



for Charities

COIF Charities Global Equity Income Fund

**Report and Accounts
Half year ended 30 June 2010
(unaudited)**

Contents

- 3** Report of the Board
- 6** Report of the Investment Manager
- 9** Net asset value, unit price range, net distribution, unit prices and total expense ratio
- 11** Portfolio statement
- 17** Statement of total return
- 18** Statement of change in net assets attributable to unitholders
- 19** Balance sheet
- 20** Notes to the accounts
- 30** Distribution table
- 31** Statement of Board, Corporate Trustee and Manager responsibilities

Details of Board and Manager

(inside back cover)

Description of 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 half year ended 30 June 2010

On behalf of the Board, we have pleasure in presenting our half year 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 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 half year ended 30 June 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 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 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 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.

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. Less than 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

Report of the Board

for the half year ended 30 June 2010

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 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.

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

27 July 2010

Report of the Investment Manager

for the half year ended 30 June 2010

Performance

Over the six months the Fund has returned -4.53% before expenses. The comparable returns from the FTSE All-Share and FTSE All-World indices were -6.15% and -1.86% respectively.

Income payments for the period have totalled 2.55p per Income Unit. The Manager expects to increase the payment for the year as a whole. As at 30th June the yield on the Fund was 5.72% compared to a yield of 3.34% on the FTSE All-Share Index and 2.58% on the FTSE All-World Index.

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

To 30 June 2010	6 months %	1 year %
<u>Performance against market indices (before expenses)</u>		
COIF Charities Global Equity Income Fund	- 4.53	+ 15.18
FTSE All-Share Index	- 6.15	+ 21.14
FTSE-All-World Index	- 1.86	+ 23.78
MSCI Value UK Index	-11.78	+ 13.12
MSCI Value Europe ex UK Index	-16.21	+ 10.22
MSCI Value US Index	+ 2.04	+ 26.93
MSCI Value Asia Pacific ex Japan Index	- 6.55	+ 17.44
<u>Performance after expenses</u>		
Income units*	- 4.90	+ 14.27
Accumulation units*	- 4.96	+ 14.19

* Net asset value to net asset value plus income reinvested

Source: The Manager

Economic and market review

The recovery in the world economy has continued, but at a modest pace, held back by the level of outstanding debt, poor credit expansion and high levels of unemployment. Emerging economies have performed better than the average and in aggregate have recovered the output lost in the recession but

developed economies still have some way to go to recover past activity levels. In the UK, early estimates of first quarter growth suggest that the economy grew by just +0.2%, well below the pace normally associated with this phase of the cycle. Expectations for the year as a whole are for growth of between +1% and +1.5%.

Report of the Investment Manager

for the half year ended 30 June 2010

There have been two distinct phases to the returns from equity markets over the period. The first was one of rising markets, driven by optimistic investors who expected economic news to improve and for company profits to grow sharply. This benign trend came to an end when the Greek debt crisis broke, partly because it created substantial concerns about the volume of debt outstanding and the ability of even sovereign states to repay it, and partly because it brought economic growth assumptions into question. The fear was that if the reaction to the problems in Greece was for governments to prioritise debt reduction rather than initiatives to stimulate growth, then hopes of an accelerating economic upswing could prove to be optimistic. As the mood changed so equity markets fell, reversing early strength and in most cases causing the indices to end the period lower than where they began.

The FTSE All-World Index return to a sterling based investor was +9.90% in the three months to the end of March but -1.86% at the end of June. The equivalent returns for the FTSE All-Share Index were +6.42% and -6.15%.

Strategy

The shares held by the Fund are selected on their individual merits rather than to fit to pre-determined allocations to regions, countries or sectors. We look for good quality companies able to pay a high dividend and increase the payment to unitholders in the years ahead. Our selection criteria, and in particular the

target income levels, inevitably mean that the asset allocation employed by the Fund will differ substantially from that reflected in indices such as the FTSE All-World Index. At present the Fund has relatively high weightings to telecommunications, utilities and healthcare and has underweight exposures to technology and basic materials. In geographical terms the portfolio has a positive bias to Asia (ex Japan) and the United Kingdom, which is balanced by negative positions in the United States and Japan.

