



for Charities

COIF Charities Global Equity Income Fund

**Report and Accounts
Year ended 31 December 2010**

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Details of Board and Manager

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Description of The COIF Charity Funds

(outside back cover)

Disability Discrimination Act 1995

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

Report of the Board

for the year ended 31 December 2010

On behalf of the Board, we have pleasure in presenting our annual 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 of the Fund

The Fund, consisting of a diversified range of investments, principally equities but including other asset classes, aims to be suitable up to 100% of 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 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.

Report of the Board

for the year ended 31 December 2010

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.

The Fund may borrow up to 10% of the value of the Fund temporarily for the purpose of meeting any payment 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 invest up to 10% of the net asset value of the Fund in transferable securities issued 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 scheme 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.

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 risks 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.

First, within its fiduciary duty, the Fund avoids investment in companies involved in the production of weapons banned by international treaties (i.e. landmines and cluster bombs), or with significant business activity in the following areas: online gambling, production of pornography or tobacco. About 3% of the FTSE All World Developed index was excluded throughout the reporting period. Secondly, the Board has adopted a formal active voting policy, which was extended to non-UK companies in May 2010. Finally, the Board has agreed a proactive engagement programme, through which the Manager engages, on behalf of the Fund, with the companies in which it invests on

Report of the Board

for the year ended 31 December 2010

environmental, social and governance issues that are important to clients.

The above approach reflects the client research undertaken by CCLA in 2008, and the changes were communicated to clients in autumn 2009.

Governance

The Board has adopted a formal corporate governance policy, and bespoke shareholder voting is applied across all UK holdings in the Fund. This approach has been extended to non-UK companies from May 2010. The policy adopted by the Board is to support management except where proposals are deemed not to reflect client concerns or reflect poor corporate governance practice.

During the period 1 January 2010 to 31 December 2010 the Manager voted on 1,256 resolutions across global markets with 15% abstentions or votes against management (mainly remuneration related).

The Manager's response to the new Stewardship Code and their annual voting record are available at www.ccla.co.uk. Highlights of their stewardship work will continue to appear in the Quarterly Bulletin

and, from the end of 2011 the Manager will publish an annual Stewardship Report.

Controls and risk management

CCLA has established a risk management framework which provides a methodology for the assessment, mitigation and reporting of risk, ensuring a high quality of risk management and control is maintained for all funds under the Manager's control. The effectiveness of risks and controls is assessed by the directors and senior management of the Manager, with the help of the Operational Risk Manager, on a continuing basis. On an annual basis, the Board receives and considers an operational risk report from the Operational Risk Manager.

During the period, the Board reviewed the annual operational risk report, which records any residual risks outside the risk appetite set by the Manager, and the actions being taken to mitigate those risks.

D Henderson
Chairman of the Board
14 April 2011

Report of the Investment Manager

for the year ended 31 December 2010

Performance

Over the year the Fund produced a return of +14.58% before management expenses. This reflected a period in international stock markets of overall progress albeit with relatively high levels of volatility. Currency factors were not a significant influence on returns.

After expenses, the return on the Income Units was +13.71%, whilst that on the Accumulation Units was +13.58%. The

echoes of the recession continued to impact on income flows from investments but, despite the challenges this produced, the income payment on the Fund was increased. The distribution on the Income Units rose to 6.37p, 2.91% higher than the payment for 2009. At the end of the accounting period, the dividend yield on the Fund was 5.08%. This compares to a yield of 2.89% on the FTSE All-Share Index and 2.29% on the FTSE All-World Index.

COIF Charities Global Equity Income Fund Annualised total capital and income return

| To 31 December 2010 | 1 year % | 3 years % p.a. |
|---|-------------|-------------------|
| <u>Performance against market indices (before expenses)</u> | | |
| COIF Charities Global Equity Income Fund | +14.58 | +0.69 |
| FTSE All-World Index | +14.51 | +1.45 |
| FTSE All-Share Index | +16.74 | +4.50 |
| MSCI Value UK Index | +7.20 | -2.11 |
| MSCI Value Europe ex UK Index | -3.25 | -5.40 |
| MSCI Value US Index | +18.46 | +3.65 |
| MSCI Value Asia Pacific ex Japan Index | +5.07 | -2.36 |
| <u>Performance after expenses</u> | | |
| Income units* | +13.71 | -0.12 |
| Accumulation units* | +13.58 | -0.19 |

*Net asset value to net asset value plus income reinvested.

Source: The Manager.

Economic and Market Review

Over the year, the recovery in the world economy, which began in 2009, became first more established and then accelerated.

The progress, however, was not even, with rapid growth in many emerging countries but a pedestrian pace of recovery in the more developed economies, where activity was held

Report of the Investment Manager

for the year ended 31 December 2010

back by high levels of debt and a weakened financial system. In order to stimulate activity, interest rates were kept at low levels and governments maintained expansive economic policies. In most economies, inflation stayed low although the pace of price increases picked up in the UK due to the effects of past currency weakness, higher fuel prices and greater taxes.

