



for Charities

The COIF Charity Fund Global Equity Income Fund

**Report and Accounts
Half Year ended 30 June 2011
(unaudited)**

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Trustee and Manager

(inside back cover)

Description of the COIF Charity Funds

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Disability Discrimination Act 1995

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

Report of the Board

for the half year ended 30 June 2011

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

The Fund aims to provide a good total return and a high and rising level of income by investing in a diversified portfolio of global equities.

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.

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.

Report of the Board

for the half year ended 30 June 2011

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

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

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

Review of investment activities and policies of the Fund

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

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

Responsible investment

The Fund is promoted as a responsible fund which considers the environmental, social and governance risks of the companies in which the Fund invests. The Board's main purpose is to

obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets.

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

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

Governance

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

Report of the Board

for the half year ended 30 June 2011

During the period 1 January 2011 to 30 June 2011 the Manager voted on 2,733 resolutions across global markets with 15% abstentions or votes against management (mainly remuneration related).

The Manager's response to the new Stewardship Code and their annual voting record are available at www.ccla.co.uk. Highlights of their stewardship work will continue to appear in the Quarterly Bulletin and, from the end of 2011 the Manager will publish an annual Stewardship Report.

Controls and risk management

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

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

D Henderson
Chairman of the Board
28 July 2011

Report of the Investment Manager

for the half year ended 30 June 2011

Performance

The Fund has produced a positive return over a period of volatile investment markets. The total return of +3.61% before expenses compares with a return of +2.96% on the FTSE All-Share Index and +2.34% on the FTSE All-World Index. The return on the Fund over the past year was +24.35%.

Income payments for the period have totalled 2.55p per income unit. As at 30th June the net yield on the Fund was 5.02%. This compares with a gross yield of 2.99% on the FTSE All-Share Index and 2.50% on the FTSE All-World Index.

Economic and market review

Activity in the developed economies of the world has continued to expand but only at a modest pace. Growth has been held back by a number of factors, some structural such as the high levels of indebtedness, some cyclical such as the surge in commodity prices and some event-specific such as the terrible earthquake in Japan. Many emerging markets in contrast have expanded rapidly and the authorities there, concerned by building inflationary pressures, have attempted to cool growth rates by measures including higher interest rates. In the UK growth has lagged even the modest achievements of the developed 'west', with growth below average and inflation far above the levels experienced elsewhere.

The COIF Charities Global Equity Income Fund

Annualised total capital and income return

To 30 June 2011	Six Months %	1 year %	3 year %
<u>Performance against market indices (before expenses)</u>			
COIF Global Equity Income Fund	+3.61	+24.35	+7.09
FTSE All-Share Index	+2.96	+25.63	+6.56
FTSE All-World Index	+2.34	+21.74	+9.36
MSCI Value UK Index	+5.77	+28.51	+5.66
MSCI Value Europe ex UK Index	+8.42	+25.19	+2.76
MSCI Value US Index	+3.18	+19.78	+11.66
MSCI Value Asia Pacific ex Japan Index	+0.99	+13.55	+5.72
<u>Performance after expenses</u>			
Income units*	+3.15	+23.33	+6.22
Accumulation units*	+3.15	+23.27	+6.15

* Net asset value to net asset value plus income reinvested

Source : The Manager

Report of the Investment Manager for the half year ended 30 June 2011

Over the period investment markets have been volatile on a day to day basis and although most have progressed, the gains have been modest. The factors supporting equities have included hopes of more rapid economic growth to come and the strength of company profits, which have risen much faster than general economic output. Offsetting this has been the lingering effects of the debt crisis in the peripheral economies of Europe.

Portugal received support midway through the period but as that process completed so it seemed almost immediately fears surrounding Greece began again. The fundamental problem is that the level of Greek debt is so great that it is unlikely to be repaid in full. Whilst some progress has been made in providing short term assistance to stave off the most pressing concerns, the fundamental problem remains and has defeated the various attempts to find a solution. As investors became concerned about both the scale and difficulty of the Greek problem so other indebted countries came into the spotlight with result that bond prices fell in Ireland and Portugal but also in Italy and Spain.