Outlook

Our central expectation is that economic activity will continued to grow slowly but with some acceleration at the end of this year and into 2011. This should provide a strong foundation for a global equity market where both earnings and valuations are compressed by historic standards. Even with this improvement however short term interest rates are likely to stay at low levels for some time to come, inflation should also remain under control but realistically, given other issues facing governments, is not likely to be an immediate policy priority. Given the uncertainties, and indeed risks in the present environment, we expect volatility to stay at elevated levels.

M Humphreys
Fund Manager
CCLA Investment Management Limited

27 July 2010

Report of the Investment Manager

for the half year ended 30 June 2010

Top ten changes in portfolio composition

	<i>Cost</i> <i>£'000</i>		<i>Proceeds</i> <i>£'000</i>
Purchases:		Sales:	
Royal Dutch Shell B	1,381	Merck & Co	1,850
National Australia Bank	1,261	Total	1,198
Scottish & Southern Energy	1,178	HSBC	953
Banco Santander	1,100	Johnson & Johnson	911
Tate & Lyle	1,098	Nintendo	891
France Telecom	1,027	Hennes & Mauritz	889
BP	881	HJ Heinz	821
GlaxoSmithKline	850	Axa	646
National Grid	800	Admiral	631
TSMC	777	Petrochina	611

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.

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

Net asset value

<i>At</i> <i>31 December</i>	<i>Net asset value</i> <i>£'000</i>	<i>Income units</i>		<i>Accumulation units</i>	
		<i>Net asset value</i> <i>pence per unit</i>	<i>Number of</i> <i>units in issue</i>	<i>Net asset value</i> <i>pence per unit</i>	<i>Number of</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	128.88	550,249
At 30 June 2010	52,281	108.22	47,627,923	123.44	598,093

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>31 December</i>	<i>Income units</i>		<i>Accumulation units</i>	
	<i>Highest offer</i> <i>pence per unit</i>	<i>Lowest bid</i> <i>pence per unit</i>	<i>Highest offer</i> <i>pence per unit</i>	<i>Lowest bid</i> <i>units per unit</i>
2008	150.00	91.13	150.00	94.57
2009	119.69	84.54	131.59	89.04
To 30 June 2010	123.08	107.62	138.45	122.76

Net distribution

<i>Year to</i> <i>31 December</i>	<i>Annual distributions</i>	
	<i>Income units</i> <i>pence per unit</i>	<i>Accumulation units</i> <i>pence per unit</i>
2008	6.26	7.42
2009	6.19	5.91
To 30 June 2010	2.55	3.86

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

Unit prices at 30 June 2010

	<i>Bid price pence per unit</i>	<i>Offer price pence per unit</i>
Income units	107.62	108.82
Accumulation units	122.76	124.12

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

	30.06.2010	30.06.2009
Total expense ratio	1.02%	0.91%

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

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
UNITED KINGDOM 33.27% (31.12.09, 23.86%)			
Oil & Gas Producers 5.79%			
BP	349,129	1,113	2.13
Royal Dutch Shell B	117,206	1,911	3.66
Construction Materials 0.46%			
Kier	25,071	242	0.46
Food and Drug Retailers 0.01%			
Thorntons	5,219	4	0.01
Support Services 1.09%			
Electrocomponents	81,721	177	0.34
Interserve	126,427	252	0.48
Smiths News	120,635	142	0.27
Food Producers 2.86%			
Northern Foods	841,072	364	0.70
Tate & Lyle	250,643	1,127	2.16
Pharmaceuticals & Biotechnology 7.03%			
AstraZeneca	52,090	1,650	3.16
GlaxoSmithKline	176,273	2,014	3.87
Travel & Leisure 0.47%			
Cineworld	36,203	72	0.14
Thomas Cook	95,960	171	0.33
Mobile Telecommunications 5.05%			
Cable & Wireless Communications	332,678	192	0.37
Cable & Wireless Worldwide	332,678	288	0.55
Vodafone	1,546,923	2,152	4.13

