



CCLA INVESTMENT MANAGEMENT LIMITED
COIF Charity Funds

COIF Charities Investment Fund
COIF Charities Fixed Interest Fund
COIF Charities Deposit Fund

Reports and Accounts
Half Year to 30 June 2006
(unaudited)



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Trustees and Manager for COIF Charities Deposit Fund *(inside back cover)*

Description of the COIF Charity Funds *(back cover)*

Disability Discrimination Act 1995

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



One of the striking "No Obstacles" series of adverts to promote the COIF Charities Property Fund through which the COIF Charities Investment Fund invests in UK commercial property. A separate annual report is available upon request.

COIF Charity Funds

Structure of the Funds

Structure and Management

COIF Charities Investment Fund and COIF Charities Fixed Interest Fund were set up in 1962 and 1990 respectively, as Common Investment Funds under the Charities Act 1960. Schemes dated 29 November 2000 were adopted with effect from 1 January 2001, which replaced the previous Charity Commission Schemes dated 28 June 1995. Both Schemes were made under section 24 of the Charities Act 1993.

COIF Charities Deposit Fund, originating from the Charities Deposit Fund formed in 1985, is a Common Deposit Fund established under section 25 of the Charities Act 1993 in a Charity Commissioners Scheme dated 27 June 1995.

COIF Charities Property Fund was established as a Common Investment Fund by a Charity Commission Scheme dated 12 July 2002 under section 24 of the Charities Act 1993. The Fund was launched on 29 August 2002. The report and accounts for the COIF Charities Property Fund are available in a separate Fund report.

COIF Charities Investment Fund owns 25% of the share capital of CCLA Investment Management Limited (CCLA), a proportion of which are non-voting shares.

The Financial Services Authority (FSA) Rules for the operation of Unregulated Collective Investment Schemes apply to CCLA's management of COIF Charities Investment Fund and COIF Charities Fixed Interest Fund.

CCLA has been appointed Manager by COIF Charities Investment Fund and COIF Charities Fixed Interest Fund Schemes.

Both COIF Charities Investment Fund and COIF Charities Fixed Interest Fund have a Board which meets four times per annum to receive reports and monitor the progress of the Funds. The Board, created under each Scheme, is made up of individuals appointed under the Schemes. 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 COIF Funds. The Board is responsible for setting and subsequently advising on the investment policy of the Funds, monitoring performance, obtaining Charity Commission orders for the appointment and discharge of the Manager and Corporate Trustee, appointing the Auditors to the Funds and agreeing the fees charged by the Corporate Trustee, the Manager and the Auditors.

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

The Trustees for COIF Charities Deposit Fund are the same individuals that comprise the Board for COIF Charities Investment Fund and COIF Charities Fixed Interest Fund. The Trustees act as an independent body to control and supervise COIF Charities Deposit Fund, for the benefit of participating charities, meeting four times per annum and also holding two Audit Committees each year. The Trustees of COIF Charities Deposit Fund have delegated to CCLA the management and administration of the Fund.

Deposits taken by COIF Charities Deposit Fund are exempted from the Financial Services and Markets Act 2000 (FSMA) by virtue of the Financial Services and Markets Act (Exemption) Order 2001. Deposits in COIF Charities Deposit Fund are not covered by the Financial Services Compensation Scheme. CCLA will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the COIF Charities Deposit Fund.

COIF Charity Funds

Structure of the Funds

COIF Charities Investment Fund Objective and Benchmark of the Fund

General

The COIF Charities Investment 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 effect of inflation. The Fund has two specific objectives linked to its aim, above-average total return and above-average dividend.

Total Return Objective and Benchmark

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).

Income Objective and Benchmark

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

Investment Policy

Investments

The Fund is invested mainly in equities with a wide diversification of good quality holdings in the UK and overseas. UK and overseas bonds are also held, together with direct property investments through a holding in the COIF Charities Property Fund. This is in accordance with the wide investment powers permitted by the Scheme, in line with the duty to diversify investments and the Fund's objective.