Strategy

The portfolio is constructed on a 'bottom up' basis by which individual shares are selected on their merit rather than to fit any pre-determined allocation to a country or to a sector. We seek companies that pay an attractive dividend today but also have the ability to increase their dividend in the years ahead.

This approach means that the shape of the portfolio will differ substantially from that of conventional market indices based on market capitalisation, such as the FTSE All-World Index. At the date of this report the portfolio had a relatively high exposure to Europe and the UK,

was underweight relative to the All-World Index in the USA and had only a small investment in Japan. In terms of market sectors there were positive biases to utilities, telecommunications and financials. Basic materials, which include mining, oil and consumer, goods were held at weightings below those of the index.

Outlook

Our central expectation is that the world economy will continue to grow but at a relatively pedestrian pace. Many of the factors, which have inhibited growth in the recent past, remain significant negative influences and there will be additional headwinds caused by the attempts of various governments to reduce spending deficits. In this environment interest rates will remain low and inflation, a problem in some areas, should gradually moderate.

We are encouraged by the good value on offer in many equity markets which is providing an opportunity to buy excellent companies on attractive yields and at discounts to their intrinsic value. We expect higher values over time but realistically we must expect volatility to remain elevated whilst current uncertainties continue.

J Bevan
Chief Investment Officer
CCLA Investment Management Limited
28 July 2011

Report of the Investment Manager

for the half year ended 30 June 2011

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
AES Tiete SA	923	Banco Santander	1,595
Blackstone Group	863	Vodafone Group	1,421
CDL Hospitality	780	Tate&Lyle	1,087
Vtech Holdings	613	National Australia Bank	1,000
Orica	613	Royal Dutch Shell	963
Tods	612	TSMC	934
BASF	610	National Grid	870
Reckitt Benckiser	604	AT&T	855
Munich Re	600	National Bank of Canada	688
Eurocommercial CVA	598	Scottish&SouthernEnergy	642

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 price and expense ratio

Net asset value

At 31 December	Net asset value £'000	<i>Income units</i>		<i>Accumulation units</i>	
		Net asset value pence per units	Number of units in issue	Net asset value pence per unit	Number of units in issue
2008	40,242	105.76	37,517,737	111.39	504,625
2009	50,530	116.38	42,802,741	129.88	550,249
2010	63,403	127.70	49,781,449	147.52	348,379
At 30 June 2011	66,543	126.86	52,148,625	152.16	460,207

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

Year to 31 December	<i>Income units</i>		<i>Accumulation units</i>	
	Highest offer pence per unit	Lowest bid pence per unit	Highest offer pence per unit	Lowest bid pence per unit
2008	150.00	91.13	150.00	94.57
2009	119.69	84.54	131.59	89.04
2010	129.56	107.62	149.63	122.76
To 30 June 2011	130.48	121.20	154.56	142.49

Net distribution

<i>Year to 31 December</i>	<i>Income units pence per unit</i>	<i>Accumulation units pence per unit</i>
2008*	6.26	7.42
2009	6.19	5.91
2010	6.37	7.93
To 30 June 2011	2.55	4.07

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

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

Unit price at 30 June 2011

	<i>Bid price pence per unit</i>	<i>Offer price pence per unit</i>
Income units	126.16	127.56
Accumulation units	151.32	153.00

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>30.6.2011</i>	<i>30.6.2010</i>
Total expense ratio	0.99%	1.02%

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 2011 (unaudited)

