



for Charities

COIF Charities Investment Fund

**Report and Accounts
Half Year ended 30 June 2009
(unaudited)**

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Details of Board and Manager

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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 2009

On behalf of the Board, we have pleasure in presenting our half year report of COIF Charities Investment Fund (the Fund).

Structure and management of the Fund

The Fund was set up in 1962 as a common investment fund under the Charities Act 1960. The Scheme dated 14 May 2008, which replaced the previous Charity Commission Schemes dated 29 November 2000 and 28 June 1995. The Scheme was made under section 24 of the Charities Act 1993.

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 Fund owns 25% of the share capital of the Manager, a proportion of which are non-voting shares.

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 well diversified investments, principally equities but including other asset classes, aims to be suitable for 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 effects of inflation. The Fund has two specific objectives linked to its aim, above average total return and above average dividend income.

1. The Fund aims to provide above average total return performance through capital and income return combined. The total return performance benchmark (before management and other expenses) for the Fund is the return on the WM Co Charity Fund Service Universe. The Fund aims to achieve above average total return over the longer term (measured over rolling five year periods).

Report of the Board

for the half year ended 30 June 2009

2. The Fund aims to pay an above average annual dividend, relative to the return on United Kingdom (UK) equities. The benchmark range is an annual dividend yield of between 0.5% and 1.0% greater than the dividend yield of the FTSE All-Share Index. The Fund aims to match this benchmark range each year.

Investment policy

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

Except with the prior approval of the Charity Commission the Fund 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.

The Board reviewed the progress of the Manager and approved the valuation of the investments in the company, which are included within these accounts in the Portfolio Statement for the Fund.

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

Report of the Board

for the half year ended 30 June 2009

Responsible investment

The Fund is promoted as a responsible fund that considers the environmental, social and governance issues associated with 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.

The Board's current responsible investment policy has three elements. First, within its fiduciary duty, the Fund avoids direct investment in armaments, gambling and tobacco. Secondly, the Board has adopted a formal active voting policy, which is discussed below. Finally, the Board has agreed a proactive engagement process, through which the Manager engages, on behalf of the Fund, with the companies in which it invests on environmental, social and governance issues that are important to clients.

The client research undertaken by CCLA in 2007/8 indicated that COIF clients have polarised views about how ethical, social, environmental and governance issues relating to their investments should be addressed. As the current policy does not meet the needs of either group, the COIF Board agreed that a new fund, (the COIF Charities Ethical Investment Fund), should be launched and the existing Investment Fund policy should be changed. To that end, Charity Commission approval has been sought for the launch later in 2009 of a COIF Charities Ethical Investment Fund. In the event, Unitholders will receive 90 day's notice permitting them to transfer into this new Fund

if they so wish. The COIF Charities Investment Fund will, following this development, adopt revised responsible investment guidelines, and clients will also receive notification of this.

Governance

The Board has adopted a formal corporate governance policy, and routine informed shareholder voting is applied across all UK holdings in the Fund. The policy adopted by the Board is to support management except where proposals are either deemed not to be in shareholder interests or reflect poor corporate governance practice. The Manager, on behalf of the Board, either opposed or abstained a number of specific resolutions on directors' pay and other corporate governance issues. In cases where proposals are opposed, the company is contacted and invited to comment.

During the period to 30 June 2009, the Manager voted at 54 UK company meetings comprising 703 resolutions. 96% of votes were cast in support of management, 2% against and the Manager abstained in 2% of cases. Details of voting actions and other information can be found on the socially responsible investment section of the COIF Charity Fund's part of the CCLA website at www.ccla.co.uk.

Controls and risk management

The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. The Manager has established an internal control framework to provide

Report of the Board

for the half year ended 30 June 2009

reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

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

D Henderson
Chairman of the Board

28 July 2009

Report of the Investment Manager

for the half year ended 30 June 2009

- A suitable 'all-in-one' long-term fund for most charities
- Intended to grow the real value of capital and revenue over time
- A highly diversified portfolio designed to control risk and exploit a wide range of investment opportunities

Performance

The income payment to investors for the half year to 30 June has been maintained at the higher level achieved last year. Our expectation is that despite the difficult environment for income generation, the payment for the full year will be increased. The overall return on the Fund, and taking into account both capital and income, was -3.05% before management expenses. Over the same period the return on the FTSE World Index was -5.41%, on the IPD Property Index -9.63% and the FTSE UK Government All

Stocks Index -2.12%. At the end of the period the dividend yield on the Fund was 5.10%. This compares with a yield of 4.56% on the FTSE All-Share Index.

Market Review

The period has been one in which the full severity of the decline in the world economy has become clear. It is now likely that 2009 will be the first year since the immediate aftermath of the Second World War where activity in the global economy as a whole declines. The biggest cause of the downturn has been the run down in industry stocks; faced with falling demand and immensely difficult credit conditions, companies have cut back manufacturing activity and reduced inventories. To put this in perspective, in the first quarter of the year UK output declined by 2.4% of which 2.0% is estimated to have been caused by the stock effect.