To ensure that investments are suitable, only readily realisable securities, which are traded on the leading eligible securities markets, are normally held. Where appropriate, collective investments, such as investment trusts and unit trusts, are held to secure exposure to small or specialist sectors of the market. It is only in exceptional circumstances that unquoted or unlisted securities are held, and these are not actively traded.

The Fund does not invest in futures contracts or options but may, subject to certain restrictions and as a protective measure, undertake forward currency transactions and may invest in subscription warrants in respect of securities.

Apart from exceptional circumstances, the cash balance of the Fund remains within the range of 0% to 5%, as set out in the Investment and Borrowing Powers section of the Scheme Particulars.

Balance between different kinds of Investment

The balance between the different kinds of investment is established by reference to the asset allocation of the performance benchmark and the Manager's judgement of the future returns likely to be obtained on each asset class. To control risk, the variances are regularly monitored and reviewed by both the Manager and the Board.

COIF Charities Fixed Interest Fund Objective and Benchmark of the Fund

COIF Charities Fixed Interest Fund is invested in fixed interest stocks so as to provide a high-income yield. This higher yield can supplement where necessary the lower income yield on COIF Charities Investment Fund or other equity investments. The Fund is intended for long-term investment and offers no protection against inflation.

The total return benchmark for the Fund is the WM Co Charity Fund Service Universe for UK fixed interest stocks, with gross income reinvested, before deduction of management expenses.

COIF Charity Funds

Structure of the Funds

Investment Policy

Investments

The Fund invests only in Sterling denominated government and corporate fixed interest securities (including convertibles and preference shares). A significant proportion of the Fund, at least 60%, is invested in gilt-edged securities in order to achieve a high level of liquidity and low overall credit risk. The balance of the Fund is invested in good quality corporate bonds. The average duration of the Fund's investments is broadly similar to that of the FTSE UK Government All Stocks Index in order to secure a level of income for the longer term. The Fund only invests in securities which are quoted on the leading eligible securities markets.

Balance between different kinds of Investment

The minimum proportion of the Fund to be invested in gilt-edged securities is reviewed periodically both by the Manager and the Board. The asset allocation between the other fixed interest asset classes is varied according to the Manager's judgement of risk and the future income and capital returns likely to be obtained on each asset class. Apart from exceptional circumstances, the liquidity of the Fund remains within the range 0% to 5%, as set out in the Investment and Borrowing Powers section of the Scheme Particulars.

COIF Charities Deposit Fund

Objective and Benchmark of the Fund

COIF Charities Deposit Fund is designed to enable a charity to obtain, even on small amounts of money, the higher rates of interest usually available on large sums in the London Money Market. The Fund aims to earn a competitive rate of interest while retaining its Aaa Money Market rating, the highest available, awarded by Moody's Investors Service. The Fund's benchmark, before expenses, is the 7-day London Inter-Bank Bid Rate (LIBID) as measured by the British Bankers' Association.

Investment Policy

The Fund may invest cash only on short-term deposits in Sterling with Banks, Building Societies and Local Authorities in the United Kingdom. The Fund must maintain at least 25% of the investments of the Fund in deposits repayable within five business days and the remainder of the investments must be repayable within a period not exceeding one year. The assets of the Fund are placed with a list of approved counterparties regularly reviewed by the Trustees.

Risk Warning

The value of COIF Charities Investment and Fixed Interest Funds' units and the income from them can fall as well as rise and an investor may not get back the amount originally invested. The Investment Fund's unit value will reflect fluctuations in share prices and currency exchange rates. The Fixed Interest Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fixed Interest Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in interest rates and the average maturity date of the securities held by the Fund. When the Fund's income yield is higher than the gross redemption yield, income is being paid at the expense of capital. The units are intended only for long-term investment and are not suitable for money liable to be needed in the near future. They are realisable only on each weekly dealing date.