There was a broad range of returns from international markets. The FTSE All-World Index gave a return of +16.74% to a sterling based investor. Of the regions, Asia gave the strongest returns, +23.88%, and Europe the weakest at just +5.66%. The Greek market was particularly poor, reflecting the financial crisis which struck that economy in the spring. The return from the Greek equity market was -42.06% and there were negative returns also from Ireland, Spain, Portugal and Italy. The gain from the US market was +18.76% and from Japan +19.03% although in this latter example currency factors were important.

Strategy

The portfolio has no predetermined allocations to any country or to any industrial sector, rather the portfolio is built 'bottom up', that is by selecting individual shares on their merits and their 'fit' to the Fund's investment objectives. We seek good quality companies with attractive dividends that are supported by true profits and cash flows. This will mean that the portfolio structure differs from that of capitalisation based stock market indices. At the end of 2010, the Fund had relatively high weightings to Europe and to the United Kingdom and below average weightings to

the USA. There were no holdings in Japan. Important sector holdings were in financials, telecoms and utilities. The cash element of the portfolio was 2.44% of the total.

Outlook

We expect the domestic economic upswing to continue but for the pace of growth to remain modest, held back by a number of headwinds including substantial cuts in government expenditure. Interest rates may move slightly higher but will remain at low levels, whilst inflation is likely to remain above the Bank of England's target level. In this environment company profits should improve in this environment and quite quickly, boosted by rising business volumes and lower cost bases. After a difficult two years we are hopeful of a return to dividend growth. Although improving, the broad investment environment will still be exposed to a high level of risk at stock, sector and even country level. From time to time, these will erupt to challenge confidence and so day to day volatility is likely to remain at relatively elevated levels. Nevertheless we expect further progress from equities and property in the year ahead.

M Humphreys
Fund Manager
CCLA Investment Management Limited
14 April 2011

Report of the Investment Manager

for the year ended 31 December 2010

Top ten changes in portfolio composition

| | <i>Cost</i> | | <i>Proceeds</i> |
|----------------------------|--------------|-------------------|-----------------|
| | <i>£'000</i> | | <i>£'000</i> |
| Purchases: | | Sales: | |
| Royal Dutch Shell B | 1,381 | France Telecom | 2,358 |
| National Australia Bank | 1,261 | Merck & Co | 1,850 |
| HSBC Holdings | 1,197 | ENI | 1,837 |
| Scottish & Southern Energy | 1,178 | Total | 1,198 |
| Swisscom | 1,164 | Pfizer | 1,089 |
| Banco Santander | 1,100 | Genuine Parts | 1,029 |
| Tate & Lyle | 1,098 | HSBC Holdings | 953 |
| BP | 1,040 | Johnson & Johnson | 911 |
| France Telecom | 1,027 | Nintendo | 891 |
| GlaxoSmithKline | 924 | Hennes & Mauritz | 889 |

Risk warning

The Fund's units and the revenue 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.

Report of the Corporate Trustee

for the year ended 31 December 2010

Statement of the Trustee's responsibilities in respect of the Scheme

We confirm that based upon the information available to us, we are of the opinion that the Manager of the scheme has in all material respects managed the scheme during the period covered by these accounts in accordance with the limitations imposed upon the investment and borrowing powers of the Manager and Trustee, and in accordance with the provisions of the Scheme.

HSBC Bank plc

This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
London E14 5HQ

HSBC Bank plc is authorised and regulated by the Financial Services Authority

14 April 2011

Report of the Independent Auditor

to the unitholders of COIF Charities Global Equity Income Fund

We have audited the financial statements of COIF Charities Global Equity Income Fund (“the Fund”) for the year ended 31 December 2010 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Unitholders, Balance Sheet, the related notes 1 to 15 and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the unitholders of the Fund, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Fund’s unitholders 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 the unitholders of the Fund, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the manager and auditors

As explained more fully in the Statement of Manager’s Responsibilities set out on page 31, the manager is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to

audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the manager; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 December 2010 and of the net revenue and the net gains on the scheme property of the Fund for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Report of the Independent Auditor

to the unitholders of COIF Charities Global Equity Income Fund

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

Ernst & Young LLP
Statutory Auditor
London
14 April 2011

The maintenance and integrity of the CCLA Investment Management Limited website is the responsibility of the directors of CCLA Investment Management Limited; the work carried out by the auditor of the COIF Charities Global Equity Income Fund does not involve consideration of these matters and, accordingly,

the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in other jurisdictions.

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

Net asset value

| <i>At</i> | <i>Net asset value</i> | <i>Income units</i> | | <i>Accumulation units</i> | |
|--------------------|------------------------|------------------------|-----------------------|---------------------------|-----------------------|
| | | <i>Net asset value</i> | <i>Number of</i> | <i>Net asset value</i> | <i>Number of</i> |
| <i>31 December</i> | <i>£'000</i> | <i>pence per unit</i> | <i>units in issue</i> | <i>pence per unit</i> | <i>units in issue</i> |
| 2008 | 40,242 | 105.76 | 37,517,737 | 111.39 | 504,625 |
| 2009 | 50,530 | 116.38 | 42,802,741 | 129.88 | 550,249 |
| 2010 | 63,403 | 127.70 | 49,781,449 | 147.52 | 348,379 |

The net asset value is calculated on the mid-market value basis compared to the balance sheet where the assets are valued on a bid-market value basis in accordance with the Statement of Recommended Practice for Authorised Funds.