	Holding	Bid Value £'000	% Fund		Holding	Bid Value £'000	% Fund
UNITED KINGDOM 32.76%				Mobile Telecommunication 1.68%			
(31.12.10, 38.00%)				Vodafone			
Oil & Gas Producers 4.60%				768,847			
BP	320,278	1,469	2.21	Electricity 1.47%			
Royal Dutch Shell B	71,745	1,595	2.39	Scottish &			
Mining 0.71%				Southern Energy			
BHP Billiton PLC	19,237	472	0.71	70,266			
Support Services 1.97%				Gas Water & Multiutilities 2.33%			
Capita Group	41,643	298	0.45	Centrica			
Electrocomponents	104,184	284	0.43	National Grid			
Hays	408,116	420	0.63	188,803			
Smiths News	351,195	308	0.46	153,426			
Beverages 0.41%				Banks 1.68%			
Britvic	68,793	271	0.41	HSBC			
Food Producers 1.20%				180,985			
Tate&Lyle	52,018	320	0.48	Nonlife Insurance 2.11%			
Unilever	24,059	482	0.72	Admiral			
Household Goods 0.91%				Amlin			
Reckitt Benckiser Group PLC	17,688	608	0.91	115,478			
Pharmaceutical & Biotechnology 4.92%				Catlin			
AstraZeneca	41,303	1,283	1.93	79,358			
GlaxoSmithKline	149,463	1,993	2.99	Life Insurance/Assurance 1.16%			
General Retailers 1.42%				Aviva			
Brown (N) Group	114,076	300	0.45	106,307			
Halfords	83,770	311	0.47	145,597			
WH Smith	68,995	338	0.51	General Financial 4.36%			
Food & Drug Retailer 0.89%				Aberdeen Asset Management			
Sainsbury	179,329	591	0.89	138,973			
Media 0.94%				Blackstone			
Pearson	53,549	629	0.94	78,300			
EUROPE 24.77% (31.12.2010, 22.08%)				Close Brothers			
Finland 1.20%				76,912			
				Hargreaves Lansdown			
				75,701			
				Intermediate Capital Group			
				137,625			
				Provident Financial			
				62,219			
				France 2.10%			
				Axa			
				36,528			

Portfolio statement

at 30 June 2011 (unaudited)

	Holding	Bid Value £'000	% Fund		Holding	Bid Value £'000	% Fund
CNP Assurances	21,786	295	0.44				
Vivendi Universal	33,886	587	0.88				
Germany 2.84%							
Allianz	3,729	323	0.48				
BASF	11,014	668	1.00				
Munich Re	6,012	572	0.86				
Symrise	16,579	329	0.49				
Italy 2.16%							
Enel	188,326	764	1.15				
Tods	8,097	673	1.01				
Netherlands 2.65%							
Eurocommercial CVA	40,153	1,243	1.87				
KPN	57,988	525	0.79				
Norway 1.90%							
DnB NOR	93,565	815	1.22				
Seadrill	20,516	452	0.68				
Spain 3.73%							
Criteria Caixacorp	68,950	300	0.45				
Indra Sistemas	24,457	314	0.47				
Mediaset Espana Communication	85,435	462	0.69				
Telefonica	73,846	1,124	1.69				
Zardoya Otis	29,876	287	0.43				
Sweden 2.47%							
Axfood	40,848	895	1.34				
Hennes&Mauritz	14,472	311	0.47				
TeliaSonera	95,529	438	0.66				
Switzerland 5.08%							
Nestle	12,822	495	0.74				
Novartis	24,197	921	1.38				
Roche Holdings	5,963	620	0.93				
Zurich Financial Services	4,581	720	1.08				
Swisscom	2,197	626	0.94				
Turkey 0.64%							
Ford Otosan	80,402	429	0.64				
UNITED STATES OF AMERICA 9.76% (31.12.2010, 11.78%)							
Abbott Laboratories	9,200	301	0.45				
Annaly Capital Management	42,300	475	0.71				
Bank of America 7.25% Convertible Preference Shares	1,400	874	1.31				
Bristol-Myers Squibb	18,200	328	0.49				
Eaton Vance Tax Advantage Dividend Income Fund	26,200	282	0.42				
Eaton Vance Tax Advantage Global Dividend Income Fund	29,700	282	0.42				
El Paso Pipeline	40,600	878	1.32				
Gabelli Dividend and Income Trust	17,900	185	0.28				
Gabelli Equity Trust	80,900	307	0.46				
Liberty All Star	87,900	282	0.42				
McDonald's	6,500	341	0.51				
NY Community Bank Corporation	60,000	560	0.84				
Pepsico	11,300	495	0.74				
Verizon Communications	39,300	911	1.37				
JAPAN 0.75% (31.12.2010, 0.00%)							
Oracle	18,600	501	0.75				
Pacific Basin 18.88% (31.12.2010, 18.53%)							
Australia 4.86%							
Australia & New Zealand Banking Group	29,458	432	0.65				
Coca-Cola Amatil	58,683	447	0.67				
Metcash	113,229	313	0.47				
Orica	35,586	623	0.94				
Sonic Healthcare	38,473	329	0.49				
UGL	66,858	618	0.93				