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Fixed Line Telecommunications 0.51%			
BT	204,000	265	0.51
Electricity 2.58%			
Scottish & Southern Energy	120,248	1,344	2.58
Gas, Water & Multiutilities 4.04%			
Centrica	75,738	225	0.43
National Grid	300,552	1,475	2.83
Severn Trent	11,972	147	0.28
United Utilities	49,673	261	0.50
Nonlife Insurance 0.28%			
Catlin	41,883	147	0.28
Life Insurance 0.24%			
Admiral	-	-	-
Aviva	40,631	128	0.24
General Financial 2.35%			
Brewin Dolphin	212,321	274	0.53
Close Brothers	38,433	266	0.51
Foreign & Colonial Asset Management	358,955	186	0.36
Intermediate Capital	103,715	259	0.50
Man	50,165	112	0.21
Provident Financial	14,867	125	0.24
Industrial Transportation 0.51%			
Wincanton	112,391	267	0.51
EUROPE 16.63% (31.12.09, 27.22%)			
France 5.14%			
France Telecom	163,584	1,912	3.67

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Pagesjaunes	55,565	384	0.74
Vivendi Universal	27,622	380	0.73
Italy 3.95%			
ENI	55,802	159	0.30
Enel	130,895	1,623	3.11
Terna	116,040	280	0.54
Netherlands 0.49%			
KPN	30,109	258	0.49
Norway 0.56%			
Seadrill	23,819	291	0.56
Spain 6.00%			
Banco Santander	209,166	1,496	2.87
Criteria Caixacorp	85,831	236	0.45
Iberdrola	33,545	127	0.24
Telefonica	102,073	1,275	2.44
Turkey 0.49%			
Ford Otosan	59,569	257	0.49
UNITED STATES OF AMERICA 16.77% (31.12.09, 21.64%)			
Annaly Capital	42,300	485	0.93
AT&T	56,236	908	1.74
Bank of America 7.25% Convertible Preference Shares	1,400	834	1.60
Bristol-Myers Squibb	49,000	817	1.57
Du Pont De Nemours	32,252	746	1.43
Duke Energy	13,400	143	0.27
EV TA Dividend Inc	26,200	242	0.46
EV TA Global Div Inc	29,700	236	0.45
Gabelli Dividend&Inc	17,900	143	0.27

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Gabelli Equity Trust	80,900	243	0.47
Genuine Parts	31,000	818	1.57
Liberty All Star	87,900	234	0.45
Lilly (Eli)	11,300	253	0.49
NiSource	17,900	173	0.33
NY Community Bancorp	25,800	263	0.50
Pfizer	101,765	969	1.86
Verizon Comms	30,886	578	1.11
Wisdom Tree Japan Dividend Fund	13,341	316	0.60
Wisdom Tree Japan Smallcap	13,341	349	0.67
PACIFIC BASIN 22.44% (31.12.09,14.65%)			
Australia 6.62%			
ANZ Bank	16,161	197	0.38
Commonwealth Bank of Australia	25,055	687	1.32
Goodman Fielder	842,621	633	1.21
Insurance Australia	228,353	437	0.84
National Australia Bank	76,319	1,000	1.92
Westpac Banking	41,584	498	0.95
Hong Kong 3.55%			
BOC Hong Kong	348,000	533	1.02
China Construction	303,000	165	0.32
Hutchison Telecom	2,252,000	319	0.61
Jiangsu Expressway	642,000	390	0.75
Texwinca Holdings	432,000	281	0.54
Zhejiang Express	264,000	163	0.31
Singapore 1.39%			
Singapore Press	400,000	724	1.39
Taiwan 6.42%			
Chunghwa Telecom	296,000	393	0.75