Unit price range

| <i>Year to</i> | <i>Income units</i> | | <i>Accumulation units</i> | |
|--------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| | <i>Highest offer</i> | <i>Lowest bid</i> | <i>Highest offer</i> | <i>Lowest bid</i> |
| <i>31 December</i> | <i>pence per unit</i> | <i>pence per unit</i> | <i>pence per unit</i> | <i>pence per unit</i> |
| 2008 | 150.00 | 91.13 | 150.00 | 94.57 |
| 2009 | 119.69 | 84.54 | 131.59 | 89.04 |
| 2010 | 129.56 | 107.62 | 149.63 | 122.76 |

Net distribution

| <i>Year to</i> | <i>Income units</i> | <i>Accumulation units</i> |
|--------------------|-----------------------|---------------------------|
| <i>31 December</i> | <i>pence per unit</i> | <i>pence per unit</i> |
| 2008* | 6.26 | 7.42 |
| 2009 | 6.19 | 5.91 |
| 2010 | 6.37 | 7.93 |

* The accounting period ending 31 December 2008 began on the 6 December 2007. The income includes an element relating to 2007 equivalent to 0.26p for Income Units and 0.35p for Accumulation Units.

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

Unit prices at 31 December 2010

| | <i>Bid price pence per unit</i> | <i>Offer price pence per unit</i> |
|--------------------|-------------------------------------|---------------------------------------|
| Income units | 127.02 | 128.42 |
| Accumulation units | 146.71 | 148.33 |

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

Total expense ratio

| | 31.12.2010 | 31.12.2009 |
|---------------------|-------------------|------------|
| Total expense ratio | 1.03% | 0.91% |

The total expense ratio is the ratio of the Fund's total operating costs to its average net assets calculated over the year.

Portfolio statement

at 31 December 2010

| | <i>Holding</i> | <i>Bid value £'000</i> | <i>% Fund</i> | | <i>Holding</i> | <i>Bid value £'000</i> | <i>% Fund</i> |
|---|----------------|--------------------------------|-------------------|--|----------------|--------------------------------|-------------------|
| UNITED KINGDOM 38.00% (31.12.2009, 23.86%) | | | | Travel & Leisure 0.12% | | | |
| Oil & Gas Producers 6.82% | | | | Cineworld Group | 36,203 | 78 | 0.12 |
| BP | 386,129 | 1,797 | 2.87 | Fixed Line Telecommunications 0.59% | | | |
| Royal Dutch Shell B | 117,206 | 2,478 | 3.95 | BT | 204,000 | 369 | 0.59 |
| Construction & Materials 0.55% | | | | Mobile Telecommunications 3.91% | | | |
| Kier | 25,071 | 344 | 0.55 | Vodafone | 1,478,382 | 2,450 | 3.91 |
| Support Services 1.38% | | | | Electricity 2.35% | | | |
| Electrocomponents | 81,721 | 217 | 0.35 | Scottish & | | | |
| Hays | 245,302 | 316 | 0.50 | Southern Energy | 120,248 | 1,472 | 2.35 |
| Smiths News | 282,357 | 333 | 0.53 | Gas Water & Multiutilities 4.3% | | | |
| Beverages 0.47% | | | | Centrica | 169,460 | 562 | 0.90 |
| Britvic | 61,962 | 293 | 0.47 | National Grid | 300,552 | 1,661 | 2.65 |
| Food Producers 2.07% | | | | Severn Trent | 11,972 | 177 | 0.28 |
| Tate & Lyle | 250,643 | 1,297 | 2.07 | United Utilities | 49,673 | 294 | 0.47 |
| Pharmaceutical & Biotechnology 6.03% | | | | Banks 1.49% | | | |
| AstraZeneca | 52,090 | 1,522 | 2.43 | HSBC | 143,885 | 937 | 1.49 |
| GlaxoSmithKline | 182,148 | 2,258 | 3.60 | Nonlife Insurance 1.44% | | | |
| General Retailers 1.33% | | | | Admiral | 18,293 | 277 | 0.44 |
| Brown (N) Group | 152,078 | 453 | 0.72 | Amlin | 73,722 | 301 | 0.48 |
| Halfords | 83,770 | 383 | 0.61 | Catlin | 88,599 | 328 | 0.52 |
| Food & Drug Retailer 0.50% | | | | Life Insurance/Assurance 0.90% | | | |
| Sainsbury | 82,770 | 311 | 0.50 | Aviva | 72,997 | 287 | 0.46 |
| Media 0.50% | | | | Standard Life | 126,409 | 273 | 0.44 |
| Pearson | 31,406 | 316 | 0.50 | General Financial 3.25% | | | |
| | | | | Close Brothers | 83,830 | 713 | 1.14 |
| | | | | Foreign & Colonial | | | |
| | | | | Asset Management | 419,015 | 352 | 0.56 |