COIF Charities Investment Fund Annualised total capital and income return

To 30 June 2009	6 months %	1 year % p.a.	5 years % p.a.	10 years % p.a.
<u>Performance against benchmark and market indices (before expenses)</u>				
COIF Charities Investment Fund	- 3.05	- 14.54	+ 3.51	+ 1.02
WM Co Charity Fund Service Universe	- 0.65	- 13.14	+ 4.41	+ 1.89
FTSE All-Share Index	+ 0.81	- 20.49	+ 3.07	+ 0.14
FTSE World (ex UK) Index	- 5.41	- 12.79	+ 3.58	- 0.00
FTSE UK Govt All Stocks Index	- 2.12	+ 12.94	+ 6.01	+ 5.45
IPD Property Index	- 9.63	- 25.56	+ 0.34	+ 5.64
<u>Performance after expenses</u>				
Income units*	- 3.27	- 14.95	+ 3.20	+ 0.72
Accumulation units*	- 3.31	- 15.00	+ 3.16	+ 0.70

* Net asset value to net asset value plus income reinvested

Source: The Manager and WM

Report of the Investment Manager

for the half year ended 30 June 2009

In April empty stock pipelines meant that underlying demand again began to be felt, giving hope that the worst of the downturn was past. Coming at a time of huge government spending, in the US, UK and elsewhere, designed to boost recovery, the sight of 'green shoots' produced a dramatic change in sentiment in investment markets. The previous downtrend in equities reversed and was replaced by a rally which was felt in all the major markets of the world. In stark contrast to the first three months of the year, when the FTSE All-World Index gave a return of -10.20% in the three months from the start of April it rose to give a return of +7.03% leaving a net change for the Index over the six months as a whole of -3.88%.

Investor confidence spilled into the corporate bond market but caused UK government bonds to ease back, buyers were less willing to pay elevated prices for a safe haven investment. Property values did not share in the rally. Although the pace of decline moderated, prices remained under pressure from falling rents and fears that voids would increase.

Official interest rates fell to 0.5% and stayed at that extraordinary level. Money market rates remained at a premium but this gradually declined as a greater willingness for banks to lend into the financial system reduced the credit supply shortages.

Strategy

The Fund has maintained a strong bias towards assets such as equities and property which we believe are those best place to give long term growth in capital and income.

In the fixed income sector of the portfolio we have increased the holding in corporate bonds, securing a high income from a sector which remains attractively valued relative to government stocks.

In the equity portfolio we have added to the domestic holdings and reduced those in the USA and in Asia. The equity portfolios are very diversified in terms of country, sector and stock allocations but there are no predetermined weightings which influence the overall structure. Instead stocks are selected on their own individual merits, subject to a prudent control on risks.

Infrastructure holdings have been increased by secondary market purchases into ventures which are mature and income producing.

Outlook

Current expectations are that the low point for activity in this cycle was reached in March or April. However, this is not to say that the recovery that follows will be swiftly established or strong. Although industry has completed the reduction of stock holdings, underlying demand is frail, constrained by modest wage growth, rising unemployment and weak global trade. Output might stabilise in the months ahead but even in 2010 growth will be at levels which are disappointing by historic standards. This is an environment in which short term interest rates will stay low and inflationary pressures will be modest.

In bond markets we expect to see further improvement in corporate bonds and stability in government stocks although for this sector

Report of the Investment Manager

for the half year ended 30 June 2009

there is a threat to prices from the huge issuance programme proposed by the government.

Equities still look fundamentally cheap but having rallied already, further progress will reflect actual improvements in the trading environment rather than hoped for ones.

Property values have remained under pressure but are increasingly finding support from yields and from value comparisons with other asset types. The sector is increasingly attractive on a long term view but will require more time to stabilise in the current environment.

M Humphreys
Fund Manager
CCLA Investment Management Limited

28 July 2009

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.

This Fund may invest in emerging market countries which could be subject to political

and economic change. The Fund may invest in collective investment schemes and other assets which may, on occasions, be illiquid such as the COIF Charities Property Fund which invests directly in property and property related assets which are valued by an external property valuer and as such are open to substantial subjectivity. The performance of this Fund may be adversely affected by a downturn in the property market which could impact on the capital and/or income value of this Fund.

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

Net asset value

<i>At 31 December</i>	<i>Net asset value £'000</i>	<i>Income units</i>		<i>Accumulation units</i>	
		<i>Net asset value pence per unit</i>	<i>Number of units in issue</i>	<i>Net asset value pence per unit</i>	<i>Number of units in issue</i>
2006	1,101,182	1,146.58	83,704,375	7,614.11	1,821,842
2007	1,096,305	1,170.55	82,043,630	8,020.51	1,694,997
2008	814,858	869.59	81,921,075	6,222.12	1,647,079
At 30 June 2009	773,288	821.48	82,099,756	6,016.18	1,643,112

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 31 December</i>	<i>Income units</i>		<i>Accumulation units</i>	
	<i>Highest offer pence per unit</i>	<i>Lowest bid pence per unit</i>	<i>Highest offer pence per unit</i>	<i>Lowest bid pence per unit</i>
2004	913.92	814.00	5,633.06	4,955.75
2005	1,063.12	889.76	6,774.73	5,533.23
2006	1,165.80	1,031.40	7,667.50	6,681.99
2007	1,223.93	1,109.56	8,288.54	7,469.09
2008	1,174.62	787.34	8,048.25	5,552.89
To 30 June 2009	862.93	735.07	6,174.41	5,259.22