The Trustees of COIF Charities Deposit Fund cannot give guarantees regarding repayment of deposits in the Fund but undertake to exercise reasonable care in supervising the placing of deposits. The daily deposit rate will fluctuate.

Past performance is no guarantee of future returns.

COIF Charities Investment Fund COIF Charities Fixed Interest Fund Report of the Board for the six months ended 30 June 2006

We have pleasure in presenting our half-year reports on COIF Charities Investment Fund and COIF Charities Fixed Interest Fund. The Trustees' half-year report on COIF Charities Deposit Fund is set out on page 49. The half-year report and accounts for COIF Charities Property Fund are available in a separate Fund report.

Responsibilities of the Board

We have met quarterly during the period to carry out our 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 Funds. In addition we have monitored the administration, expenses and pricing of the Funds.

We have also reviewed the progress of CCLA Investment Management Limited and approved the valuation of the investments in the company, which are shown on page 19 in the Portfolio Statement for the Investment Fund.

Review of investment activities and policies of the Funds

During the period we met quarterly with the Investment Manager to review investments, transactions and policies of the Funds. The Investment Manager's reports, which appear later, provide further details.

Responsible investment

The COIF Charity Funds are promoted as responsible funds that consider the economic, social and environmental impacts of the companies in which the Funds invest. The Board's main purpose is to obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets in accordance with the duties of trustees. In addition, the Board has adopted a three-fold approach to socially responsible investment. First, the Board's policy, within its fiduciary duty, is for COIF Charities Investment Fund and COIF Charities Fixed Interest Fund to avoid direct investment in armaments, gambling and tobacco. Secondly, the

Board has adopted a formal active voting policy, which is discussed below. Finally, the Board has agreed a proactive engagement process, through which the Manager engages, on behalf of the Funds, with the companies in which it invests, on non-financial issues that may have a material impact on business, such as supply chain management, environmental impacts, human rights and labour standards. The Board believes this to be a responsible and appropriate response to the concerns of unitholders and the guidelines issued by the Charity Commission. During the period to 30 June 2006, the manager undertook 90 instances of engagement with 59 companies, incorporating 28 meetings with companies. Areas of engagement included HIV/AIDS, palm oil, rainforest destruction, supply chain issues, human embryonic stem cell research and the environment. Details of engagement can be found in the Socially Responsible Investment section of the quarterly bulletin available on the CCLA website.

Governance

The Board has adopted a formal corporate governance policy, and routine informed shareholder voting is applied across all UK holdings in the COIF Charities Investment 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 from 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 2006, the Manager voted at 78 UK company meetings comprising 985 resolutions. 93.5% of votes were cast in support of management, 3.0% against and the Manager abstained in 3.5% of resolutions. Details of oppose votes and other information can be found on the Corporate Governance section of the COIF Charity Fund's part of the CCLA website at www.ccla.co.uk.

COIF Charities Investment Fund COIF Charities Fixed Interest Fund Report of the Board for the six months ended 30 June 2006

Controls and Risk Management

The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required. The Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

The Board receives an annual report on the controls of the Manager (FRAG 21). The last report covered the year ended 31 December 2005 and included a satisfactory report by the Manager's reporting accountants, PricewaterhouseCoopers LLP.

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



B.H.B. Wrey
Chairman of the Board

27 July 2006

COIF Charities Investment Fund COIF Charities Fixed Interest Fund Report of the Corporate Trustee for the six months ended 30 June 2006

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

HSBC Bank plc
Corporate Trustee
8 Canada Square
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*HSBC Bank plc is authorised and regulated by
the Financial Services Authority*

27 July 2006

COIF Charities Investment Fund

Report of the Investment Manager

for the six months ended 30 June 2006

- For up to 100% of a charity's long-term capital
- A diversified fund, invested primarily in equities
- Aiming at above-average total return and dividend

Unit value rises as asset classes diverge

Over the half-year the net asset value of an Income Unit rose by 2.9% to 1,071.30p at 30 June 2006. This rise occurred against a background of positive returns from UK equity and property markets and negative returns from bonds and overseas equities. Including distributions and after expenses the total return to unitholders was 4.4%.

