



for Charities

COIF Charities Global Equity Income Fund

**Report and Accounts
Period to 30 June 2008
(unaudited)**

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Details of Board and Manager

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Description of COIF Charity Funds

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Disability Discrimination Act 1995

Extracts from the Report and Accounts are available in large print and audio formats.

COIF Charities Global Equity Income Fund

Report of the Board

for the period to 30 June 2008

On behalf of the Board, we have pleasure in presenting our report of COIF Charities Global Equity Income Fund (the Fund).

Structure and management of the Fund

The Fund was established as a Common Investment Fund by a Charity Commission Scheme dated 30 October 2007 under section 24 of the Charities Act 1993. The Fund was launched on 6 December 2007.

The Financial Services Authority (FSA) rules for the operation of Unregulated Collective Investment Schemes apply to CCLA Investment Management Limited's (the Manager) management of the Fund.

The investment management, administration, registrar and secretarial functions of the Fund have been delegated to the Manager. The Fund has a Board which meets at least four times per annum to receive reports and monitor the progress of the Fund. The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, investments, charities and the law. No Board member is required to be authorised by the FSA because no Board member carries out regulated activities in relation to the Fund.

The Board is responsible for setting and subsequently advising on the investment policy of the Fund, monitoring performance, obtaining Charity Commission orders for the appointment and discharge of the Manager and Corporate Trustee (the Trustee), appointing the Auditor to the Fund and agreeing the fees charged by the Trustee, the Manager and the Auditor.

The Trustee, HSBC Bank plc, appointed under the Scheme is responsible for the supervision and oversight of the Manager's compliance with the Scheme and Scheme Particulars, and also for the custody and safekeeping of the property of the Fund. It is also responsible for the appointment and supervision of the Registrar of the Fund. The division between management and trustee functions provides an additional layer of protection for unitholders.

Objective and benchmark of the Fund

The Fund, consisting of a diversified range of investments, principally equities but including other asset classes, aims to be suitable for a charity's long-term capital, providing a return that is even-handed between present and future beneficiaries. It is believed that over the longer-term this approach should help to protect both capital and income from the effect of inflation. The Fund has a specific objective of providing an attractive and growing income yield.

The Fund aims to provide an income yield greater than that on the FTSE All World Series World Index.

Investment policy

The Fund may trade in Eligible Securities and Investment Markets on recognised and designated investment exchanges as approved by the Board from time to time. The Manager must have regard to the need for diversification and the suitability of investments.

Except with the prior approval of the Charity Commission the Manager shall not engage in the business of underwriting or sub-underwriting any new issue of units, stocks or other securities.

COIF Charities Global Equity Income Fund

Report of the Board

for the period to 30 June 2008

The Fund may borrow up to 10% of the value of the Fund temporarily for the purpose of meeting any payment properly to be made out of the Fund. Cash awaiting investment may be deposited with a bank or in a Common Deposit Fund established under section 25 of the Charities Act 1993, as amended or replaced from time to time.

The Fund may also borrow up to 25% of the net asset value of the Fund in connection with the acquisition or management of any land.

The Fund may invest up to 10% of the net asset value of the Fund in transferable securities issue by any one single body other than government and other public securities.

The Fund may invest up to 35% of the net asset value of the Fund in any one collective investment scheme.

Investment may only be made in other collective investment schemes or collective deposit schemes managed by the Manager or an associate of the Manager, if the trust deed or other instrument constituting the schemes states that its investment will be restricted to a particular geographic area or economic sector, or type of security or direct property and provided that there is no double charging of the management fee.

Review of investment activities and policies of the Fund

The Board met quarterly during the period to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to monitor investment diversification, suitability and risk and to review the performance of the Fund. In addition, the Board

monitored the administration, expenses and pricing of the Fund.

The Board reviewed the progress of the Manager and approved the valuation of the investments in the company, which are shown on page 8 in the Portfolio Statement for the Fund.

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

Responsible investment

The Fund is promoted as a responsible fund that considers the environmental, social and governance impacts of the companies in which the Fund invests. The Board's main purpose is to obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets.

In addition, the Board has adopted a responsible investment policy. First, the Board's policy, within its fiduciary duty, is for the Fund to avoid direct investment in armaments, gambling and tobacco. Secondly, the Board has adopted a formal active voting policy, which is discussed below. Finally, the Board has agreed a proactive engagement process, through which the Manager engages, on behalf of the Fund, with the companies in which it invests on environmental, social and governance issues that may have a material impact on business, such as supply chain management, environmental impacts, human rights and labour standards. The Board believes this to be a responsible and

COIF Charities Global Equity Income Fund

Report of the Board

for the period to 30 June 2008

appropriate response to the concerns of unitholders and the guidelines issued by the Charity Commission. During the period to 30 June 2008, the Manager undertook 95 instances of engagement with 77 companies, including 40 meetings with companies. Areas of engagement included issues of biodiversity in the palm oil industry, human rights in Burma, Sudan and Zimbabwe, responsible alcohol sales and promotions, as well as health and safety issues in mining within Southern Africa. Details of engagement can be found on the CCLA website at www.ccla.co.uk.