Net distribution

<i>Year to 31 December</i>	<i>Income units pence per unit</i>	<i>Accumulation units pence per unit</i>
2004	31.50	188.36
2005	33.50	209.05
2006	35.50	230.32
2007	37.50	267.03
2008	41.86	341.16
To 30 June 2009	19.03	178.23

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

Unit prices at 30 June 2009

	<i>Bid price pence per unit</i>	<i>Offer price pence per unit</i>
Income units	816.96	826.00
Accumulation units	5,983.09	6,049.27

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

	<i>30.6.2009</i>	<i>30.6.2008</i>
Total expense ratio (annualised)	0.55%	0.55%

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

Statement of total return

for the half year ended 30June 2009 (unaudited)

	Notes	30.6.2009		30.6.2008	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2		(48,752)		(152,704)
Revenue	3	23,519		25,506	
Expenses	4	(1,701)		<u>(2,235)</u>	
Net revenue before taxation		21,818		23,271	
Taxation	5	(729)		<u>(664)</u>	
Net revenue after taxation for the period			<u>21,089</u>		<u>22,607</u>
Total return before distributions			(27,663)		(130,097)
Finance costs: distributions	6		(18,490)		(18,630)
Change in net assets attributable to unitholders from investment activities			<u>(46,153)</u>		<u>(148,727)</u>

The notes on pages 20 to 30 form part of these accounts.

Statement of change in net assets attributable to unitholders

for the half year ended 30 June 2009 (unaudited)

	30.6.2009		30.6.2008	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		814,740		1,097,620
Amounts receivable on issue of units	12,803		14,518	
Amounts payable on cancellation of units	(11,221)		(12,710)	
		1,582		1,808
Change in net assets attributable to unitholders from investment activities		(46,153)		(148,727)
Retained distribution on accumulation units		2,920		3,002
Closing net assets attributable to unitholders		<u>773,089</u>		<u>953,703</u>

The above statement shows the comparative closing net assets at 30 June 2008 whereas the opening net assets for the current accounting period commenced on 1 January 2009.

Portfolio statement

at 30 June 2009 (unaudited)

	<i>Holding</i>	<i>Bid value</i>	<i>%</i>		<i>Holding</i>	<i>Bid value</i>	<i>%</i>
		<i>£'000</i>	<i>Fund</i>			<i>£'000</i>	<i>Fund</i>
UNITED KINGDOM 34.32%				Beverages 0.24%			
(31.12.2008, 37.63%)				Britvic	208,069	580	0.08
Oil & Gas Producers 9.01%				Diageo	148,943	1,297	0.17
BG	2,233,043	22,710	2.94	Food Producers 1.42%			
BP	7,692,065	36,749	4.75	Associated			
Royal Dutch				British Foods	154,807	1,180	0.15
Shell B	670,511	10,225	1.32	Dairy Crest	710,851	2,280	0.29
Oil Equipment Services 0.09%				Tate & Lyle	1,080,402	3,438	0.44
Hunting	154,782	695	0.09	Unilever	292,862	4,167	0.54
Chemicals 0.13%				Household Goods 0.19%			
Elementis	727,629	198	0.03	Reckitt Benckiser	54,250	1,500	0.19
Johnson				Pharmaceutical & Biotechnology 4.32%			
Matthey	66,451	764	0.10	AstraZeneca	786,152	20,990	2.72
Mining 0.63%				GlaxoSmithKline	1,154,603	12,331	1.60
BHP Billiton	355,263	4,844	0.63	Food & Drug Retailers 0.47%			
Construction & Materials 0.07%				Sainsbury	365,937	1,144	0.15
Balfour Beatty	167,632	518	0.07	Tesco	691,579	2,445	0.32
General Industrials 0.08%				General Retailers 0.33%			
Rexam	209,474	595	0.08	Halfords	318,987	992	0.13
Electronic & Electrical Equipment 0.11%				Home Retail	229,394	596	0.08
Halma	432,171	859	0.11	WH Smith	230,555	964	0.12
Industrial Engineering 0.17%				Media 0.41%			
IMI	218,005	679	0.09	Pearson	218,315	1,330	0.17
Melrose	711,545	653	0.08	Reed Elsevier	232,634	1,052	0.14
Support Services 0.62%				Thomson Reuters	44,929	778	0.10
Carillion	214,856	541	0.07	Travel & Leisure 0.60%			
Interserve	910,322	1,593	0.21	Compass	636,209	2,173	0.28
Premier Farnell	1,221,622	1,536	0.20	FirstGroup	264,292	945	0.12
Regus	1,685,332	1,091	0.14	Go-Ahead	74,464	887	0.11
				Thomas Cook	328,757	675	0.09