Accumulation Units

With income reinvested, the net asset value of the Fund's Accumulation Units rose in the period by 4.4% to 6,993.96p per unit.

Performance against benchmark

The Fund's total return performance benchmark is the WM Co Charity Fund Service Universe. After adding back expenses the Fund's total return for the half-year was 4.55% compared to an estimated benchmark return of 3.79%.

Dividend yield

At 30 June 2006 the dividend yield was 3.18%, based on the net asset value of a unit at that date and the distribution of 34.05p in the preceding twelve months. This compares with the FTSE All-Share Index dividend yield, on an equivalent basis, of 3.11%.

Dividend increases support rise in Fund's distribution

The distribution for the half-year was 16.15p per Income Unit, an increase of 3.5% on the payment made in the corresponding period in 2005. In our last few reports we have pointed to a much brighter outlook for income generation within the Fund than for some considerable time. The major negatives, most notably the removal of the tax credit on UK equity dividends, appear to have run their course and been replaced by the increased ability and willingness of UK

companies to return cash to shareholders. One way they have done this is through paying higher dividends. This trend is still evident and in several instances has been reinforced by companies increasing dividend payments as part of their strategy to defend themselves against unwelcome takeover approaches. This improved flow of dividend income has been augmented by the receipt of special dividends from Electra Private Equity, Anglo American and Rio Tinto. The recent weakness of the US Dollar will reduce the income stream from US securities and from those UK companies which declare their dividends in that currency. A further limiting factor has been the asset allocation strategy employed within the Fund. This has seen a reduction in higher yielding securities such as bonds in favour of lower yielding overseas equities and, within the equity portfolio, a switch from UK to overseas securities has been based on total return rather than just income considerations. In the absence of unforeseen circumstances it should be possible to raise the annual level of distribution from 33.5p to at least 34.5p per Income Unit, representing the second successive year of increases in distribution rate in excess of the rate of inflation.

Volatility returns to equity markets

The half-year was characterised by significant volatility in equity markets and a divergence in returns from the major asset classes. With regard to equities the period can be divided into three parts: from the beginning of the year until early May markets generally built on their rises of the previous year. There then followed a short, sharp sell-off which saw a flight to quality as markets fell by 10% or more against a background of rising interest rates, rising inflation and signs of slower economic growth. Since then equity markets have recovered much of their poise as earlier falls were deemed to have been overdone. Over the period property was the best performing major asset class as high demand continued to drive yields downward. UK equities also posted a positive return while bonds and overseas equities, in Sterling terms, produced negative returns. The latter number was dragged down by the weakness of Japanese equities and the fall in the US Dollar.

COIF Charities Investment Fund

Report of the Investment Manager

for the six months ended 30 June 2006

Strategy

Equities continue to comprise the major part of the Fund, accounting for over 82% of the total, the same level as at the start of the year. The asset weightings and transactions within the Fund continue to reflect our strategic view that both equities and property should outperform bonds and cash. Over the course of the half-year there were sales of both UK equities and bonds and additions to overseas equities with the most significant increase in weightings being in the USA.

UK interest rates on hold as economy displays resilience

The UK economy is demonstrating its resilience with current growth not only being slightly above trend level but also better balanced as manufacturing, boosted by buoyant export markets, has offset a slowing in the service sector. Recent inflation numbers have been slightly ahead of target levels due to higher import and energy costs and the likelihood of a rise in base rates after 11 months of unchanged rates has increased. This is despite the housing market, which after a strong start to the year levelled off. The recovery in consumer spending has been relatively gentle and there are few signs of a sustained rise in wage inflation. Sector performance was determined by a number of factors. The best performers were those boosted by takeover activity, such as industrial transportation or the strength in commodity prices, defensive qualities and demand background which benefited mining, utilities and real estate respectively. The Fund was generally well placed in these areas but stock selection in some sectors and an insufficient weighting in mining for much of the period proved disadvantageous to performance. The continued outperformance of the FTSE 250 Index against the 100 Index was a further negative factor but the effect of being excluded from investing in the areas of armaments' gambling and tobacco, in accordance with the Fund's socially responsible investment policies was a positive +0.18%. Against this background the total return of the Fund's UK equities was 5.9% against the 6.1% of the FTSE All-Share Index.