Portfolio statement

at 31 December 2010

| | <i>Holding</i> | <i>Bid value</i> <i>£'000</i> | <i>%</i> <i>Fund</i> | | <i>Holding</i> | <i>Bid value</i> <i>£'000</i> | <i>%</i> <i>Fund</i> |
|---|----------------|----------------------------------|-------------------------|---|----------------|----------------------------------|-------------------------|
| Hargreaves Lansdown Intermediate | 56,978 | 334 | 0.53 | Telefonica | 106,706 | 1,551 | 2.47 |
| Capital Group | 103,715 | 345 | 0.55 | Sweden 0.64% | | | |
| Provident Financial | 33,400 | 292 | 0.47 | Axfood | 16,835 | 402 | 0.64 |
| EUROPE 22.08% (31.12.2009, 27.22%) | | | | Switzerland 5.24% | | | |
| Belgium 0.41% | | | | Novartis | 16,312 | 614 | 0.98 |
| Belgacom | 12,074 | 260 | 0.41 | Roche Holdings | 6,680 | 627 | 1.00 |
| France 2.59% | | | | Zurich Financial Services | 4,849 | 805 | 1.28 |
| Axa | 51,908 | 554 | 0.88 | Swisscom | 4,397 | 1,239 | 1.98 |
| CNP Assurances | 24,264 | 281 | 0.45 | Turkey 0.69% | | | |
| Gaz de France | 13,596 | 313 | 0.50 | Ford Otosan | 80,402 | 435 | 0.69 |
| Vivendi Universal | 27,622 | 478 | 0.76 | UNITED STATES OF AMERICA 11.78% (31.12.2009, 21.64%) | | | |
| Germany 0.98% | | | | Abbott Laboratories | 9,200 | 281 | 0.45 |
| Allianz | 8,040 | 613 | 0.98 | Annaly | | | |
| Italy 1.83% | | | | Capital Management | 42,300 | 484 | 0.77 |
| Enel | 180,106 | 576 | 0.92 | AT&T | 50,200 | 942 | 1.50 |
| Terna | 211,169 | 571 | 0.91 | Bank of America 7.25% Convertible | | | |
| Netherlands 1.84% | | | | Preference Shares | 1,400 | 855 | 1.36 |
| Eurocommercial CVA | 20,580 | 607 | 0.97 | Bristol-Myers Squibb | 23,000 | 389 | 0.62 |
| KPN | 57,988 | 543 | 0.87 | Cullen/Frost Bankers | 11,000 | 429 | 0.68 |
| Norway 1.66% | | | | Duke Energy | 13,400 | 152 | 0.24 |
| DnB NOR | 58,609 | 527 | 0.84 | Du Pont De Nemours | 8,100 | 258 | 0.41 |
| Seadrill | 23,819 | 516 | 0.82 | Eaton Vance Tax Advantage Dividend Income Fund | 26,200 | 277 | 0.44 |
| Spain 6.2% | | | | Eaton Vance Tax Advantage Global Dividend Income Fund | 29,700 | 267 | 0.43 |
| Banco Santander | 209,166 | 1,421 | 2.27 | El Paso Pipeline | 32,700 | 698 | 1.11 |
| Criteria Caixacorp | 85,831 | 293 | 0.47 | | | | |
| Iberdrola | 33,545 | 166 | 0.26 | | | | |
| Telecinco | 65,103 | 459 | 0.73 | | | | |

