–	10,482
Total	588,553	151		19		588,723

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

14. Portfolio transaction costs (*continued*)

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	359,124	(143)	0.04	(3)	–	358,978
Fund transactions	2,941	–	–	–	–	2,941
Bond transactions	131,573	–	–	–	–	131,573
Corporate actions	48,480	–	–	–	–	48,480
Total	542,118	(143)		(3)		541,972

Commissions and taxes as a percentage of average net assets

Commissions	0.02%
Taxes	0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2023 was 0.08%.

For the year ended 31 December 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	355,247	163	0.05	130	0.04	355,540
Fund transactions	11,767	–	–	–	–	11,767
Bond transactions	242,175	–	–	–	–	242,175
Corporate actions	16,599	–	–	–	–	16,599
Total	625,788	163		130		626,081

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

14. Portfolio transaction costs (*continued*)

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	438,995	(205)	0.05	(70)	0.02	438,720
Fund transactions	10,130	–	–	–	–	10,130
Bond transactions	80,680	–	–	–	–	80,680
Corporate actions	5,194	–	–	–	–	5,194
Total	534,999	(205)		(70)		534,724

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2022 was 0.23%.

For the current year and the comparative year, in the case of equities, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike equities, the majority of other types of investments (such as bonds, funds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

15. Shareholders' funds – reconciliation of Shares

	Year ended 31.12.2023	
	Income Shares	Accumulation Shares
Opening number of Shares at beginning of year	86,242,662	2,546,265
Shares issued in year	2,287,389	54,148
Shares cancelled in year	(2,679,947)	(210,607)
Shares converted in year	100,771	(38,998)
Closing number of Shares at end of year	85,950,875	2,350,808

All Shares carry the same rights.

16. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments, there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

16. Fair value of financial assets and financial liabilities (*continued*)

For the year ended 31 December 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,473,500	412,646	158,441	2,044,587
	1,473,500	412,646	158,441	2,044,587

For the year ended 31 December 2022

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,280,439	346,079	159,895	1,786,413
	1,280,439	346,079	159,895	1,786,413

For financial instruments which have quoted prices for identical instruments in active markets, or for which there are prices of recent transactions for identical instruments, those prices are taken to be fair value.

DISTRIBUTION TABLES

for the year ended 31 December 2023

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2023	2022	2023	2022
Income Shares				
31 March	31 May	31 May	15.28	15.28
30 June	31 August	31 August	15.28	15.28
30 September	30 November	30 November	15.61	15.61
31 December	29 February	28 February	15.62	15.62
			61.79	61.79

Period ended	Revenue accumulated pence per Share	
	2023	2022
Accumulation Shares		
31 March	23.80	23.68
30 June	36.99	29.11
30 September	27.26	23.35
31 December	35.96	33.80
	124.01	109.94

The distributions for Income Shares were paid in the same year, apart from the distribution declared on 31 December which is payable on the 29 February in the subsequent year.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure 1958 (as amended from time to time) and the Trustee Act 2000 to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- determine the rate of remuneration of the Trustee and the Manager in accordance with Church Funds Investment Measure 1958 and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective share in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Preparation of financial statements

The Trustee of the Fund is required, by the Church Funds Investment Measures 1958, to prepare financial statements which give a true and fair view of the financial position of the Fund at each half year and year end valuation date. The net revenue for the year, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Church Funds Investment Measure 1958. In preparing the financial statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;

- makes judgments and estimates that are prudent and reasonable; and
- prepares the financial statements on a going concern basis, unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Church Funds Investment Measure 1958.

Manager responsibilities

The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 and take reasonable steps for the prevention and detection of fraud and other irregularities.

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

DIRECTORY

Trustee Directors

A Brookes (Chair)
C Chan*
P Chandler
G Dixon* – resigned on 22 May 2023
O Home – appointed on 4 September 2023
C Johnson
N Lewis* – resigned on 4 September 2023
A Milligan* – appointed on 4 September 2023
M Orr* – appointed on 4 September 2023
D Rees*

* *Members of the Audit Committee*

Manager and Registrar

Registered Office Address:
One Angel Lane
London
EC4R 3AB
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

Transfer Agent

FNZ TA Services Limited
7th Floor, 2 Redman Place
London
EC20 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

P Hugh Smith (Chief Executive Officer)
E Sheldon (Chief Operating Officer)
A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager

R Horlick (Chair)
J Jesty
C Johnson
A Roughead
C West
J Hobart

Fund Manager

C Ryland

Company Secretary

J Fox

Chief Risk Officer

J-P Lim

Head of Sustainability

J Corah

Third Party Advisers

Banker

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

Custodian

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 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.

CCLA

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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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