Overseas equities

Underlying portfolio performance within overseas equities was mixed. There was a divergence between the relative performance of the US and Japanese portfolios which continue to be constructed in order to broadly mirror the performance of their respective indices. The bias towards larger stocks benefited the Japanese portfolio as medium and smaller sized stocks suffered more in the market sell-off but it continued to act as a drag on the performance of the Fund's US equities. The Fund's relatively low weighting in the USA, which produced the lowest return of the major markets, proved beneficial to performance. The total return of the Fund's overseas equities was 0.4% which compared with the -1.8% Sterling return of the FTSE World (ex UK) Index.

European equities driven higher by domestic economic data

Strong corporate earnings growth and improved survey data drove European equity markets to new highs in April. Unemployment continues to edge lower, albeit from high levels and manufacturing activity is growing at its fastest pace for almost six years with domestic demand boosting orders. Price pressures are mounting, which is adding to the European Central Bank's concern over long-run inflation trends. The policy of monetary tightening is expected to continue and this together with the appreciation of the Euro will depress economic growth rates in the region. Corporate news flow remains strong but profit margins, already at historically high levels, are likely to come under pressure from commodity prices, interest rates and a slowing of the global economy. Portfolio performance has been impacted by an underweight position in utilities, which benefited from takeover speculation. Corporate activity, a significant feature of the period, tended to occur in stocks not held by the Fund. As a result of these factors the total return of the Fund's European equities, in Sterling terms, produced a return of 4.9% which was exceeded by the 6.3% of the FTSE Europe (ex UK) Index.

COIF Charities Investment Fund

Report of the Investment Manager

for the six months ended 30 June 2006

US interest rates close to peaking

The US economy has continued to grow strongly and corporate results have generally exceeded expectations. Core inflation has begun to trend upwards as a result of a tightening of capacity, increasing commodity price pressure, dollar weakness and a tight labour market. The Federal Reserve, under new leadership, has been keen to impress markets with its anti-inflation credentials and the Fed Fund Rate, after 17 consecutive rises, is now standing at 5.25%, its highest level since March 2001. Recent evidence of a slowdown in consumer spending and a weaker housing and construction market suggest that the Fed may be close to pausing or ending its policy of monetary tightening. The weakness of the US Dollar meant that for a Sterling investor a positive market return in local currency terms was converted into a negative one. Over the period the total return of the Fund's US equities was -5.1% against a return of -4.6% from the FTSE USA Index, in Sterling terms.

Japanese equity market setback despite solid economic fundamentals

The economic recovery in Japan remains intact with encouraging signs in both the consumer and corporate sectors. Unemployment has fallen to an eight year low and against a background of restructuring, reform and an improvement in bank balance sheets there has been a sharp upswing in business spending plans and growing corporate confidence. Deflation seems to be petering out and the Bank of Japan has ended its zero interest rate policy. This is perceived as positive for investment markets and the Yen. The setback in the equity market has been caused by profit taking with foreigners becoming net sellers of the market for the first time in two years. The Fund's portfolio produced a Sterling total return of -3.7% against a return of -5.3% from the FTSE Japan Index.