Portfolio statement

at 31 December 2010

| | <i>Holding</i> | <i>Bid value £'000</i> | <i>% Fund</i> | | <i>Holding</i> | <i>Bid value £'000</i> | <i>% Fund</i> |
|--|----------------|--------------------------------|-------------------|-----------------------------|----------------|--------------------------------|-------------------|
| Gabelli Dividend and Income Trust | 17,900 | 176 | 0.28 | Infrastructure | 213,290 | 584 | 0.93 |
| Gabelli Equity Trust | 80,900 | 293 | 0.47 | Singapore 0.49% | | | |
| Liberty All Star | 87,900 | 276 | 0.44 | United Overseas Bank | 34,000 | 309 | 0.49 |
| NiSource | 17,900 | 201 | 0.32 | Taiwan 5.01% | | | |
| NY Community Bank Corporation | 25,800 | 311 | 0.50 | Chunghwa Telecom | 296,000 | 480 | 0.77 |
| Verizon Communications | 48,200 | 1,101 | 1.76 | Coretronic Corporation | 269,000 | 281 | 0.45 |
| JAPAN 0.00% (31.12.2009, 3.04%) | | | | Fubon Financial | 383,230 | 335 | 0.53 |
| Pacific Basin 18.53% | | | | HTC | 42,000 | 827 | 1.32 |
| (31.12.2009, 14.65%) | | | | Lite-on Technology | 303,510 | 267 | 0.43 |
| Australia 4.58% | | | | TSMC | 610,000 | 949 | 1.51 |
| Australia & New Zealand | | | | Thailand 3.35% | | | |
| Banking Group | 16,161 | 247 | 0.39 | BEC World | 357,300 | 167 | 0.27 |
| Metcash | 222,713 | 598 | 0.95 | Cha Pok Food | 1,069,300 | 561 | 0.89 |
| National Australia Bank | 59,797 | 928 | 1.48 | Siam Makro | 152,400 | 550 | 0.88 |
| UGL | 52,883 | 497 | 0.79 | Tisco Financial | 354,900 | 299 | 0.48 |
| Westpac Banking | 41,584 | 605 | 0.97 | Thai Oil | 312,000 | 518 | 0.83 |
| Hong Kong 4.17% | | | | OTHER OVERSEAS 8.05% | | | |
| Bank of China Hong Kong Holdings | 301,000 | 653 | 1.04 | (31.12.2009, 1.59%) | | | |
| Hang Seng Bank | 32,000 | 336 | 0.54 | Allied Technologies | 53,645 | 340 | 0.54 |
| Hutchison Telecom | | | | African Bank | | | |
| Hong Kong | 2,252,000 | 438 | 0.70 | Investments | 89,254 | 333 | 0.53 |
| Jiangsu Expressway | 500,000 | 361 | 0.58 | Banco Bradesco Pref | 10,000 | 126 | 0.20 |
| Link REIT | 156,500 | 311 | 0.50 | Bank of Montreal | 10,000 | 369 | 0.59 |
| Texwinca Holdings | 432,000 | 346 | 0.55 | Bank Leumi Le-Israel | 134,456 | 440 | 0.70 |
| Zhejiang Express | 246,000 | 155 | 0.25 | Bezeq Israel Telecom | 182,539 | 356 | 0.57 |
| South Korea 0.93% | | | | Growthpoint Props | 217,487 | 383 | 0.61 |
| Maquarie Korea | | | | Grupo Aeroport B | 85,400 | 307 | 0.49 |
| | | | | Fountainhead Prop | 468,422 | 312 | 0.50 |
| | | | | Kimberley-Clark MXC | 104,606 | 406 | 0.65 |
| | | | | Kumba Iron Ore | 9,507 | 389 | 0.62 |
| | | | | MMI Holdings | 226,326 | 360 | 0.57 |

Portfolio statement

at 31 December 2010

| | <i> Holding</i> | <i> Bid value £'000</i> | <i> % Fund</i> |
|---|-----------------|---------------------------------|----------------------|
| National Bank of Canada | 14,001 | 615 | 0.98 |
| Shaw Com B | 22,800 | 312 | 0.50 |
| DERIVATIVES -0.23% (31.12.2009, 0.32%) | | | |
| Forward currency contracts: | | | |
| US dollar vs UK sterling | | | |
| maturing on | | | |
| 20/01/2011 | US\$ 8,816,000 | (28) | (0.04) |
| Euro vs UK sterling | | | |
| maturing on | | | |
| 20/01/2011 | €7,650,000 | 21 | 0.03 |
| Euro vs UK sterling | | | |
| maturing on | | | |
| 20/01/2011 | €1,242,700 | (1) | - |
| Euro vs UK sterling | | | |
| maturing on | | | |
| 20/01/2011 | €734,030 | (3) | - |
| Australian dollar vs | | | |
| UK sterling maturing | | | |
| on 20/01/2011 | A\$ 2,048,000 | (99) | (0.16) |
| Australian dollar vs | | | |
| UK sterling maturing | | | |
| on 20/01/2011 | A\$ 1,598,793 | (36) | (0.06) |
| UK sterling vs | | | |
| US dollar maturing | | | |
| on 20/01/2011 | £1,493,593 | (3) | - |
| NET INVESTMENT ASSETS | | <u>61,562</u> | <u>98.20</u> |
| NET OTHER ASSETS | | 1,127 | 1.80 |
| NET ASSETS | | <u><u>62,689</u></u> | <u><u>100.00</u></u> |

Statement of total return

for the year ended 31 December 2010

| | Notes | 31.12.2010 | | 31.12.2009 | |
|--|-------|--------------|-----------------------|------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital losses | 2 | | 4,393 | | 5,139 |
| Revenue | 3 | 3,532 | | 2,393 | |
| Expenses | 4 | (566) | | (383) | |
| Net revenue before taxation | | 2,966 | | 2,010 | |
| Taxation | 5 | (266) | | (177) | |
| Net revenue after taxation | | | <u>2,700</u> | | <u>1,833</u> |
| Total return before distributions | | | 7,093 | | 6,972 |
| Finance costs: distributions | 6 | | (3,054) | | (2,485) |
| Change in net assets attributable to unitholders from investment activities | | | <u>(4,039)</u> | | <u>(4,487)</u> |

The notes on pages 21 to 30 form part of these accounts.