Portfolio statement

at 30 June 2009 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>		<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>	
Fixed Line Telecommunications 1.11%					Real Estate 0.70%			
BT	8,469,507	8,592	1.11	Land Securities	173,862	819	0.11	
Mobile Telecommunications 1.90%					Medicx Fund	5,875,000	3,995	0.52
Vodafone	2,536,123	14,686	1.90	Segro	2,134,635	512	0.07	
Electricity 0.93%					General Financial 0.86%			
Drax	139,722	613	0.08	Close Brothers	132,596	871	0.11	
International				Crystal Amber	2,500,000	2,494	0.32	
Power	634,161	1,508	0.19	Provident				
Scottish & Southern Energy	450,930	5,132	0.66	Financial	106,600	845	0.11	
Gas, Water & Multiutilities 3.78%					Triodos			
Centrica	1,854,753	4,131	0.53	Microfinance	124,875	2,495	0.32	
National Grid	2,228,194	12,188	1.58	Equity Investment Instruments 2.25%				
Northumbrian				ACP Mezzanine	3,333,334	355	0.05	
Water	704,943	1,743	0.23	Altus Resource	2,500,000	2,500	0.32	
Pennon	389,481	1,879	0.24	Dunedin Income	950,000	1,416	0.18	
Severn Trent	551,298	6,026	0.78	Edinburgh				
United Utilities	657,858	3,268	0.42	Investment Trust	1,200,000	3,681	0.48	
Banks 1.14%					ICAP	379,226	1,709	0.22
HSBC	1,747,132	8,778	1.14	Invesco Income				
Nonlife Insurance 0.46%					Growth	1,700,000	2,605	0.34
Amlin	339,030	1,024	0.13	Jupiter Green				
Catlin	414,265	1,330	0.17	Investment Trust	944,355	720	0.09	
RSA Insurance	1,004,635	1,207	0.16	Mercantile				
Life Insurance 1.60%					Investment Trust	45,226	349	0.05
Admiral	65,569	570	0.07	Merchants Trust	504,500	1,426	0.18	
Aviva	1,813,179	6,187	0.80	Princess Private				
Friends				Equity	659,500	1,263	0.16	
Provident	6,362,184	4,175	0.54	Standard Life				
Legal & General	1,659,232	942	0.12	Equity Income	625,000	1,364	0.18	
Prudential	126,393	522	0.07	Temple Bar				
					Investment Trust	3,000	18	-
					Non Equity Investment Instruments 0.21%			
					Ecofin Water			
					& Power			
					Opportunities	1,154,705	1,654	0.21

Portfolio statement

at 30 June 2009 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>		<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Ecofin Water & Power Sub Rights	230,941	38	-	Vivendi Universal	54,022	784	0.10
Software & Computer Services 0.48%				Germany 0.42%			
Invensys	451,416	1,008	0.13	Allianz	19,195	1,068	0.14
Sage	1,502,411	2,674	0.35	Deutsche Boerse	12,846	602	0.08
EUROPE 8.24% (31.12.2008, 9.36%)				Deutsche Post	54,557	428	0.06
Austria 0.06%				E.on	21,495	461	0.06
Telekom	51,767	494	0.06	Munich Re	7,960	651	0.08
Belgium 0.09%				Ireland 0.04%			
Belgacom	37,877	732	0.09	CRH	20,500	284	0.04
Fortis Brx Bonus	115,759	-	-	Italy 0.88%			
Finland 0.19%				Enel	671,776	1,975	0.26
Kesko	27,737	446	0.06	ENI	286,078	4,081	0.53
Nokia	113,680	1,011	0.13	Terna	361,416	730	0.09
France 3.19%				Unie Di Banche			
BNP Paribas	69,936	2,755	0.36	Italiane	44,613	2	-
Bouygues	15,792	360	0.05	Netherlands 0.91%			
Casino Guichard	15,479	633	0.08	Akzo Nobel	66,588	1,777	0.23
Christian Dior	19,634	889	0.11	KPN	181,085	1,510	0.20
CNP Assurances	9,541	549	0.07	TNT	76,678	904	0.12
Credit Agricole	74,436	563	0.07	Unilever	161,306	2,358	0.31
Eurazeo	10,549	265	0.03	Wolters Kluwer	36,288	385	0.05
France Telecom	337,743	4,647	0.60	Norway 0.17%			
Gaz de France	42,938	970	0.13	Statoilhydro	108,800	1,299	0.17
Lafarge	22,124	909	0.12	Portugal 0.12%			
LVMH	26,597	1,232	0.16	Cimpor Cimentos			
Pagesjaunes	129,326	760	0.10	De Portugal	210,170	929	0.12
Publicis Groupe	32,243	596	0.08	Spain 1.18%			
Sanofi-Aventis	48,724	1,736	0.22	Banco Santander	276,793	2,018	0.26
Schneider	10,919	505	0.07	BBVA	151,305	1,152	0.15
Total	171,793	5,629	0.73	Iberdrola	181,769	894	0.12
Vallourec	11,536	850	0.11				

Portfolio statement

at 30 June 2009 (unaudited)