Asia Pacific equities supported by domestic factors

Economies within the region continue to grow ahead of expectations. The key driver has been domestic demand while the contribution from exports has weakened and the anticipated downturn in the Australian housing market was

short lived. In China a policy of monetary tightening was adopted as economic growth showed little sign of slowing down. A similar policy has commenced elsewhere in the region in response to rising inflationary concerns which have been fuelled by the close links to the US economy and currency. With the exception of Hong Kong, where the Fund is significantly overweight, individual major market weightings were broadly in line with benchmark levels. This was generally beneficial to fund performance, which together with positive stock and sector selection enabled the Fund's portfolio to achieve a total return of 1.0%, which compares with the -0.3% return in Sterling terms from the FTSE Asia Pacific (Ex Japan) Index.

Bond markets dominated by inflation concerns

The key consideration for bond markets globally is the extent to which an inflationary situation may be developing. Central banks around the world have reiterated their inflation concerns and have been tightening monetary policy with only the Bank of England refraining from raising rates. In the UK the latest Bank of England inflation report did incorporate a future interest rate profile that assumed higher interest rates in 2007. Bond markets now perceive that the US Federal Reserve is approaching the end of its current cycle of rate increases, while the European Central Bank is likely to maintain its gradual approach of raising rates. The vigilance over global inflation pressures has also caused a general rise across the yield curve with long yields rising over the half-year by some 50 to 80 basis points. The strategy within the UK fixed interest portfolio has been to have an overweight allocation to securities with shorter maturities and this has proved beneficial to performance. The total return of the Fund's UK portfolio returned -1.7%, which was in line with the -1.7% returned by the FTSE Government All Stocks Index. The overseas fixed interest portfolio reduced slightly its overweight allocation to European government bonds and invested the proceeds in a short dated Japanese government bond. The total return of the overseas portfolio returned -4.1%, outperforming the J.P. Morgan Global (ex UK) Government Bond Index which returned -5.0% in Sterling terms.

COIF Charities Investment Fund Report of the Investment Manager for the six months ended 30 June 2006

High demand drives property ahead

The UK property market continues to be characterised by a mismatch between high levels of demand and the limited supply of good quality property available to purchase. Whilst optimism for rental value growth is improving and rates of growth have increased in the last six months, sector performance continues to be driven by the downward pressure on yields. It has been an encouraging half-year for the COIF Charities Property Fund which has grown in size to over £155m. The inflow of new money remains positive and the performance record of the Fund has improved. Over the period the total return of the COIF Charities Property Fund, before expenses, was 10.0% which compares with the 9.7% achieved by the IPD Monthly Index. Transactions have improved the quality of the portfolio and eliminated the cash holding which had previously acted as a drag on performance. Active management of the portfolio has made a significant contribution to the performance of the Fund with the impact of such activity on the capital values of a number of industrial holdings being particularly positive.

Investment Outlook

The first half of the year saw a return of volatility to investment markets and a divergent performance by the major asset classes. Equity markets experienced a roller coaster pattern with the falls exacerbated by some highly leveraged investors liquidating positions. The uncertainty about the outlook for economic activity with concerns about an economic slowdown and overly aggressive monetary tightening, most notably in the USA, has undoubtedly dampened equity market sentiment and reduced investors' risk appetite. Our view is that the outlook for the global economy is one of slowing growth rather than recession.

Despite the gyrations of recent months our view of equity markets remains a positive one. The second quarter corporate results season in both Europe and the USA is likely to produce another strong set of numbers. There has been considerable debate about the sustainability of corporate margins which are at historic highs but given that much of the recent improvement has been structural rather than cyclical and the scope

for gearing up corporate balance sheets we feel that this is a concern that has been over-emphasised. Other supports for equity markets such as modest valuations and a buoyant level of merger and acquisition activity remain intact. In particular the thirst for UK equity assets on the part of private equity houses and other corporates appears to be well supported by low financing costs, under-gearred balance sheets, few regulatory barriers and compelling valuations. We expect that equity markets will remain unsettled until there is clearer evidence that economic growth will be satisfactory, that the inflationary threat has been contained and that the interest rate cycle is at or near its peak. Any deterioration in the geo-political situation is likely to weigh more heavily on equity markets than other asset classes.