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Compal Electron	284,000	228	0.44
Coretronic	269,000	266	0.51
Fubon Financial	365,000	274	0.53
HTC	40,000	357	0.69
Inventec	725,000	259	0.50
Lite-on Technology	302,000	223	0.43
Macronix International	750,000	332	0.64
Quanta Computer	201,000	245	0.47
TSMC	610,000	769	1.47
Thailand 3.89%			
Cha Pok Food	1,069,300	448	0.86
Siam Makro	152,400	346	0.66
Thai Oil	312,000	283	0.54
Thai Union	378,800	348	0.67
Tisco Fin	1,015,000	602	1.15
General Asia Pacific 0.57%			
Lafarge Malayan	215,900	297	0.57
OTHER OVERSEAS 7.95% (31.12.09, 1.59 %)			
Manitoba Telecom	6,500	110	0.21
Bank of China	653,000	321	0.62
Oriental Weavers	59,847	246	0.47
Telecom Egypt	114,141	208	0.40
Bezeq Israel Telecom	68,399	100	0.19
Cellcom Israel	5,398	90	0.17
Partner Comms	8,611	89	0.17
Kimberley-Clark MXC	104,606	408	0.78
African Bank	89,254	236	0.45
Allied Technologies	41,341	218	0.42
Fountainhead Prop	468,422	254	0.49
Growthpoint Props	217,487	294	0.56

Portfolio statement

at 30 June 2010 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Kumba Iron Ore	9,507	264	0.51
Lewis	56,912	288	0.55
Metropolitan	226,326	317	0.61
Pretoria Port Cement	96,706	267	0.51
Macquarie Korea Infrastructure	177,500	438	0.84
DERIVATIVES (0.40)% (31.12.2009, 0.32%)			
Forward currency contracts			
US dollar vs UK sterling maturing on 22/7/10	\$7,923,000	(160)	(0.30)
Euro vs UK sterling maturing on 1/10/10	€5,946,600	(62)	(0.12)
Australian dollar vs UK sterling maturing on 30/09/10	\$3,119,200	10	0.02
NET INVESTMENT ASSETS		<u>50,417</u>	<u>96.66</u>
NET OTHER ASSETS		1,745	3.34
NET ASSETS		<u><u>52,162</u></u>	<u><u>100.00</u></u>

Statement of total return

for the half year ended 30 June 2010 (unaudited)

	Notes	30.06.2010		30.06.2009	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2		(4,354)		(2,382)
Revenue	3	1,775		1,492	
Expenses	4	(262)		(167)	
Net revenue before taxation		1,513		1,325	
Taxation	5	(145)		(114)	
Net revenue after taxation for the period			<u>1,368</u>		<u>1,211</u>
Total return before distributions			(2,986)		(1,171)
Finance costs: distributions	6		(1,166)		(1,102)
Change in net assets attributable to unitholders from investment activities			<u>(4,152)</u>		<u>(2,273)</u>

The notes on pages 20 to 29 form part of these accounts.

Statement of change in net assets attributable to unitholders

for the half year ended 30 June 2010 (unaudited)

	30.06.2010		30.06.2009	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		50,485		40,138
Amounts receivable on issue of units	9,088		862	
Amounts payable on cancellation of units	<u>(3,282)</u>		<u>-</u>	
		5,806		862
Change in net assets attributable to unitholders from investment activities		(4,152)		(2,273)
Retained distribution on accumulation units		23		20
Closing net assets attributable to unitholders		<u>52,162</u>		<u>38,747</u>

The above statement shows the comparative closing net assets at 30 June 2009 whereas the opening net assets for the current accounting period commenced on 1 January 2010.

Balance sheet

at 30 June 2010 (unaudited)

		30.06.2010		31.12.2009	
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			50,639		46,606
Debtors	7	1,058		139	
Cash and bank balances	8	<u>1,910</u>		<u>4,529</u>	
Total other assets			<u>2,968</u>		<u>4,668</u>
Total assets			<u>53,607</u>		<u>51,274</u>
LIABILITIES					
Investment liabilities			222		1
Creditors	9	462		30	
Distribution payable on income units		<u>761</u>		<u>758</u>	
Total other liabilities			<u>1,223</u>		<u>788</u>
Total liabilities			1,445		789
Net assets attributable to unitholders			<u>52,162</u>		<u>50,485</u>
Approved on behalf of the Board					
27 July 2010			D Henderson, <i>Chairman</i>		

The notes on pages 20 to 29 form part of these accounts.

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 November 2008.