	<i> Holding</i>	<i> Bid value</i>	<i> % Fund</i>		<i> Holding</i>	<i> Bid value</i>	<i> % Fund</i>
Inditex	34,053	991	0.13	Deere	33,900	822	0.11
Repsol	74,057	1,005	0.13	Dominion	24,200	491	0.06
Telefonica	218,973	3,006	0.39	Dover	33,300	669	0.09
Sweden 0.06%				DTE Energy	25,200	489	0.06
Ericsson	84,124	499	0.06	Duke Energy	110,800	982	0.13
Switzerland 0.61%				Embarq	134,300	3,429	0.44
Credit Suisse	7,296	202	0.03	Emerson Electric	70,600	1,389	0.18
Nestle	70,080	1,601	0.21	Exxon Mobil	22,141	940	0.12
Novartis	40,040	984	0.13	Freeport 6.75%			
Roche	14,531	1,198	0.15	Convertible			
Swisscom	3,900	726	0.09	Preference			
General European 0.32%				Shares	12,200	591	0.08
European Assets				Frontier			
Trust	195,000	944	0.12	Communications	290,500	1,258	0.16
Hellenic Telecom	96,589	897	0.12	Genuine Parts	113,100	2,303	0.30
Motor Oil	89,121	607	0.08	HJ Heinz	107,200	2,324	0.30
UNITED STATES OF AMERICA 9.02%				Home Depot	65,900	946	0.12
(31.12.2008, 11.48%)				Johnson &			
3M Company	26,800	978	0.13	Johnson	114,317	3,939	0.51
Abbott				Kellogg	24,300	687	0.09
Laboratories	35,400	1,011	0.13	Kimberly Clark	59,500	1,894	0.24
Air Products &				Kraft Foods	119,541	1,839	0.24
Chemicals	17,400	682	0.09	Lilly (Eli)	70,180	1,476	0.19
Annaly Capital				Mattel	131,700	1,284	0.17
Man	111,700	1,026	0.13	McDonald's	39,864	1,390	0.18
AT&T	226,100	3,408	0.44	Merck	231,300	3,923	0.51
Bristol-Myers				Microsoft	111,563	1,612	0.21
Squibb	237,493	2,928	0.38	NiSource	89,300	632	0.08
CBS B	158,900	668	0.09	Pepsico	34,042	1,136	0.15
Centerpoint Energy	77,500	521	0.07	Pfizer	578,800	5,269	0.68
Chevron	57,535	2,314	0.30	Procter &			
Chubb	39,700	961	0.12	Gamble	29,783	923	0.12
Coca-Cola	64,900	1,890	0.24	Supervalve	45,000	354	0.05
ConocoPhillips	33,225	848	0.11	Sysco	49,900	681	0.09
				Travelers			
				Companies	38,000	947	0.12
				Union Pacific	15,710	497	0.06

Portfolio statement

at 30 June 2009 (unaudited)

	Holding	Bid		Holding	Bid		
		£'000	%		£'000	%	
Verizon Communications	163,215	3,043	0.39	Coca-Cola Amatil National	162,540	681	0.09
VF Corp	40,100	1,348	0.17	Australia Bank	99,250	1,087	0.14
Waste Management	40,500	693	0.09	Telstra	1,919,930	3,187	0.41
Willis	117,200	1,831	0.24	Westpac	104,730	1,037	0.13
Wyeth	17,807	490	0.06	Woolworths	75,566	978	0.13
JAPAN 2.18% (31.12.2008, 4.19%)				Hong Kong 1.44%			
Benesse	39,800	967	0.13	Bank of China	3,123,000	900	0.12
Canon	61,400	1,213	0.16	Cheung Kong	65,000	454	0.06
Eisai	46,500	1,004	0.13	China Construction	2,150,000	1,011	0.13
Itochu	107,000	453	0.06	China Mobile	80,100	487	0.06
Lawson	38,900	1,033	0.13	China Travel	3,116,000	415	0.05
Mitsubishi Tanabe	71,000	494	0.06	CLP	360,000	1,450	0.19
Mizuho Financial 2% Convertible Preference Shares	110,000	484	0.06	CNOOC	1,695,000	1,276	0.16
Morant Wright Japan	731,500	347	0.04	Denway Motors Guangdong Investment	1,444,000	420	0.05
Nintendo	26,000	4,357	0.56	Hang Seng Bank Industrial & Commercial	57,700	491	0.06
NTT DoCoMo	1,336	1,187	0.15	Bank of China	1,259,000	533	0.07
Ono	8,700	234	0.03	Petrochina	4,014,000	2,705	0.35
Pharmaceutical Sumitomo	84,200	520	0.07	Wharf	199,000	512	0.07
Takeda	98,300	2,320	0.30	Philippines 0.13%			
Pharmaceutical Tokyo Electric Power	64,100	998	0.13	Philippine Long Distance	32,920	993	0.13
TonenGeneral	212,000	1,308	0.17	Singapore 0.66%			
Sekiyu	212,000	1,308	0.17	Comfordelgro	1,750,000	940	0.12
PACIFIC BASIN 3.54% (31.12.2008, 5.32%)				DBS	278,000	1,374	0.18
Australia 1.14%				Singapore Post	2,193,000	824	0.11
AGL Energy	143,936	947	0.12	Singapore Telecom-communications	1,554,000	1,943	0.25
ANZ Bank	119,302	957	0.12				

Portfolio statement

at 30 June 2009 (unaudited)