Statement of change in net assets attributable to unitholders

for the year ended 31 December 2010

| | 31.12.2010 | | 31.12.2009 | |
|---|----------------|----------------------|------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to unitholders | | 50,485 | | 40,138 |
| Amounts receivable on issue of units | 15,263 | | 5,836 | |
| Amounts payable on cancellation of units | (7,142) | | (3) | |
| | | 8,121 | | 5,833 |
| Change in net assets attributable to unitholders from investment activities | | 4,039 | | 4,487 |
| Retained distribution on accumulation units | | 44 | | 27 |
| Closing net assets attributable to unitholders | | <u>62,689</u> | | <u>50,485</u> |

The notes on pages 21 to 30 form part of these accounts.

Balance sheet

at 31 December 2010

| | | 31.12.2010 | | 31.12.2009 | |
|--|-------|--------------|----------------------|-------------------------|----------------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| ASSETS | | | | | |
| Investment assets | | | 61,728 | | 46,606 |
| Debtors | 7 | 295 | | 139 | |
| Cash and bank balances | 8 | 2,208 | | <u>4,529</u> | |
| Total other assets | | | 2,503 | | <u>4,668</u> |
| Total assets | | | <u>64,231</u> | | <u>51,274</u> |
| LIABILITIES | | | | | |
| Investment liabilities | | | 166 | | 1 |
| Creditors | 9 | 271 | | 30 | |
| Distribution payable on income units | | 1,105 | | <u>758</u> | |
| Total other liabilities | | | 1,376 | | <u>788</u> |
| Total liabilities | | | 1,542 | | 789 |
| Net assets attributable to unitholders | | | <u>62,689</u> | | <u>50,485</u> |
| Approved on behalf of the Board 14 April 2011 | | | | D Henderson Chairman | |

The notes on pages 21 to 30 form part of these accounts.

Notes to the accounts

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 October 2010.

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate and preference shares, and unit trusts are accrued to revenue 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 year, 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 revenue of the Fund for its deposits in COIF Charities Deposit Fund where during the year management fees were charged to revenue. 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. A fee for ethical services is also charged by the Manager. The Trustee fee, audit, legal, safe custody fees and transaction charges and insurance fees are charged separately to the revenue of the Fund before distribution.

(d) 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.

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

Whether a special dividend, share buy-back or additional share issue is revenue 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 revenue.

Notes to the accounts

(f) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in revenue which arise over the years (see note 10).

(g) Basis of valuation

All 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.

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.

2. Net capital gains

| | 31.12.2010 | <i>31.12.2009</i> |
|---|---------------------|-------------------|
| | £'000 | <i>£'000</i> |
| The net capital gains during the period comprise: | | |
| Non-derivative securities | 4,489 | 4,437 |
| Forward currency contracts | 169 | 677 |
| Other capital revenue | - | 7 |
| Currency (losses)/gains | (265) | 18 |
| | <u>4,393</u> | <u>5,139</u> |

Notes to the accounts

| 3. Revenue | 31.12.2010 | <i>31.12.2009</i> |
|---|---------------------|-------------------|
| | £'000 | <i>£'000</i> |
| UK dividends | 999 | 612 |
| Overseas dividends | 2,526 | 1,660 |
| Interest on COIF Charities Deposit Fund | 18 | 45 |
| Bank interest | (11) | 76 |
| | <u>3,532</u> | <u>2,393</u> |
| | | |
| 4. Expenses | 31.12.2010 | <i>31.12.2009</i> |
| | £'000 | <i>£'000</i> |
| Payable to the Manager, associates of the Manager and agents of either of them: | | |
| Manager's periodic charge – see note 1(c) | 478 | 344 |
| Manager's periodic charge rebate – see note 1(c)* | (4) | (6) |
| Manager's fee for ethical and stewardship services | 14 | 10 |
| | <u>488</u> | <u>348</u> |
| | | |
| Payable to the Trustee, associates of the Trustee and agents of either of them: | | |
| Trustee fee | 7 | 5 |
| Safe custody fees and transaction charges | 30 | 17 |
| | <u>37</u> | <u>22</u> |
| | | |
| Other expenses: | | |
| Audit fee | 11 | 12 |
| Trustee liability insurance | 1 | 1 |
| Professional Fees | 29 | - |
| | <u>41</u> | <u>13</u> |
| | | |
| Total expenses | <u>566</u> | <u>383</u> |

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

The above expenses include VAT where applicable.