Controls and risk management

The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. The Manager has established an internal control framework to provide reasonable but not absolute assurance on the

effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

During the period, the Board, assisted by the Manager, reviewed the Fund's systems of internal control. Every six months the Board receives from the Manager, and reviews, a formal risk management report setting out the main risks facing the Fund, the controls in place to mitigate the risks and the assessment of each risk in terms of both gross and residual exposure after application of mitigating controls.

B Wrey
Chairman of the Board

21 July 2008

COIF Charities Global Equity Income Fund

Report of the Investment Manager

for the period to 30 June 2008

- Attractive income now
- Rising income in the future
- Strong growth opportunities from the global economy

Market review

The period has been one when the world economy has been subject to the pull of several different trends. Overall growth rates have been slowing in the major economies as weakening housing markets have fed through to consumer expenditure. Emerging markets have grown more strongly, but there have been questions over how long they can maintain high growth rates if their customers are experiencing slowing growth. The credit crisis has had an impact too, reducing the flow of funds available to borrowers and pushing up borrowing costs as a result. The economic effect of this will linger for several years. The third powerful trend and the one which has

had most impact on investment markets, has been increased inflationary pressures. These have been mainly due to price increases for food and fuel, but signs that the problem could be spreading brought sharp warnings from central banks that they would take action against the threat by raising interest rates. Higher borrowing costs, at a time of constrained credit availability and weakening economic outlook, threatened an unhappy background for investment markets.

In fact the year did start poorly for investors, with January in particular a month of weak prices. Despite some minor gains in February, sentiment remained poor and by mid-March indices were back at the lows. At that point, the rescue of Bear Stearns, a medium sized US investment bank which failed as a result of the credit crunch, was a catalyst for a broad rally. After what was effectively an intervention by the US authorities, investors

COIF Charities Global Equity Income Fund

Total capital and income return*

To 30 June 2008	Six months %	Since Launch %
Performance against market indices (before expenses)		
COIF Charities Global Equity Income Fund	-13.91	-15.05
FTSE-All-World Index	-10.68	-10.28
FTSE All-Share Index	-11.16	-11.36
MSCI Value UK Index	-15.31	-15.62
MSCI Value Europe ex UK Index	-16.09	-15.63
MSCI Value US Index	-15.20	-14.58
MSCI Value Asia Pacific ex Japan Index	-19.92	-22.04
Performance after expenses		
Income units*	-14.23	-15.17
Accumulation units*	-14.26	-15.20

* Net asset value to net asset value plus income reinvested

Source: The Manager

COIF Charities Global Equity Income Fund

Report of the Investment Manager

for the period to 30 June 2008

took heart that whilst risk remained for individual banks, steps would be taken to prevent any threat to the financial system as a whole. The improvement in mood and outlook persisted until May when the inflationary fears referred to above surfaced. Prices weakened in both May and June and by the end of the period had retraced most of the progress made.

Strategy

Investments for the Fund are selected on their individual merits rather than with any prior prejudice towards preferred country or sector weightings. The emphasis is on good quality companies with an attractive yield which is based on dividends that can grow in the future. There is a broad spread across international markets, but given the selection criteria for the individual shares held and the yield requirement on the portfolio as a whole, the allocation to each region will differ, sometimes substantially, from that of the FTSE All-World Index. The major current differences are that the Fund has relatively high weightings in Europe, the UK and Asia which are balanced by lower than index exposures to Japan and the United States. These variations are not

constant however and recent activity has seen purchases made in the United States with monies available after sales from both the UK and European holdings.

Outlook

The key for investment markets at the moment are the prospects for the world economy and the outlook for inflation. Overall we expect growth to continue, but at modest levels. Interest rates should stay near current levels to control upward pressure on prices, there is no need for substantial increases with economic activity growth easing back. The environment will be a difficult one for many companies and profit growth will not be easily achieved, but against that, after recent weakness, there are some investment opportunities available that offer excellent long term value. Our intention against this background is to focus on good quality companies with a high yield which will grow in the future.

M Humphreys
Fund Manager
CCLA Investment Management Limited

21 July 2008

Risk warning

The Fund's units and the income from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns.

The Fund's units are intended only for long-term investment and are not suitable for money liable to be spent in the near future.