	<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>		<i> Holding</i>	<i> Bid value £'000</i>	<i> % Fund</i>
Taiwan 0.13%				COIF Charities			
Chunghwa				Global Equity			
Telecom	820,000	993	0.13	Income Fund			
				Income Units*	34,054,635	33,758	4.37
General Asia Pacific 0.04%				INFRASTRUCTURE 8.21%			
Aberdeen Asian				(31.12.2008, 5.90%)			
Income	262,500	294	0.04	3i Infrastructure	14,790,191	13,607	1.76
				HSBC			
OTHER OVERSEAS 1.75% (31.12.2008, 0.23%)				Infrastructure	11,143,000	12,146	1.57
African Bank				International			
Investments	493,472	1,067	0.14	Public			
BlackRock				Partnerships	14,753,000	14,974	1.94
International	681,330	4,212	0.55	KSK Emerging			
BlackRock World	446,314	2,662	0.34	India	3,000,000	900	0.12
Cia de				RREEF Pan-Euro			
Saneamento de				Infrastructure	1	21,821	2.82
Minas Gerais	115,600	903	0.12	UNQUOTED STOCKS 0.95%			
Finning				(31.12.2008, 0.90%)			
International	87,500	763	0.10	CCLA			
Invesco				Investment			
Emerging				Management			
Markets Equity				Limited			
Fund	44,259	783	0.10	B Shares	28,167	3,817	0.49
Israel Chemicals	135,997	822	0.11	CCLA			
Kimberley-Clark				Investment			
MXC	404,600	933	0.12	Management			
Pretoria Port				Limited			
Cement	307,020	700	0.09	D Shares	26,000	3,523	0.46
TransAlta	60,700	708	0.09				
GLOBAL EQUITY INCOME UNIT TRUSTS				PROPERTY UNIT TRUSTS 7.31%			
4.37% (31.12.2008, 4.40%)				(31.12.2008, 8.05%)			
COIF Charities				COIF Charities			
Global Equity				Property Fund			
Income Fund				Income Units*	66,147,379	56,536	7.31
Accumulation							
Units*	1,000	1	-				

Portfolio statement

at 30 June 2009 (unaudited)

	<i>Holding</i>	<i>Bid value</i>	<i>%</i>		<i>Holding</i>	<i>Bid value</i>	<i>%</i>
		<i>£'000</i>	<i>Fund</i>			<i>£'000</i>	<i>Fund</i>
OTHER UNIT TRUSTS 5.20%				PREFERENCE SHARES 2.03%			
(31.12.2008, 0.00%)				(31.12.2008, 1.33%)			
Legg Mason				Abbey 8.625%			
Global Multi				Preference			
Strategy Bond				Shares	400,000	343	0.04
Fund	17,837,677	19,675	2.54	HSBC 8.208%			
LMIF Western				Preference			
Asset UK£ Credit				Shares	7,140,000	6,653	0.86
Plus Bond Fund	17,647	20,536	2.66	Lloyds 9.25%			
				Preference			
UK FIXED INTEREST STOCKS 8.34%				Shares	11,481,340	8,209	1.06
(31.12.2008, 8.26%)				Natwest 9%			
Treasury 5.75%				Preference			
Stock 2009	8,350,000	8,536	1.10	Shares	805,000	541	0.07
Treasury 6.25%							
Stock 2010	12,100,000	12,980	1.68	INVESTMENT			
Conversion 9%				ASSETS		737,993	95.46
2011	8,630,000	9,907	1.28	NET OTHER ASSETS		35,096	4.54
Treasury 5.25%							
Stock 2012	2,010,000	2,166	0.28	NET ASSETS		773,089	100.00
Treasury 8%							
Stock 2013	22,765,000	27,416	3.55				
Scottish &							
Southern Energy							
5.75% Bond							
2014	1,000,000	1,044	0.13				
IFFIM 3.375%							
Bond 2014	1,000,000	988	0.13				
Edinburgh							
Investment Trust							
7.57% Bond 2022	50,000	63	0.01				
Statoilhydro Asa							
6.875% Bond							
2031	1,200,000	1,379	0.18				

*COIF Charities Property Fund and COIF Charities Global Equity Income Fund are managed by CCLA Investment Management Limited.

Balance sheet

at 30 June 2009 (unaudited)

		30.6.2009		31.12.2008	
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets			737,993		793,427
Debtors	7	9,057		5,177	
Cash and bank balances	8	34,528		<u>26,500</u>	
Total other assets			43,585		<u>31,677</u>
Total assets			781,578		825,104
LIABILITIES					
Creditors	9	90		42	
Distribution payable on income units		8,399		<u>10,322</u>	
Total liabilities			8,489		10,364
Net assets attributable to unitholders			<u>773,089</u>		<u>814,740</u>
Approved on behalf of the Board					
28 July 2009					
D Henderson, <i>Chairman</i>					

The notes on pages 20 to 30 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, preference shares, and unit trusts are accrued to revenue on the dates when the investments are first quoted ex-dividend. Interest on Government and other fixed interest stocks, bank and COIF Charities Deposit Fund balances is accrued on a daily basis.

(c) Stock dividends

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

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

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.

(e) Expenses

During the period the Manager's periodic charge, paid to the Manager, was charged to the capital of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund. During the period this was 0.45% p.a. plus VAT. The Fund received a management fee rebate credited to the capital of the Fund for its holdings in the COIF Charities Property Fund and the COIF Charities Global Equity Income Fund where during the period, in both Funds, management fees were charged to capital. The Fund also 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. 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.

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 years (see note 10).