The attractive background for property markets has been reflected in the downward pressure on yields. Sentiment has been reinforced by rates of rental value growth in the last six months. Despite the setback in bond markets, current yields do not appear to sufficiently discount underlying fundamental factors. Although support may continue from asset liability matching and the recycling of funds from Asian central banks and the chief oil producing nations we see more upside in equity and property investments. We retain our relatively overweight positions in equities and property and further strength in these areas should prove beneficial to the investment returns achieved by the COIF Charities Investment Fund.



Christopher G. Finch
Fund Manager
CCLA Investment Management Limited

27 July 2006

COIF Charities Investment Fund

Net Asset Value, Unit Price Range, Net Distributions and Total Expense Ratio

Net Asset Value

At 31 December	Net Asset	Income Units		Accumulation Units	
	Value £'000	Net Asset Value Pence per Unit	Number of Units in Issue	Net Asset Value Pence per Unit	Number of Units in Issue
2003	870,898	842.75	89,139,607	5,053.76	2,368,060
2004	906,740	899.06	87,709,682	5,591.13	2,113,595
2005	1,025,082	1,041.51	85,911,226	6,700.10	1,944,816
At 30 June 2006	1,040,262*	1,071.30	84,676,982	6,993.96	1,903,274

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

Unit Price Range

Year to 31 December	Income Units		Accumulation Units	
	Highest Offer Pence per Unit	Lowest Bid Pence per Unit	Highest Offer Pence per Unit	Lowest Bid Pence per Unit
2001	1,142.23	874.51	6,116.97	4,753.32
2002	977.53	714.73	5,411.96	4,067.02
2003	859.03	685.74	5,097.62	3,947.43
2004	913.92	814.00	5,633.06	4,955.75
2005	1,063.12	889.76	6,774.73	5,533.23
To 30 June 2006	1,128.10	1,031.40	7,308.63	6,681.99

Net Distributions and Reinvestment

Year to 31 December	Income Units Pence per Unit	Accumulation Units Pence per Unit
2001	32.50	176.44
2002	32.50	176.43
2003	32.50	187.18
2004	31.50	188.36
2005	33.50	209.05
To 30 June 2006	16.15	127.27

Unit Prices at 30 June 2006

	Bid Price Pence per Unit	Offer Price Pence per Unit
Income Units	1,065.41	1,077.19
Accumulation Units	6,955.49	7,032.43

The Unit prices are published in *The Times*, *The Daily Telegraph* and *Financial Times*.
The offer and bid prices are calculated on the net asset value plus or minus a 0.55% (prior to 4 May 2006: 0.75%) surcharge or deduction.

Total Expense Ratio

	30.6.2006	30.6.2005
Total expense ratio (annualised)	0.37%	0.36%

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

COIF Charities Investment Fund

Summary of Investments and Other Assets

at 30 June 2006 (unaudited)

	30.6.2006		31.12.2005	
	£'000	%	£'000	%
Investments				
UK Equities	654,546	63.06	646,776	63.09
European Equities	77,376	7.46	75,254	7.34
USA Equities	53,857	5.19	50,225	4.90
Japanese Equities	29,744	2.87	31,370	3.06
Pacific Basin Equities	30,300	2.92	31,380	3.06
Other Overseas Equities	2,245	0.22	3,759	0.37
Unquoted Stocks	6,013	0.58	5,796	0.57
Property Unit Trust	97,094	9.35	92,259	9.00
UK Fixed Interest Stocks	46,951	4.52	53,204	5.19
Overseas Fixed Interest Stocks	16,952	1.63	18,083	1.76
Total investments	<u>1,015,078</u>	<u>97.80</u>	<u>1,008,106</u>	<u>98.34</u>
Net current assets				
Cash	24,096	2.32	21,066	2.06
Net creditors	(1,258)	(0.12)	(4,090)	(0.40)
Total net current assets	<u>22,838</u>	<u>2.20</u>	<u>16,976</u>	<u>1.66</u>
Total value of Fund	<u><u>1,037,916</u></u>	<u><u>100.00</u></u>	<u><u>1,025,082</u></u>	<u><u>100.00</u></u>