They are realisable only on each weekly dealing day.

The Fund may invest in emerging market countries which could be subject to political and economic change. The Fund's unit value will reflect fluctuations in the unit prices and currency exchange rates.

COIF Charities Global Equity Income Fund

Net asset value, unit price range, net distribution, unit prices and total expense ratio

Net asset value

	Net asset value £'000	Income units Net asset value pence per unit	Income units Number of units in issue	Accumulation units Net asset value pence per unit	Accumulation units Number of units in issue
At 30 June 2008	45,194*	124.23	35,883,783	127.20	383,575

* The net asset value is calculated on a mid-market value basis compared to the balance sheet where the investments are valued on a bid-market value basis in accordance with the December 2005 IMA SORP.

Unit price range

	Income units Highest offer pence per unit	Income units Lowest bid pence per unit	Accumulation units Highest offer pence per unit	Accumulation units Lowest bid pence per unit
To 30 June 2008	150.00	123.55	150.00	126.50

Net distribution

	Income units pence per unit	Accumulation units pence per unit
To 30 June 2008	3.12	4.93

Unit prices at 30 June 2008

	Bid price pence per unit	Offer price pence per unit
Income units	123.55	124.91
Accumulation units	126.50	127.90

The unit prices are published in the *Financial Times* and on the Manager's website at www.ccla.co.uk.

The bid and offer prices are calculated on the net asset value minus or plus a 0.55% deduction or surcharge.

Total expense ratio

Total expense ratio (annualised)	30.6.2008 0.86%
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The total expense ratio is the ratio of the Fund's total operating costs to its average net assets calculated over the period.

COIF Charities Global Equity Income Fund
Statement of total return
 for the period to June 2008 (unaudited)

		30.6.2008	
	Notes	£'000	£'000
Net losses on investments during the period	2		(10,623)
Other gains	3		1,291
Income	4	1,805	
Expenses	5	(240)	
Net income before taxation		1,565	
Taxation	6	(139)	
Net income after taxation for the period			1,426
Total return before distributions			(7,906)
Finance costs: distributions	7		(1,086)
Change in net assets attributable to unitholders			(8,992)

Statement of change in unitholders' net assets
 for the period to 30 June 2008 (unaudited)

		30.6.2008	
		£'000	£'000
Net assets at start of the period			-
Movement due to creations and cancellations of units			
Amounts receivable on creation of units		54,031	
Less: amounts payable on cancellation of units		-	
			54,031
Change in net assets attributable to unitholders (see above)			(8,992)
Retained distribution on accumulation units			12
Net assets at end of the period			45,051

The notes on pages 15 to 22 form part of these accounts.

COIF Charities Global Equity Income Fund

Portfolio Statement

at 30 June 2008 (unaudited)

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
UNITED KINGDOM 12.47%			
Oil & Gas Producers 2.00%			
BP	21,555	126	0.28
Royal Dutch Shell B shares	38,415	776	1.72
Mining 0.58%			
Xstrata	6,476	261	0.58
Food Producers 0.42%			
Premier Foods	198,191	188	0.42
Pharmaceuticals & Biotechnology 1.69%			
AstraZeneca	4,686	100	0.22
GlaxoSmithKline	59,693	664	1.47
Travel & Leisure 1.15%			
Compass	136,581	518	1.15
Fixed Line Telecommunications 1.10%			
BT	248,298	496	1.10
Gas Water & Multiutilities 1.37%			
National Grid	48,459	320	0.71
United Utilities	43,378	298	0.66
Banks 2.85%			
Barclays	121,137	353	0.78
Barclays new shares	25,957	0	0.00
HSBC	62,333	483	1.07
Lloyds TSB	144,862	450	1.00
Life Insurance 1.31%			
Aviva	45,039	225	0.50
Old Mutual	392,721	364	0.81

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
EUROPE 26.52%			
Austria 0.64%			
Immoeast	16,641	74	0.16
Immofinanz	41,785	217	0.48
Belgium 1.03%			
Bekaert	1,431	111	0.25
Groupe Bruxelles	5,856	350	0.78
Denmark 0.55%			
Danske Bank	16,987	247	0.55
Finland 0.68%			
Metso	8,282	190	0.42
Sampo	9,132	116	0.26
France 4.78%			
Axa	19,183	286	0.64
Gemalto	9,424	172	0.38
Natixis	30,884	172	0.38
Societe Generale	5,393	236	0.52
Suez	7,658	262	0.58
Total	17,617	755	1.68
Vivendi Universal	14,092	269	0.60
Germany 2.27%			
Deutsche Post	18,494	242	0.54
E.on	2,487	252	0.56
Munich Re	3,266	287	0.64
ThyssenKrupp	7,557	238	0.53
Greece 0.98%			
Marfin Capital Distribution	34,776	10	0.02
Marfin Investment	34,776	138	0.31
Motor Oil	17,705	181	0.40