Notes to the accounts

5. 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 revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue on receipt. Withholding tax is credited to revenue when it is recovered.

| | 31.12.2010 | <i>31.12.2009</i> |
|---|-------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Overseas taxation suffered in the year | 276 | 190 |
| Overseas taxation recovered in the year | (10) | (13) |
| Total taxation | <u>266</u> | <u>177</u> |

6. Finance Costs

Distributions

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

| | 31.12.2010 | <i>31.12.2009</i> |
|---|---------------------|-------------------|
| | £'000 | <i>£'000</i> |
| 31 March – interim distribution | 440 | 498 |
| 30 June – interim distribution | 780 | 613 |
| 30 September – interim distribution | 790 | 633 |
| 31 December – final distribution | 1,111 | 763 |
| | <u>3,121</u> | <u>2,507</u> |
| Add: revenue deducted on cancellation of units | 11 | - |
| Deduct: revenue received on issue of units | (78) | (22) |
| Net distribution for the period | <u>3,054</u> | <u>2,485</u> |
| Net revenue after taxation for the year | 2,700 | 1,833 |
| Manager's periodic charge - see note 1 (c) | 492 | 344 |
| Transfer to/(from) income reserve – see note 10 | (138) | 308 |
| Net distribution for the period | <u>3,054</u> | <u>2,485</u> |

7. Debtors

| | 31.12.2010 | <i>31.12.2009</i> |
|-----------------|-------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Accrued revenue | <u>295</u> | <u>139</u> |

Notes to the accounts

| | | |
|---|---------------------|---------------------|
| 8. Cash and bank balances | 31.12.2010 | <i>31.12.2009</i> |
| | £'000 | <i>£'000</i> |
| Cash in The COIF Charities Deposit Fund | 1,175 | <i>4,496</i> |
| Cash at bank | 1,033 | <i>33</i> |
| | <u>2,208</u> | <i><u>4,529</u></i> |

| | | |
|---------------------|-------------------|-------------------|
| 9. Creditors | 31.12.2010 | <i>31.12.2009</i> |
| | £'000 | <i>£'000</i> |
| Accrued expenses | 251 | <i>15</i> |
| VAT payable | 20 | <i>15</i> |
| | <u>271</u> | <i><u>30</u></i> |

10. Income reserve

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

| | | |
|---|-------------------|-------------------|
| | 31.12.2010 | <i>31.12.2009</i> |
| | £'000 | <i>£'000</i> |
| Income reserve at the start of the year | 26 | <i>334</i> |
| Transfer to/(from) income reserve | 138 | <i>(308)</i> |
| Income reserve at the end of the year | <u>164</u> | <i><u>26</u></i> |

11. 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 year and the comparative year.

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

Notes to the accounts

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.

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.

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.

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 2010, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement.

Notes to the accounts

The total exposure at 31 December was:

| Currency | 31.12.2010 | | | 31.12.2009 | | Total £'000 |
|--------------------|--------------------------------|-------------------------------|---------------|--------------------------------|------------------------------------|----------------|
| | Monetary exposures £'000 | Non- monetary exposures | Total | Monetary exposures £'000 | Non-monetary exposures £'000 | |
| Australian Dollar | (2) | 2,888 | 2,886 | - | 1,161 | 1,161 |
| Brazilian Real | - | 128 | 128 | - | 153 | 153 |
| Canadian Dollar | 1 | 1,302 | 1,303 | - | 368 | 368 |
| Euro | (2) | 7,264 | 7,261 | - | 12,081 | 12,081 |
| Hong Kong Dollar | 54 | 2,615 | 2,669 | - | 2,276 | 2,276 |
| Israeli Shekel | - | 796 | 796 | - | - | - |
| Japanese Yen | - | - | - | - | 1,541 | 1,541 |
| Mexican Peso | - | 307 | 307 | - | 289 | 289 |
| New Turkish Lira | - | 435 | 435 | - | 318 | 318 |
| Norwegian Krone | - | 1,045 | 1,045 | - | 458 | 458 |
| Singapore Dollar | 1 | 309 | 310 | - | 1,371 | 1,371 |
| South African Rand | - | 2,118 | 2,118 | - | - | - |
| South Korean Won | - | 584 | 584 | - | - | - |
| Swedish Krona | (2) | 402 | 400 | - | 715 | 715 |
| Swiss Franc | - | 3,286 | 3,286 | - | 167 | 167 |
| Taiwanese Dollar | - | 3,139 | 3,139 | - | 1,075 | 1,075 |
| Thailand Baht | - | 2,095 | 2,095 | - | - | - |
| US Dollar | 296 | 7,875 | 8,170 | - | 12,483 | 12,483 |
| | <u>346</u> | <u>36,587</u> | <u>36,933</u> | <u>-</u> | <u>34,456</u> | <u>34,456</u> |

Notes to the accounts

The interest rate risk profile of the Fund's financial assets and liabilities at 31 December 2010 was as set out below:

| Currency | Floating rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|------------------|---|---|--|-----------------------|
| Sterling | 1,862 | - | 25,437 | 27,298 |
| Euro | (2) | - | 7,264 | 7,261 |
| US Dollar | 296 | - | 7,875 | 8,170 |
| Other | 53 | - | 21,448 | 21,501 |
| Total | 2,208 | - | 62,023 | 64,231 |

| Currency | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|-----------------|---|--|---|-----------------------|
| Other | - | - | 1,323 | 1,323 |
| Sterling | - | - | 219 | 219 |
| Total | - | - | 1,542 | 1,542 |

31 December 2009

| Currency | Floating rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|------------------|---|---|--|-----------------------|
| Sterling | 4,523 | - | 12,289 | 16,812 |
| Euro | - | - | 12,081 | 12,081 |
| US Dollar | 6 | - | 12,483 | 12,489 |
| Other | - | - | 9,892 | 9,892 |
| Total | 4,529 | - | 46,745 | 51,274 |

| Currency | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|-----------------|---|--|---|-----------------------|
| Sterling | - | - | 789 | 789 |
| Total | - | - | 789 | 789 |

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

Notes to the accounts

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

The Fund held derivatives relating to forward currency contracts valued at -£148,882.27 as at 31 December 2010 (31.12.2009, £160,680).