Portfolio statement

at 30 June 2011 (unaudited)

	Holding	Bid Value £'000	% Fund		Holding	Bid Value £'000	% Fund
Woolworths	25,613	474	0.71	Bank Leumi			
				Le-Israel	134,456	394	0.59
Hong Kong 4.71%				Bezeq Israel Telecom	245,125	385	0.58
Bank of China				Growthpoint Props	188,023	316	0.47
Hong Kong Holdings	301,000	543	0.82	Grupo Aeroport B	128,500	471	0.71
Hutchison Telecom				Fountainhead	861,613	553	0.83
Hong Kong	3,036,000	583	0.88	Israel Chemicals	42,018	415	0.62
Jiangsu Expressway	930,000	530	0.80	Kumba Iron Ore	11,816	525	0.79
Link REIT	276,500	589	0.88	MMI Holdings	200,369	312	0.47
Vtech Holdings	85,200	628	0.94	Natura Cosmetics	17,500	272	0.41
Zhejiang Express	570,000	266	0.40	Shaw Com B	34,700	492	0.74
				Tractebel	28,300	308	0.46
Indonesia 1.45%							
Perusahaan Gas	1,681,500	492	0.74	DERIVATIVES -0.21% (31.12.2010, -0.23%)			
Semen Gresik	679,500	474	0.71	Forward currency contracts:			
				US dollar vs UK			
South Korea 1.38%				sterling maturing			
Maquarie Korea				on 13/07/2011	5,799,851	(69)	(0.10)
Infrastructure	322,500	917	1.38	US dollar vs UK			
				sterling maturing			
Singapore 2.18%				on 13/07/2011	2,530,115	(11)	(0.02)
CDL Hospitality	790,000	818	1.23	Japanese yen vs UK			
United Overseas Bank	64,000	637	0.96	sterling maturing			
				on 08/07/2011	60,873,150	(6)	(0.01)
Taiwan 1.35%				Euro vs UK			
HTC	43,000	901	1.35	sterling maturing			
				on 08/07/2011	2,660,171	(32)	(0.05)
Thailand 2.95%				Swiss franc vs UK			
BEC World	884,400	619	0.93	sterling maturing			
Cha Pok Food	1,069,300	634	0.95	on 13/07/2011	1,162,317	(16)	(0.02)
CP	368,500	331	0.50	Swiss franc vs UK			
Siam Makro	96,300	382	0.57	sterling maturing			
				on 13/07/2011	1,069,908	8	0.01
OTHER OVERSEAS 10.07%				Australian dollar vs UK			
(31.12.2010,8.05%)				sterling maturing			
AES Tiete SA	95,700	965	1.45	on 08/07/2011	1,205,014	(15)	(0.02)
African Bank				NET INVESTMENT			
Investments	89,254	280	0.42	ASSETS	64,478	96.78	
American Movil	504,800	421	0.63	NET OTHER ASSETS	2,143	3.22	
Banco Bradesco Pref	24,265	305	0.46	NET ASSETS	<u>66,621</u>	<u>100.00</u>	
Bank of Montreal	7,500	296	0.44				

Statement of total return

for the half year ended 30 June 2011 (unaudited)