COIF Charities Global Equity Income Fund

Portfolio Statement

at 30 June 2008 (unaudited)

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
National Bank of Greece	5,056	114	0.25
Ireland 1.28%			
Allied Irish Banks	27,615	215	0.48
Bank of Ireland	50,951	224	0.50
Irish Life & Permanent	25,519	136	0.30
Italy 6.09%			
Enel	37,674	180	0.40
ENI	60,365	1,130	2.51
Intesa Sanpaolo	201,886	578	1.28
Mediset	30,872	102	0.23
Parmalat	261,088	343	0.76
Terna	80,680	172	0.38
Unicredito	78,347	241	0.53
Netherlands 2.92%			
Akzo Nobel	6,494	224	0.50
ING	11,639	187	0.41
KPN	36,597	316	0.70
SBM Offshore	17,580	326	0.72
Unilever NV	18,778	268	0.59
Norway 1.31%			
Statoilhydro	31,621	592	1.31
Sweden 1.37%			
NCC	30,900	234	0.52
Skanska	27,082	196	0.43
Svenska			
Cellulosa	26,400	188	0.42
Switzerland 1.90%			
Credit Suisse	10,191	236	0.52
Swiss Life	1,101	148	0.33
Swiss Reinsurance	8,293	278	0.62

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
Swisscom	1,147	193	0.43
Turkey 0.72%			
Ford Otosan	51,033	182	0.40
Turkiye Halk Banka	62,490	146	0.32
INFRASTRUCTURE 1.15%			
KSK Emerging India	500,000	516	1.15
UNITED STATES OF AMERICA 33.84%			
ACE	12,400	343	0.76
Alcoa	10,600	190	0.42
Anadarko Petroleum	9,900	372	0.83
Annaly Capital Management	12,500	97	0.22
Aspen Insurance	7,600	90	0.20
AT&T	18,236	308	0.68
Bank of America	71,871	858	1.90
Capitalsource	31,822	177	0.39
CBL & Associate Properties	10,299	118	0.26
Chevron	7,600	378	0.84
Cimarex Energy	2,800	98	0.22
Cinemark	27,810	182	0.40
Citigroup	30,142	253	0.56
Citizens Communications	123,611	703	1.56
Computer Sciences	5,400	127	0.28
ConocoPhillips	20,099	951	2.11
Dominion	15,299	365	0.81
Dow Chemical	46,972	823	1.83
Du Pont De Nemours	21,652	466	1.03

COIF Charities Global Equity Income Fund

Portfolio Statement

at 30 June 2008 (unaudited)

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
Endurance			
Specialty	14,000	217	0.48
Entergy	4,225	255	0.57
Everest Re	4,600	184	0.41
Exco Resources	9,800	182	0.40
FPL	8,169	269	0.60
Freeport McMoran	2,600	153	0.34
General Electric	30,159	403	0.89
Hewlett-Packard	11,900	264	0.58
Huntington			
Bancshs	62,838	182	0.40
I.B.M.	3,600	214	0.47
International			
Paper	20,187	236	0.52
J P Morgan			
Chase	9,900	171	0.38
Johnson &			
Johnson	17,690	571	1.27
Kraft Foods	17,963	257	0.57
Lexmark			
International	5,300	89	0.20
Louisiana Pacific	19,183	82	0.18
Masco	36,470	288	0.64
Merck & Co	9,200	174	0.39
PartnerRe	8,900	309	0.69
Pfizer	122,065	1,070	2.38
Progress Energy	10,003	210	0.47
Ryder System	4,300	149	0.33
Thermo Fisher	2,700	76	0.17
Time Warner	46,500	345	0.76
United Online	21,007	106	0.23
US Bancorp	12,900	180	0.40
Verizon			
Communications	24,586	436	0.97
Visa	2,800	114	0.25
Wachovia	18,665	145	0.32
Watson			
Pharmaceuticals	19,100	260	0.58