12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31st December 2010 (31.12.2009, £nil).

13. 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.

14. Related party transactions

The Manager's periodic charge and fee for ethical services are paid to the Manager. The Trustee fee, safe custody and transaction charges are paid to HSBC Bank plc. Both are related parties to the Fund. The amounts paid in respect of these charges are disclosed in note 4.

At 31 December 2010 the balance, due to the Manager and HSBC Bank plc were as set out below:

| | 31.12.2010 | 31.12.2009 |
|--|-------------------|------------|
| | £'000 | £'000 |
| The Manager | - | - |
| HSBC Bank plc – trustee fee | 3 | 1 |
| HSBC Bank plc – safe custody and transaction charges | 17 | 2 |

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

At 31 December 2010 a cash balance of £1,174,819 (31.12.2009 £4,495,773) was held in the COIF Charities Deposit Fund.

During the year the Fund received rebates of management fees for its deposits in the COIF Charities Deposit Fund where the management fees were charged to revenue as disclosed in note 4.

Notes to the accounts

| 15. Portfolio transaction costs | 31.12.2010 | <i>31.12.2009</i> |
|--|----------------------|----------------------|
| | £'000 | <i>£'000</i> |
| Analysis of total purchase costs: | | |
| Purchases in period before transaction costs | 53,269 | 27,177 |
| Commissions | 36 | 18 |
| Total gross purchases | <u>53,305</u> | <u>27,195</u> |
| Analysis of total sales costs: | | |
| Sales in year before transaction costs | 42,549 | 23,076 |
| Commissions | (22) | (19) |
| Total sales net of transaction costs | <u>42,527</u> | <u>23,057</u> |

Distribution table

for the year ended 31 December 2010

| <i>Period ended</i> | <i>Date paid/payable</i> | <i>Dividends paid/payable pence per unit</i> | |
|---------------------------|--------------------------|--|--------------------|
| Income units | | 2010 | 2009 |
| 31 March 2010 | 28 May 2010 | 0.95 | 1.30 |
| 30 June 2010 | 31 August 2010 | 1.60 | 1.56 |
| 30 September 2010 | 30 November 2010 | 1.60 | 1.56 |
| 31 December 2010 | 28 February 2011 | 2.22 | 1.77 |
| | | <u>6.37</u> | <u>6.19</u> |
| | | <i>Revenue accumulated pence per unit</i> | |
| Accumulation units | | 2010 | 2009 |
| 31 March 2010 | | 0.95 | 0.95 |
| 30 June 2010 | | 2.91 | 2.86 |
| 30 September 2010 | | 2.46 | 1.06 |
| 31 December 2010 | | 1.61 | 1.04 |
| | | <u>7.93</u> | <u>5.91</u> |

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 30 October 2007, 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 revenue due to the Fund in accordance with the Scheme;

Statement of Board, Corporate Trustee and Manager responsibilities

- the issue 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 accumulation units in proportion to their respective units in the property of the Fund;
- preparing 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.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enables 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.

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;

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

D Henderson, Chairman of the Board, FCA, Company Director

T Bell, FRICS

P Cawdron, FCA, Company Director (resigned 10.3.10)

T Clark, Solicitor

A Daws, Solicitor

R Fitzalan Howard, Chairman, FF&P Asset Management Limited

G Newson, MRICS

Secretary

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

J Fox

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

A Kemp

**Head of Ethical and Responsible
Investment**

H Wildsmith

Corporate Trustee and Custodian

HSBC Bank plc

8 Canada Square, London E14 5HQ

Banker

The Royal Bank of Scotland plc

62/63 Threadneedle Street, London EC2R 8LA

Solicitors

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 Ethical Investment Fund

- An actively managed fund with a diversified portfolio suitable from a wide range of charities
- Managed with a strong regard for ethical and socially responsible investment principles
- A focus on long term returns and a rising income stream for investors

COIF Charities Global Equity Income Fund

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

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 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

COIF Charities Deposit Fund

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

* The Deposit Fund is rated AAA/V1 by Fitch Ratings. This reflects the high credit quality of the portfolio and its low volatility.

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, Ethical 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

80 Cheapside

London EC2V 6DZ

Client Service:

Freephone: 0800 022 3505

Facsimile: 0844 561 5126

Email: clientservices@ccla.co.uk

www.ccla.co.uk