	Notes	30.6.2011		30.6.2010	
		£'000	£'000	£'000	£'000
Income					
Net capital gains /(losses)	2		424		(4,354)
Revenue	3	2,147		1,775	
Expenses	4	(324)		<u>(262)</u>	
Net revenue before taxation		1,823		1,513	
Taxation	5	(168)		<u>(145)</u>	
Net revenue after taxation			<u>1,655</u>		<u>1,368</u>
Total return before distributions			2,079		(2,986)
Finance costs: distributions	6		<u>(1,314)</u>		<u>(1,166)</u>
Change in net assets attributable to unitholders from investment activities			<u>765</u>		<u>(4,152)</u>

Statement of change in net assets attributable to unitholders

for the half year ended 30 June 2011 (unaudited)

	30.6.2011		30.6.2010	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		62,689		50,485
Amounts receivable on issue of units	3,243		9,088	
Amounts payable on cancellation of units	(94)		(3,282)	
		3,149		5,806
Change in net assets attributable to unitholders from investment activities		765		(4,152)
Retained distribution on accumulation units		18		23
Closing net assets attributable to unitholders		66,621		52,162

The above statement shows the comparative closing net assets at 30 June 2010 whereas the opening net assets for the current accounting period were £62,688,688 on 1 January 2011.

The notes on pages 17 to 26 form part of these accounts.

Balance sheet

at 30 June 2011 (unaudited)

	Notes	30.6.2011		31.12.2010	
		£'000	£'000	£'000	£'000
ASSETS					
Investment assets			64,619		61,728
Debtors	7	307		295	
Cash and bank balances	8	2,711		<u>2,208</u>	
Total other assets			3,018		<u>2,503</u>
Total assets			<u>67,637</u>		<u>64,231</u>
LIABILITIES					
Investment liabilities			141		166
Creditors	9	41		271	
Distribution payable on income units		834		<u>1,105</u>	
Total other liabilities			875		<u>1,376</u>
Total liabilities			<u>1,016</u>		<u>1,542</u>
Net assets attributable to unitholders					
			<u>66,621</u>		<u>62,689</u>
Approved on behalf of the Board 28 July 2011			D Henderson, Chairman		

The notes on pages 17 to 26 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 October 2010.

(b) Revenue recognition

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

(c) Expenses

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

(d) Stock dividends

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

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

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

(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).

Notes to the accounts

(unaudited)

(g) Basis of valuation

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

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

(h) Foreign exchange

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

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

2. Net capital gains/(losses)	30.6.2011	30.6.2010
	£'000	£'000
The net capital gains/(losses) during the period comprise:		
Non-derivative securities	1,008	(3,949)
Forward currency contracts	(141)	354
Currency (losses)/gains	(443)	(759)
	<u>424</u>	<u>(4,354)</u>
3. Revenue	30.6.2011	30.6.2010
	£'000	£'000
UK dividends	573	501
Overseas dividends	1,567	1,277
Interest on The COIF Charities Deposit Fund	5	3
Bank interest	2	(6)
	<u>2,147</u>	<u>1,775</u>

Notes to the accounts

(unaudited)

4. Expenses	30.6.2011	30.6.2010
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(e)	289	226
Manager's periodic charge rebate – see note 1(e)*	(1)	(2)
Manager and EIAG fees for ethical and stewardship services	7	7
	<u>295</u>	<u>231</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Safe custody fees	3	3
Monitoring fees	12	16
	<u>15</u>	<u>19</u>
Other expenses:		
Audit fee	6	6
Total expenses	8	6
	<u>14</u>	<u>12</u>
The above expenses include VAT where applicable.	<u>324</u>	<u>262</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.

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.