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
Western Digital	16,800	291	0.65
Wyeth	19,581	471	1.05
JAPAN 3.58%			
Acom	6,550	102	0.23
Coca-Cola West	14,500	170	0.38
Hitachi Kokusai			
Electric	37,000	166	0.37
Ichiyoshi			
Securities	24,200	111	0.25
Mitsubishi UFJ			
Finance	39,300	174	0.39
Nissen	36,700	89	0.20
Nomura	24,600	183	0.41
SBI	1,112	122	0.27
Sumitomo Trust			
& Banking	48,000	168	0.37
Tokio Marine	16,300	318	0.71
PACIFIC BASIN 12.05%			
Australia 4.21%			
Macquarie			
Infrastructure	515,146	566	1.26
Telstra	649,769	1,328	2.95
Hong Kong 2.07%			
BOC Hong Kong	208,500	277	0.61
Hang Seng Bank	31,000	328	0.73
Hutchinson			
Telecommunica-			
tions	111,000	79	0.17
Petrochina	392,000	255	0.56
New Zealand 1.49%			
Telecom Corp			
of NZ	492,565	670	1.49

COIF Charities Global Equity Income Fund
Portfolio Statement
at 30 June 2008 (unaudited)

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
Singapore 2.06%			
Singapore Post	883,000	356	0.79
Singapore Press	195,000	306	0.68
Singapore Telecommunica- tions	199,000	266	0.59
South Korea 0.34%			
Kookmin Bank ADR	5,200	154	0.34
Taiwan 1.88%			
Taiwan Mobile	219,455	205	0.46
TSM	116,696	640	1.42

	<i> Holding</i>	<i> Bid Value £'000</i>	<i> % Fund</i>
OTHER OVERSEAS 6.44%			
Bank Hapoalim	174,243	385	0.86
CEMIG	12,200	150	0.33
Kimberley-Clark			
MXC	214,906	435	0.97
Kumba Iron Ore	7,415	150	0.33
Methanex	17,500	246	0.55
Mobinil	28,831	432	0.96
Petro-Canada	3,700	104	0.23
Pretoria Port			
Cement	92,609	169	0.38
Redecard	36,600	347	0.77
Teck Cominco	8,000	193	0.43
Telus	13,300	282	0.63
PORTFOLIO OF INVESTMENTS		<u>43,272</u>	<u>96.05</u>
NET OTHER ASSETS		1,779	3.95
NET ASSETS		<u>45,051</u>	<u>100.00</u>

COIF Charities Global Equity Income Fund

Balance sheet

at 30 June 2008 (unaudited)

		30.6.2008	
	Notes	£'000	£'000
ASSETS			
Portfolio of investments			43,272
Debtors	8	165	
Cash and bank balances	9	<u>2,182</u>	
Total other assets			<u>2,347</u>
Total assets			45,619
LIABILITIES			
Creditors	10	8	
Distribution payable on income units		<u>560</u>	
Total liabilities			568
Net assets attributable to unitholders			<u>45,051</u>
Approved on behalf of the Board 21 July 2008			B Wrey, <i>Chairman</i>

The notes on pages 15 to 22 form part of these accounts.

COIF Charities Global Equity Income Fund
Summary of material portfolio changes
 for the period to 30 June 2008 (unaudited)

	<i>Cost £'000</i>
Total purchases for the period (note 16)	79,238
Major purchases:	
Bank of America	1,765
ENI	1,746
Royal Dutch Shell B shares	1,458
Pfizer	1,442
Telstra	1,362
TSM	1,344
Total	1,220
GlaxoSmithKline	1,092
Intesa Sanpaolo	1,072
Dow Chemical	1,029
Lloyds TSB	1,003
Verizon Communications	1,003
Old Mutual	981
Citigroup	979
Telecom Corporation of NZ	959
Barclays	934
HSBC	901
ConocoPhillips	858
Du Pont De Nemours	854
Macquarie Infrastructure	844

The above represents the 20 largest purchases aggregated per investment during the period.

COIF Charities Global Equity Income Fund
Summary of material portfolio changes
for the period to 30 June 2008 (unaudited)

	<i>Proceeds £'000</i>
Total sales for the period (note 16)	26,608
Major sales:	
TSM	859
ENI	793
Royal Dutch Shell B shares	672
Gaz de France	647
Total	538
RWE (neu)	523
Vodafone	493
Wolters Kluwer	432
Formosa Chemicals & Fibre	414
Verizon Communications	411
UPM-Kymmene	387
Bristol-Myers Squibb	381
Citigroup	379
Masco	376
Commonwealth Bank of Australia	372
Du Pont De Nemours	370
Lion Nathan	365
Bank Hapoalim	365
Sanoma-WSOY	364
Kingfisher	362

The above represents the 20 largest sales aggregated per investment during the period.

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with policies set out below, the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005 and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in December 2005.

(b) Income recognition

Dividends on ordinary stocks, including special dividends where appropriate, and unit trusts are accrued to income on the dates when the investments are first quoted ex-dividend. Interest on bank and COIF Charities Deposit Fund balances is accrued on a daily basis.