It is the Fund's policy to distribute net revenue to unitholders where revenue exceeds expenses at the end of the accounting period. For the purpose of calculating the distribution, revenue on debt securities is computed as the higher of the amount determined on an accrual of coupon basis and an effective yield basis. The Fund has therefore adopted a distribution policy that follows the coupon basis for recognising revenue. A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

(g) Basis of valuation

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

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

(h) Foreign exchange

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

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

	30.6.2009	<i>30.6.2008</i>
	£'000	<i>£'000</i>
The net capital losses during the period comprise:		
Non-derivative securities	(55,819)	(154,366)
Forward currency contracts	6,895	-
Other capital income	206	-
Currency (losses)/gains	(34)	1,662
	<u>(48,752)</u>	<u>(152,704)</u>

Notes to the Accounts

(unaudited)

3. Revenue	30.6.2009	<i>30.6.2008</i>
	£'000	<i>£'000</i>
UK dividends	10,419	14,043
COIF Charities Property Fund dividends	2,315	2,315
COIF Charities Global Equity Income Fund dividends	974	974
Overseas dividends	7,335	6,678
Dividends on unquoted stocks	114	114
Interest on debt securities	1,939	506
Interest on COIF Charities Deposit Fund	400	829
Bank interest	23	47
	<u>23,519</u>	<u>25,506</u>
4. Expenses	30.6.2009	<i>30.6.2008</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(e)	1,949	2,661
Manager's periodic charge rebate – see note 1(e)*	(389)	(557)
Manager's professional fee for ethical services	20	-
	<u>1,580</u>	<u>2,104</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fee	9	12
Safe custody fees and transaction charges	71	101
	<u>80</u>	<u>113</u>
Other expenses:		
Insurance fee	9	10
Audit fee	6	7
Other	26	1
	<u>41</u>	<u>18</u>
Total expenses	<u>1,701</u>	<u>2,235</u>

* This amount represents the rebates of management fees credited to the Fund's capital for its holding in COIF Charities Property Fund and COIF Charities Global Equity Income Fund where, in both funds, the management fees are charged to capital. This amount also includes the rebate credited to the revenue of the Fund 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.

	30.6.2009	<i>30.6.2008</i>
	£'000	<i>£'000</i>
Overseas taxation suffered in the period	741	665
Overseas taxation recovered in the period	(12)	(1)
Total taxation	<u>729</u>	<u>664</u>

6. Finance costs

Distributions

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

	30.6.2009	<i>30.6.2008</i>
	£'000	<i>£'000</i>
31 March – interim distribution	8,301	8,409
30 June – interim distribution	<u>10,209</u>	<u>10,230</u>
	18,510	18,639
Add: income deducted on cancellation of units	78	72
Deduct: income received on issue of units	(98)	(81)
Net distribution for the period	<u>18,490</u>	<u>18,630</u>
Net revenue after taxation for the period	21,089	22,607
Amortisation under effective yield (FRS 26)	372	719
Manager's periodic charge – see note 1(e)	1,582	2,137
Transfer to income reserve	<u>(4,553)</u>	<u>(6,833)</u>
Net distribution for the period	<u>18,490</u>	<u>18,630</u>

Details of the distribution per unit are set out in the distribution table on page 31.

Notes to the Accounts

(unaudited)

7. Debtors	30.6.2009	31.12.2008
	£'000	£'000
Accrued income	6,470	5,164
Forward currency contracts	2,563	-
Prepayments	24	13
	<u>9,057</u>	<u>5,177</u>

8. Cash and bank balances	30.6.2009	31.12.2008
	£'000	£'000
Cash in COIF Charities Deposit Fund	33,798	25,019
Cash at bank	730	1,481
	<u>34,528</u>	<u>26,500</u>

9. Creditors	30.6.2009	31.12.2008
	£'000	£'000
Accrued expenses	90	33
Sundry creditors	-	9
	<u>90</u>	<u>42</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.

	30.6.2009	31.12.2008
	£'000	£'000
Income reserve at the start of the period	11,024	4,741
Transfer to income reserve	4,553	6,283
Income reserve at the end of the period	<u>15,577</u>	<u>11,024</u>

Notes to the Accounts

(unaudited)

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

Notes to the Accounts

(unaudited)

At 30 June 2009, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement. The total exposure at 30 June was:

Currency	30.6.2009	<i>31.12.2008</i>
	£'000	<i>£'000</i>
Australian Dollar	8,926	9,634
Brazilian Real	903	-
Canadian Dollar	8	-
Danish Krone	-	1,063
Euro	78,018	87,413
Hong Kong Dollar	11,326	16,305
Indonesian Rupiah	-	169
Israeli New Shekel	822	15
Japanese Yen	16,674	34,370
Malaysian Dollar	1,471	2,564
Mexican Peso	946	8
New Zealand Dollar	-	1,213
Norwegian Krone	1,299	1,563
Philippine Peso	993	1,015
Singapore Dollar	5,080	2,236
South African Rand	1,815	-
South Korean Won	-	4,505
Swedish Krona	499	2,454
Swiss Franc	4,712	9,270
Taiwanese Dollar	1,039	3,775
Thailand Baht	-	454
US Dollar	78,026	96,159
	<u>212,557</u>	<u>274,185</u>

Interest rate risk

The majority of the Fund's financial assets are equities which do not receive interest nor have maturity dates. The Fund also invests in fixed interest securities, the income of which may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Notes to the Accounts

(unaudited)

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

30 June 2009

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	33,885	80,225	454,911	569,021
Euro	51	-	77,967	78,018
US Dollar	402	-	77,624	78,026
Other	190	-	56,323	56,513
Total	34,528	80,225	666,825	781,578

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	8,489	8,489
Total	-	-	8,489	8,489

31 December 2008

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	25,802	78,132	446,985	550,919
Euro	150	351	86,912	87,413
US Dollar	132	402	95,625	96,159
Other	416	523	89,674	90,613
Total	26,500	79,408	719,196	825,104

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	10,364	10,364
Total	-	-	10,364	10,364

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

Notes to the Accounts

(unaudited)

The Fund held derivatives relating to forward currency contracts valued at £2,563,028 as at 30 June 2009 (31.12.2008, £nil).