	30.6.2011	30.6.2010
	£'000	£'000
Overseas taxation suffered in the period	184	147
Overseas taxation recovered in the period	(16)	(2)
Total taxation	<u>168</u>	<u>145</u>

Notes to the accounts

(unaudited)

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:

	30.6.2011	30.6.2010
	£'000	£'000
31 March – interim distribution	490	440
30 June – interim distribution	846	779
	1,336	1,219
Add: revenue deducted on cancellation of units	-	-
Deduct: revenue received on issue of units	(22)	(53)
Net distribution for the period	1,314	1,166
Net revenue after taxation for the period	1,655	1,368
Transfer to income reserve – see note 10	297	233
Manager’s periodic charge – see note 1(e)	(638)	(435)
Net distribution for the period	1,314	1,166

Details of the distribution per unit are set out in the distribution table on page 27.

7. Debtors

	30.6.2011	31.12.2010
	£'000	£'000
Accrued revenue	307	295

8. Cash and bank balances

	30.6.2011	31.12.2010
	£'000	£'000
Cash in The COIF Charities Deposit Fund	1,510	1,175
Cash in The Public Sector Deposit Fund	450	-
Cash at bank	751	1,033
	2,711	2,208

Notes to the accounts

(unaudited)

9. Creditors	30.6.2011	31.12.2010
	£'000	£'000
Accrued expenses	21	251
VAT payable	20	20
	<u>41</u>	<u>271</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.

	30.6.2011	31.12.2010
	£'000	£'000
Income reserve at the start of the year	164	26
Transfer (from)/to income reserve	638	138
Income reserve at the end of the year	<u>802</u>	<u>164</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 year and the comparative year.

Market price risk

This is an actively-managed Fund, which invests mainly in UK and overseas equities, and fixed interest investments. Investors are thus exposed to market price risk, which can be 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.

Notes to the accounts

(unaudited)

Credit risk

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

Liquidity risk

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

Currency risk

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

At 30 June 2011, 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 2011 was:

	30.6.2011			31.12.2010		
	Monetary Exposures	Non-Monetary Exposures	Total	Monetary Exposures	Non-Monetary Exposures	Total
Currency	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	-	3,282	3,282	(2)	2,888	2,886
Brazilian Real	2	1,852	1,854	-	128	128
Canadian Dollar	1	789	790	1	1,302	1,303
Euro	(3)	9,782	9,779	(2)	7,264	7,261
Hong Kong Dollar	-	3,152	3,152	54	2,615	2,669
Indonesian Rupiah	-	965	965	-	-	-
Israeli Shekel	17	1,194	1,211	-	796	796
Japanese Yen	-	513	513	-	-	-
Mexican Peso	-	893	893	-	307	307
New Turkish Lira	-	-	-	-	435	435
Norwegian Krone	-	1,267	1,267	-	1,045	1,045
Singapore Dollar	1	1,455	1,456	1	309	310
South African Rand	-	1,986	1,986	-	2,118	2,118
South Korean Won	-	944	944	-	584	584
Swedish Krona	(2)	1,644	1,642	(2)	402	400
Swiss Franc	-	3,382	3,382	-	3,286	3,286
Taiwanese Dollar	-	901	901	-	3,139	3,139
Thailand Baht	-	1,966	1,966	-	2,095	2,095
Turkish Lira	-	429	429	-	-	-
US Dollar	11	7,342	7,353	296	7,875	8,170
	<u>27</u>	<u>43,738</u>	<u>43,765</u>	<u>346</u>	<u>36,587</u>	<u>36,933</u>

Notes to the accounts

(unaudited)

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2011 was as set out below:

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	2,684	-	21,189	23,873
Euro	(3)	-	9,783	9,780
US Dollar	10	-	7,343	7,353
Other	20	-	26,611	26,631
<u>Total</u>	<u>2,711</u>	<u>-</u>	<u>64,926</u>	<u>67,637</u>

<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	-	-	-	-
Other	-	-	1,016	1,016
<u>Total</u>	<u>-</u>	<u>-</u>	<u>1,016</u>	<u>1,016</u>

Notes to the accounts

(unaudited)

31 December 2010

<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	1,862	-	25,437	27,298
Euro	(2)	-	7,264	7,261
US Dollar	296	-	7,875	8,170
Other	53	-	21,448	21,501
Total	<u>2,208</u>	<u>-</u>	<u>62,023</u>	<u>64,231</u>