(c) Expenses

The Manager's periodic charge, paid to the Manager, is charged to the capital of the Fund. During the period, the fee was based on a fixed percentage of the value of the Fund, 0.75% plus VAT. The Fund received a management fee rebate credited to the income of the fund for its deposits in COIF Charities Deposit Fund where during the period management fee was charged to income. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. The Trustee fee, audit, legal, safe custody fees and transaction charges and insurance fees are charged separately to the income of the Fund before distribution.

(d) Stock dividends

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

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

Whether a special dividend, share buy-back or additional share issue is income or capital by nature depends upon the facts of each individual case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend is regarded as capital by nature. Otherwise, the special dividends are regarded as income.

(f) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in income which arise over the years (see note 11).

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

(g) Basis of valuation

Listed investments are valued at bid-market values at the close of business on the last business day of the accounting period. Any unquoted, unlisted, delisted or suspended investments are stated at cost or valuation by the Manager and reviewed by the Board.

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.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

2. Net losses on investments

30.6.2008
£'000

The net losses on investments during the period comprise:

Non-derivative securities

(10,623)

3. Other gains

30.6.2008
£'000

Other gains comprise:

Currency gains

1,291

4. Income

30.6.2008
£'000

UK dividends

276

Overseas dividends

1,498

Bank interest

(3)

Interest on COIF Charities Deposit Fund

15

Other

19

1,805

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

5. Expenses

30.6.2008
£'000

Payable to the Manager, associates of the Manager and agents of either of them:	
Manager's periodic charge – see note 1(c)	211
Manager's periodic charge rebate – see note 1(c)*	(1)
	<u>210</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:	
Trustee fee	3
Safe custody fees and transaction charges	20
	<u>23</u>
Other expenses:	
Audit fee	5
Legal fees	1
Insurance fee	1
	<u>7</u>
Total expenses	<u>240</u>

* This amount represents the rebate of management fees credited to the Fund's income for its deposits in COIF Charities Deposit Fund where the management fees are charged to income.

The above expenses include VAT where applicable.

6. Taxation

The Fund is exempt from UK income tax and capital gains tax due to its charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid and reinvested income credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Withholding tax is credited to income when it is recovered.

30.6.2008
£'000

Overseas taxation suffered in the period	142
Overseas taxation recovered in the period	(3)
Total taxation	<u>139</u>

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

7. Finance costs

Distributions

Distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	<i>30.6.2008</i>
	<i>£'000</i>
31 December 2007 – interim distribution	88
31 March 2008 – interim distribution	459
30 June 2008 – interim distribution	<u>572</u>
	1,119
Add: income deducted on cancellation of units	-
Deduct: income received on creation of units	<u>(33)</u>
Net distribution for the period	<u>1,086</u>
Net income after taxation for the period	1,426
Manager's periodic charge – see note 1(c)	210
Transfer to income reserve – see note 11	(651)
Overdistributed income	101
Net distribution for the period	<u>1,086</u>

Details of the distribution per unit are set out in the distribution table on page 23.

8. Debtors

	<i>30.6.2008</i>
	<i>£'000</i>
Accrued income	158
Prepayments	1
VAT recoverable	<u>6</u>
	<u>165</u>

9. Cash and bank balances

	<i>30.6.2008</i>
	<i>£'000</i>
Cash in COIF Charities Deposit Fund	1,616
Cash in overseas currencies	173
Cash at bank	<u>393</u>
	<u>2,182</u>

10. Creditors

	<i>30.6.2008</i>
	<i>£'000</i>
Accrued expenses	<u>8</u>

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

11. Income reserve

The income reserve, accumulated out of income, is used to smooth fluctuations in the distributable income of the Fund. The income reserve is included in the total capital value of the Fund attributable to income unitholders.

	30.6.2008 £'000
Income reserve at the start of the period	-
Transfer to income reserve	651
Income reserve at the end of the period	<u>651</u>

12. 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 unitholders should they wish to sell their units. 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 period.

Market price risk

This is an actively-managed Fund, which invests mainly in UK and overseas equities, and fixed interest investments. 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 unit price from time to time, although there will generally be a close correlation in the movement of the unit 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.

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

Currency risk

The Fund is exposed to fluctuations in foreign currencies as some of its assets and income are denominated in currencies other than sterling, the base currency of the Fund. However, it does not seek to avoid this exchange rate movement risk on investments and income accrued but not yet received. In respect of income, receipts are converted to sterling shortly after receipt.