(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 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 revenue of the Fund for its deposits in COIF Charities Deposit Fund where during the period 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

(unaudited)

(f) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in revenue which arise over the period (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 losses

	30.06.2010	<i>30.06.2009</i>
	£'000	<i>£'000</i>
The net capital losses during the period comprise:		
Non-derivative securities	(3,949)	<i>(3,893)</i>
Forward currency contracts	354	<i>909</i>
Other capital revenue	-	-
Currency (losses)/gains	(759)	<i>602</i>
	<u>(4,354)</u>	<i><u>(2,382)</u></i>

Notes to the accounts

(unaudited)

3. Revenue	30.06.2010	<i>30.06.2009</i>
	£'000	<i>£'000</i>
UK dividends	501	341
Overseas dividends	1,277	1,041
Interest on COIF Charities Deposit Fund	3	40
Bank interest	(6)	70
	<u>1,775</u>	<u>1,492</u>
4. Expenses	30.06.2010	<i>30.06.2009</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)	226	152
Manager's periodic charge rebate – see note 1(c)*	(2)	(3)
Manager's fee for ethical services	7	7
	<u>231</u>	<u>156</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fee	3	2
Safe custody fees and transaction charges	16	3
	<u>19</u>	<u>5</u>
Other expenses:		
Audit fee	6	5
Professional fees	6	1
	<u>12</u>	<u>6</u>
Total expenses	<u>262</u>	<u>167</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

(unaudited)

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.

	30.06.2010	<i>30.06.2009</i>
	£'000	<i>£'000</i>
Overseas taxation suffered in the period	147	127
Overseas taxation recovered in the period	(2)	(13)
Total taxation	<u>145</u>	<u>114</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:

	30.06.2010	<i>30.06.2009</i>
	£'000	<i>£'000</i>
31 March – interim distribution	440	498
30 June – interim distribution	779	613
	<u>1,219</u>	<u>1,111</u>
Add: revenue deducted on cancellation of units	-	-
Deduct: revenue received on issue of units	(53)	(9)
Net distribution for the period	<u>1,166</u>	<u>1,102</u>
Net revenue after taxation for the period	1,368	1,211
Manager's periodic charge – see note 1(c)	233	152
Transfer to income reserve	(435)	(261)
Net distribution for the period	<u>1,166</u>	<u>1,102</u>

Details of the distribution per unit are set out in the distribution table on page 30.

7. Debtors

	30.06.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
Accrued revenue	368	139
Sales awaiting settlement	690	-
	<u>1,058</u>	<u>139</u>

Notes to the accounts

(unaudited)

8. Cash and bank balances	30.06.2010	31.12.2009
	£'000	£'000
Cash in COIF Charities Deposit Fund	1,810	4,496
Cash at bank	100	33
	<u>1,910</u>	<u>4,529</u>

9. Creditors	30.06.2010	31.12.2009
	£'000	£'000
Accrued expenses	16	15
Purchases awaiting settlement	426	-
VAT payable	20	15
	<u>462</u>	<u>30</u>

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.

	30.06.2010	31.12.2009
	£'000	£'000
Income reserve at the start of the period	26	334
Transfer to/(from) income reserve	435	(308)
Income reserve at the end of the period	<u>461</u>	<u>26</u>

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 period and the comparative 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

Notes to the accounts

(unaudited)

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. However, it does not seek to avoid this exchange rate movement risk on investments and revenue accrued but not yet received. In respect of revenue, receipts are converted to sterling shortly after receipt.

At 30 June 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

(unaudited)

The total exposure at 30 June was:

<i>Currency</i>	<i>30.06.2010</i>			<i>31.12.2009</i>		
	<i>Monetary Exposures £'000</i>	<i>Non-Monetary Exposures £'000</i>	<i>Total £'000</i>	<i>Monetary Exposures £'000</i>	<i>Non-Monetary Exposures £'000</i>	<i>Total £'000</i>
Australian Dollar	-	3,406	3,406	-	1,161	1,161
Brazilian Real	-	-	-	-	153	153
Canadian Dollar	-	112	112	-	368	368
Chinese Yuan	-	321	321	-	-	-
Egyptian Pound	7	454	461	-	-	-
Euro	3	8,137	8,140	-	12,081	12,081
Hong Kong Dollar	-	1,857	1,857	-	2,276	2,276
Israeli Shekel	-	280	280	-	-	-
Japanese Yen	-	-	-	-	1,541	1,541
Malaysian Ringgit	-	301	301	-	-	-
Mexican Peso	-	408	408	-	289	289
New Turkish Lira	(101)	101	-	-	318	318
Norwegian Krone	-	291	291	-	458	458
Singapore Dollar	1	735	736	-	1,371	1,371
South African Rand	-	2,139	2,139	-	-	-
South Korean Won	-	438	438	-	-	-
Swedish Krona	(2)	-	(2)	-	715	715
Swiss Franc	-	-	-	-	167	167
Taiwanese Dollar	-	3,346	3,346	-	1,075	1,075
Thailand Baht	4	2,027	2,031	-	-	-
US Dollar	5	8,796	8,801	6	12,483	12,489
	<u>(83)</u>	<u>33,149</u>	<u>33,066</u>	<u>6</u>	<u>34,456</u>	<u>34,462</u>

Notes to the accounts

(unaudited)

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

30 June 2010

<i>Currency</i>	<i>Floating rate financial assets*</i> £'000	<i>Fixed rate financial assets</i> £'000	<i>Financial assets not carrying interest</i> £'000	<i>Total</i> £'000
Sterling	1,993	-	18,302	20,295
Euro	3	-	8,137	8,140
US Dollar	5	-	8,796	8,801
Other	(91)	-	16,462	16,371
Total	1,910	-	51,697	53,607

<i>Currency</i>	<i>Floating rate financial liabilities</i> £'000	<i>Fixed rate financial liabilities</i> £'000	<i>Financial liabilities not carrying interest</i> £'000	<i>Total</i> £'000
Sterling	-	-	1,199	1,199
Other	-	-	246	246
Total	-	-	1,445	1,445

Notes to the accounts

(unaudited)

31 December 2009

<i>Currency</i>	<i>Floating rate financial assets*</i> £'000	<i>Fixed rate financial assets</i> £'000	<i>Financial assets not carrying interest</i> £'000	<i>Total</i> £'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

<i>Currency</i>	<i>Floating rate financial liabilities</i> £'000	<i>Fixed rate financial liabilities</i> £'000	<i>Financial liabilities not carrying interest</i> £'000	<i>Total</i> £'000
Sterling	-	-	789	789
Total	-	-	789	789

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

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 £(211,198) as at 30 June 2010 (31.12.2009, £160,680).

12. Commitments and contingent liabilities

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

Notes to the accounts

(unaudited)

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 30 June 2010 the balance, due to the Manager and HSBC Bank plc were as set out below:

	30.06.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
The Manager	-	-
HSBC Bank plc – trustee fee	1	1
HSBC Bank plc – safe custody and transaction charges	10	2

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

At 30 June 2010 a cash balance of £1,809,807 (31.12.2009, £4,495,773) 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 revenue as disclosed in note 4.

15. Portfolio transaction costs

	30.06.2010	<i>30.06.2009</i>
	£'000	<i>£'000</i>
Analysis of total purchase costs:		
Purchases in period before transaction costs	32,643	22,581
Commissions	23	19
Total gross purchases	<u>32,666</u>	<u>22,600</u>
Analysis of total sale costs:		
Gross sales in period before transaction costs	24,014	20,353
Commissions	(11)	(17)
Total sales net of transaction costs	<u>24,003</u>	<u>20,336</u>

Distribution table

for the half year ended 30 June 2010 (unaudited)

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Dividends paid/payable pence per unit</i>	
		2010	2009
Income units			
31 March 2010	28 May 2010	0.95	1.30
30 June 2010	31 August 2010	1.60	1.56
		<u>2.55</u>	<u>2.86</u>
		<i>Revenue accumulated pence per unit</i>	
		2010	2009
Accumulation units			
31 March 2010		0.95	0.95
30 June 2010		2.91	2.86
		<u>3.86</u>	<u>3.81</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 November 2008;
- 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

Socially 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 for 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
- 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 LTD

80 Cheapside
London EC2V 6DZ
Client Service:
Freephone: 0800 022 3505
Facsimile: 0844 561 5126
Email: clientservices@ccla.co.uk
www.ccla.co.uk