<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	-	-	1,323	1,323
Other	-	-	219	219
Total	<u>-</u>	<u>-</u>	<u>1,542</u>	<u>1,542</u>

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

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

12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 30 June 2011 (31.12.2010, £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 2011 the balance, due to the Manager and HSBC Bank plc were as set out below:

	30.6.2011	30.06.2010
	£'000	£'000
HSBC Bank plc - trustee fee	<u>3</u>	<u>3</u>
HSBC Bank plc - safe custody and transaction charges	<u>10</u>	<u>17</u>

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

At 30 June 2011 a cash balance of £1,509,389 (31.12.2010 £1,174,819) was held in the COIF Charities Deposit Fund and a cash balance of £450,000 held in the Public Sector Deposit Fund.

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

15. Portfolio transaction costs

	30.6.2011	30.6.2010
	£'000	£'000
Analysis of total purchase costs:		
Purchases in period before transaction costs	24,422	32,643
Commissions	16	23
Total gross purchases	<u>24,438</u>	<u>32,666</u>
Analysis of total sale costs:		
Sales in year before transaction costs	22,584	24,014
Commissions	(17)	(11)
Total sales net of transaction costs	<u>22,567</u>	<u>24,003</u>

Distribution table

for the half year ended 30 June 2011 (unaudited)

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Dividends paid/payable pence per unit</i>	
		2011	2010
Income units			
31 March 2011	28 May 2011	0.95	0.95
30 June 2011	31 August 2011	1.60	1.60
		<u>2.55</u>	<u>2.55</u>
		<i>Revenue accumulated pence per unit</i>	
		2011	2010
Accumulation units			
31 March 2011		1.50	0.95
30 June 2011		2.57	2.91
		<u>4.07</u>	<u>3.86</u>

Statement of Board, Corporate Trustee and Manager responsibilities

The Board shall comply with the duty of care when exercising their powers and discharging their duties under the Scheme of the Charity Commission made under the Charities Act 1993, dated 12 July 2002, for the Fund to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Particulars;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- make an annual report on the discharge of the Board's responsibilities;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- apply to the Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme provided that any Board member who has any interests in the Trustee or the new Trustee shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- inform the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars

Responsibilities of the Trustee

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

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and competently discharging the duties conferred or imposed on it by or pursuant to the provisions of the Scheme and that the Manager is maintaining adequate and proper records;
- the appointment, supervision and oversight of any Registrar or other delegate 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 creation and cancellation of units in accordance with the instructions of the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);

Statement of Board, Corporate Trustee and Manager responsibilities

- 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;
- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
- the authorisation of payment out of the property of the Fund of any reasonable costs or expenses of the Board members incurred by them in the execution of their duties in accordance with the Scheme.
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the accounts as prepared comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

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 October 2010;

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
T Clark, Solicitor
A Daws, Solicitor
R Fitzalan Howard, Chairman, FF&P Asset
Management Limited
G Newson, MRICS

Secretary

J Fox

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

J Bevan

Company Secretary

J Fox

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

A Kemp

**Head of Ethical and Responsible
Investment**

H Wildsmith

Corporate Trustee and Custodian

HSBC Bank plc
8 Canada Square,
London E14 5HQ

Banker

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

Solicitors

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

Independent Auditor

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



CCLA INVESTMENT MANAGEMENT LIMITED

COIF Charity Funds

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

A CHOICE OF SIX FUNDS

The six COIF Charity Funds aim to meet most of the investment and deposit needs of 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

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

Global Equity Income Fund

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

Fixed Interest Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities

The Deposit Fund is rated AAA by Fitch Ratings. This reflects the high credit quality of the portfolio.

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.

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

Facismile: 0844 561 5126

Email: clientservices@ccla.co.uk

www.ccla.co.uk

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and cash to give a broad spread of assets and achieve combined income and growth objectives

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

Deposit Fund

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