At 30 June 2008, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement. The total exposure at 30 June was:

<i>Currency</i>	30.6.2008 £'000
Australian Dollar	1,920
Brazilian Real	347
Canadian Dollar	285
Danish Krone	247
Egyptian Pound	445
Euro	9,330
Hong Kong Dollar	943
Israeli Shekel	385
Japanese Yen	1,613
Mexican Peso	442
New Turkish Lira	365
New Zealand Dollar	671
Norwegian Krone	592
Singapore Dollar	928
South African Rand	319
South Korean Won	154
Swedish Krona	617
Swiss Franc	855
Taiwan Dollar	845
US Dollar	16,095
	<u>37,398</u>

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.

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest stocks, unit trusts and Sterling and overseas cash deposits. These assets are generally liquid, except for the unit trusts which are realisable only on their weekly or monthly dealing dates and the holdings in the unquoted investments which are not readily realisable, and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

Interest rate risk

The majority of the Fund's financial assets are equities which do not receive interest nor have maturity dates. The Fund also invests in fixed interest securities, the income 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.

The interest rate profile of the Fund's financial assets and liabilities are set out below:

30 June 2008

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	2,009	-	6,212	8,221
Australian Dollar	-	-	1,920	1,920
Euro	-	-	9,330	9,330
Japanese Yen	4	-	1,609	1,613
US Dollar	115	-	15,980	16,095
Other	54	-	8,386	8,440
Total	2,182	-	43,437	45,619

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	568	568
Total	-	-	568	568

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

There were no derivatives held by the Fund at 30 June 2008.

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

COIF Charities Global Equity Income Fund

Notes to the accounts

(unaudited)

13. Commitments and contingent liabilities

There were no commitments or contingent liabilities at 30 June 2008.

14. Board remuneration

The Board members receive no remuneration from COIF Charity Funds. Mr R Fitzalan Howard is a Director of the Manager and receives remuneration from the Manager, which is disclosed in that Company's accounts.

15. Related party transactions

The Manager's periodic charge is paid to the Manager and the Trustee fee, safe custody and transaction charges are paid to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of these charges are disclosed in note 5.

At 30 June 2008 the balance, due to the Manager and HSBC Bank plc were as set out below:

	30.6.2008 £'000
The Manager	-
HSBC Bank plc - Trustee fee	2

There were no other transactions entered into with the Manager or HSBC Bank plc during the period.

At 30 June 2008 a cash balance of £1,615,823 was held in the COIF Charities Deposit Fund.

During the period the Fund received rebates of management fees for its deposits in the COIF Charities Deposit Fund where the management fees were charged to income as disclosed in note 5.

16. Portfolio transaction costs

	30.6.2008 £'000
Analysis of total purchase costs:	
Purchases in period before transaction costs	79,221
Commissions	17
Total gross purchases	<u>79,238</u>
Analysis of total sale costs:	
Gross sales in period before transaction costs	26,622
Commissions	(14)
Total net sales	<u>26,608</u>

COIF Charities Global Equity Income Fund

Distribution table

for the period to 30 June 2008 (unaudited)

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Dividends paid/payable pence per unit 2008</i>
Income units		
31 December 2007	29 February 2008	0.26
31 March 2008	30 May 2008	1.30
30 June 2008	29 August 2008	1.56
		<u>3.12</u>
		<i>Income accumulated pence per unit 2008</i>
Accumulation units		
31 December 2007		0.35
31 March 2008		1.42
30 June 2008		3.16
		<u>4.93</u>

COIF Charities Global Equity Income Fund

Statement of Board, Corporate Trustee and Manager responsibilities

Responsibilities of the Board

The Board shall comply with the duty of care when exercising their powers and discharging their duties under the Scheme of the Charity Commission made under the Charities Act 1993, dated 12 July 2002, for the Fund 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 Particulars;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- make an annual report on the discharge of the Board's responsibilities;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- apply to the Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme: provided that any Board member who has any interests in the Trustee or the new Trustee shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- inform the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

Responsibilities of the Trustee

The Trustee shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. To the extent of those duties and powers, the Trustee is a charity trustee of the Fund within the meaning of the Charities Act 1993. The Trustee shall comply with the duty of care when exercising its powers and discharging its duties under this Scheme. The following are the duties and powers of the Trustee:

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and competently discharging the duties conferred or imposed on it by or pursuant to the provisions of the Scheme and that the Manager is maintaining adequate and proper records;
- the appointment, supervision and oversight of any Registrar or other delegate which it has appointed in accordance with the provisions of this Scheme;
- the custody and control of the property of the Fund and the collection of all income due to the Fund in accordance with the Scheme;
- the creation and cancellation of units in accordance with the instructions of the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);
- making distributions to Participating Charities holding income units and making allocations to Participating Charities holding

COIF Charities Global Equity Income Fund

Statement of Board, Corporate Trustee and Manager responsibilities

accumulation units in proportion to their respective units in the property of the Fund;

- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
- the authorisation of payment out of the property of the Fund of any reasonable costs or expenses of the Board members incurred by them in the execution of their duties in accordance with the Scheme.