The fixed rate element of the portfolio is further analysed in the following table.

30 June 2009

Currency	Fixed rate financial assets £'000	Weighted average interest rate %	Weighted average period for which rate is fixed Years
Sterling	80,225	3.87	12.4

31 December 2008

<i>Currency</i>	<i>Fixed rate financial assets £'000</i>	<i>Weighted average interest rate %</i>	<i>Weighted average period for which rate is fixed Years</i>
Sterling	79,408	3.11	9.9

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

12. Commitments and contingent liabilities

There was a commitment of £10,349,510 at 30 June 2009 (31.12.2008, £13,982,470) in relation to the Fund's investment in the RREEF Pan-European Infrastructure Fund.

There were no other commitments or contingent liabilities as at 30 June 2009 (31.12.2008, £nil).

Notes to the Accounts

(unaudited)

13. Unquoted and other investments

Unquoted investments include the Fund's holding of 25% of the issued share capital of the Manager, which provides investment management and administrative services to the COIF Charity Funds. The valuation of the holding is based on a discounted market value calculation, prepared yearly and reviewed quarterly.

Not more than 20% in value of the Fund may be invested in units in authorised unit trust schemes and collective investment and deposit schemes as provided in the Fund's Scheme.

At 30 June 2009, 7.31% (31.12.2008, 8.05%) of the value of the Fund was held in units in the COIF Charities Property Fund, 4.37% (31.12.2008, 4.40%) of the value of the Fund was held in units in the COIF Charities Global Equity Income Fund and 4.37% (31.12.2008, 3.07%) of the value of the Fund was held in the COIF Charities Deposit Fund.

At 30 June 2009 the Fund held 87.56% (31.12.2008, 89.57%) of the COIF Charities Global Equity Income Fund and 67.93% (31.12.2008, 67.47%) of the COIF Charities Property Fund. The COIF Charities Property Fund may not be readily realisable as the Manager may impose a period of notice or delay not exceeding six months before carrying out a redemption of units in that Fund if it is deemed to be necessary to protect the interests of unitholders of the Fund or to permit properties to be sold to meet a redemption.

The net assets of the COIF Charities Global Equity Income Fund and the COIF Charities Property Fund have not been consolidated as, due to Trustee Governance constraints, the Fund is unable to exercise any control over these funds.

14. Board remuneration

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

Notes to the Accounts

(unaudited)

15. Related party transactions

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

At 30 June 2009 the balance, due to the Manager and HSBC Bank Plc were as set out below:

	30.6.2009	<i>31.12.2008</i>
	£'000	<i>£'000</i>
The Manager	-	-
HSBC Bank Plc – trustee fee	1	4
HSBC Bank Plc – safe custody and transaction charges	40	18

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

At 30 June 2009 a cash balance of £33,797,740 (31.12.2008, £25,019,048) was held in the COIF Charities Deposit Fund.

Further details of the Fund's holdings in other COIF Charity Funds are disclosed in note 13.

During the period the Fund received rebates of management fees for its holdings in the COIF Charities Property Fund, COIF Charities Global Equity Income Fund and deposits in the COIF Charities Deposit Fund as disclosed in note 1(e).

16. Portfolio transaction costs

	30.6.2009	<i>30.6.2008</i>
	£'000	<i>£'000</i>
Analysis of total purchase costs:		
Purchases in period before transaction costs	222,942	701,897
Commissions	133	368
Total gross purchases	<u>223,075</u>	<u>702,265</u>
Analysis of total sale costs:		
Gross sales in year before transaction costs	222,648	674,947
Commissions	(294)	(351)
Total sales net of transaction costs	<u>222,354</u>	<u>674,596</u>

Distribution table

for the half year ended 30 June 2009 (unaudited)

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Distributions paid/payable pence per unit</i>	
		2009	2008
Income units			
31 March 2009	29 May 2009	8.80	8.80
30 June 2009	28 August 2009	10.23	10.23
		<u>19.03</u>	<u>19.03</u>
		<i>Revenue accumulated pence per unit</i>	
		2009	2008
Accumulation units			
31 March 2009		68.08	77.49
30 June 2009		110.15	107.45
		<u>178.23</u>	<u>184.94</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 14 May 2008, 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 whom 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;
- 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;

Statement of Board, Corporate Trustee and Manager Responsibilities

- 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.
- 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;

Responsibilities of the Manager

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

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in November 2008;

- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

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

CCLA INVESTMENT MANAGEMENT LIMITED
COIF Charities Investment Fund
(Charity Registration No. 218873)

Board

D Henderson, Chairman of the Board (appointed 25.2.09), *FCA, Company Director*

B Wrey, Chairman of the Board, *Former Chairman, Henderson Global Investors* (resigned 25.2.09)

T Bell, FRICS

P Cawdron, FCA, *Company Director*

T Clark, *Solicitor*

A Daws, *Solicitor*

R Fitzalan Howard, *Chief Executive, FF&P Asset Management Limited*

G Newson, MRICS

Mrs F Quint, *Barrister* (resigned 25.2.09)

Secretary

J Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

*Authorised and regulated by
the Financial Services Authority*

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London EC2V 6DZ

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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 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

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

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

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

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

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