Responsibilities of the Manager

The Manager of the Fund is required by the Scheme to prepare accounts for the Fund in accordance with the Statement of Recommended Practice 2005 (Accounting and Reporting by Charities). The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice

relating to Authorised Funds issued by the Investment Management Association (IMA) in December 2005;

- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the accounts as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is required to manage and administer the Fund in accordance with the Scheme, maintain accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities. The Trustee has appointed the Manager to act as Registrar to the Fund.

CCLA INVESTMENT MANAGEMENT LIMITED
COIF Charities Global Equity Income Fund
(Charity Registration No. 1121433)

Board

B Wrey, Chairman of the Board, *Former Chairman, Henderson Global Investors*
P Cawdron, FCA, *Company Director*
T Clark (appointed 26.2.08), *Solicitor*
A Daws (appointed 26.2.08), *Solicitor*
R Fitzalan Howard, *Chief Executive, FF&P Asset Management Limited*
D Henderson, FCA, *Company Director*
A Huntley, FRICS (resigned 29.4.08)
Mrs F Quint, *Barrister*
N Wilson (retired 26.2.08), *Solicitor, a former Partner, Slaughter and May*

Secretary

Mrs J Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

*Authorised and regulated by
the Financial Services Authority*
80 Cheapside
London EC2V 6DZ
Telephone: 020 7489 6000
Client Service:
Freephone: 0800 022 3505
Facsimile: 0844 561 5126
Email: clientservices@ccla.co.uk
www.ccla.co.uk

Directors responsible for the Fund

M Quicke (Chief Executive)
J Bevan (Chief Investment Officer)
S Curran (Chief Operating Officer)
C Peters (Investment Director)
A Robinson (Director Market Development)

Fund Manager

M Humphreys

Company Secretary

Mrs J Fox

Socially Responsible Investment

Ms H Wildsmith

Corporate Trustee and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

**Head of Operational Risk,
Internal Audit and Compliance**

A Kemp

Banker

The Royal Bank of Scotland plc
62/63 Threadneedle Street
London EC2R 8LA

Solicitors

Bates Wells & Braithwaite LLP
2-6 Cannon Street
London EC4M 6YH

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Independent Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF



CCLA INVESTMENT MANAGEMENT LIMITED **COIF Charity Funds**

The COIF Charity Funds provide a ready and practical means for charities to obtain, at reasonable cost, constant professional investment and cash management for their long-term capital and short-term cash. They also provide protection through diversification combined with simplified administration.

COIF Charities Investment Fund

- A suitable 'all-in-one' long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to help meet growth and income requirements
- Focus on delivering attractive, growing income

COIF Charities Fixed Interest Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

COIF Charities Global Equity Income Fund

- Attractive income now
- Rising income in the future
- Strong growth opportunities from the global economy

* The Deposit Fund has been awarded an AAA/V1 money market fund rating from the credit rating agency Fitch Ratings.

COIF Charities Deposit Fund

- A competitive rate
- Interest paid gross
- No minimum balance
- Simple operation
- Excellent service
- Easy access
- Free BACS transfers
- AAA/V1 credit rating*

COIF Charities Property Fund

- High quality, well-diversified commercial and industrial property portfolio
- Focus on delivering attractive income
- Actively managed to add value
- Usually held with other investments such as equities, bonds and cash to give a broad spread of assets and achieve combined income and growth objectives

The COIF Charity Funds are common investment funds established by the Charity Commission for England and Wales under Section 24 of the Charities Act 1993. The Deposit Fund was established under Section 25 of the Charities Act 1993. Any charity in the United Kingdom within the meaning of the Charities Act 1993 (as amended or replaced) may invest in the Deposit, Investment and Global Equity Funds. Any charity in England and Wales may invest in the Fixed Interest and Property Funds. CCLA Investment Management Limited operates as the Investment Manager and Administrator of the Funds.

The value of the investments may fall as well as rise and an investor may not get back the full amount originally invested. Deposits in the Deposit Fund are not covered by the Financial Services Compensation Scheme.

CCLA Investment Management Limited (registered in England No. 2183088 – registered office 80 Cheapside, London EC2V 6DZ) is authorised and regulated by the Financial Services Authority.

CCLA INVESTMENT MANAGEMENT LIMITED

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CCLA Investment Management Limited is committed to making a positive contribution to environmental protection. Where possible we seek to ensure our suppliers are using environmentally friendly production processes and our paper and board contain 50% recovered waste and 50% virgin fibre, and is certified as a Forest Stewardship Council (FSC) mixed source product.