Distribution Table

for the six months ended 30 June 2006 (unaudited)

Period Ended	Date of Payment	Distribution Payable Pence per Unit	
		2006	2005
Income Units			
31 March 2006	31 May 2006	7.90	7.60
30 June 2006	31 August 2006	8.25	8.00
		<u>16.15</u>	<u>15.60</u>
Accumulation Units			
31 March 2006		66.46	60.73
30 June 2006		60.81	58.98
		<u>127.27</u>	<u>119.71</u>

COIF Charities Investment Fund

Statement of Total Return

for the six months ended 30 June 2006 (unaudited)

	Notes	30.6.2006		30.6.2005	
		£'000	£'000	£'000	£'000
Net gains on investments during the period	2		24,841		44,239
Other (losses)/gains	3		(363)		554
Gross income	4	19,795		19,634	
Expenses	5	(1,598)		(1,350)	
Net income before taxation		18,197		18,284	
Taxation	6	(308)		1,858	
Net income after taxation for the period			17,889		20,142
Total return for the period			42,367		64,935
Finance costs: Distributions	7		(16,176)		(16,137)
Change in net assets attributable to unitholders			26,191		48,798

Statement of Change in Unitholders' Net Assets

for the six months ended 30 June 2006 (unaudited)

	Notes	30.6.2006		30.6.2005	
		£'000	£'000	£'000	£'000
Net assets at start of the period			1,025,082		906,740
Movement due to creations and cancellations of units					
Amounts receivable on creation of units		10,771		13,299	
Less: Amounts payable on cancellation of units		(26,585)	(15,814)	(21,699)	(8,400)
Change in net assets attributable to unitholders (see above)			26,191		48,798
Voluntary repayment of professional charges	18		11		78
Retained distribution on accumulation units			2,446		2,496
Net assets at end of the period			1,037,916		949,712

The notes on pages 23 to 30 form part of these accounts.

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	<i>Holding</i>	<i>Market Value £'000</i>	<i>% Fund</i>		<i>Holding</i>	<i>Market Value £'000</i>	<i>% Fund</i>
LISTED ORDINARY AND CONVERTIBLE STOCKS				Support Services 1.13%			
UNITED KINGDOM 63.06% (31.12.05, 63.09%)				Davis Service			
Oil & Gas Producers 10.80%				Homeserve			
BG	2,317,382	16,732	1.61	SIG	155,000	1,363	0.13
BP	8,983,065	56,593	5.45	Wolseley	475,200	5,664	0.55
Cairn Energy	235,500	5,162	0.50	Beverages 0.51%			
Dana Petroleum	200,000	2,249	0.22	Diageo	576,807	5,243	0.51
Royal Dutch Shell A	45,200	822	0.08	Food Producers & Processors 1.14%			
Royal Dutch Shell B	1,615,022	30,524	2.94	Cadbury Schweppes	726,961	3,787	0.36
Oil Equipment & Services 0.27%				Premier Foods			
Abbot	951,315	2,830	0.27	Unilever	496,686	6,035	0.58
Chemicals 1.26%				Household Goods 1.61%			
BOC	280,000	4,424	0.43	Barratt Developments	502,752	4,764	0.46
Croda International	800,284	3,471	0.34	Persimmon	250,000	3,083	0.30
ICI	835,112	3,029	0.29	Reckitt Benckiser	355,629	7,180	0.69
Johnson Matthey	160,000	2,122	0.20	Wimpey (G)	367,035	1,668	0.16
Industrial Metals 0.19%				Health Care Equipment & Services 0.30%			
Corus Group	440,000	2,008	0.19	Smith & Nephew	755,211	3,144	0.30
Mining 4.35%				Pharmaceuticals & Biotechnology 5.87%			
Anglo American	343,659	7,619	0.73	AstraZeneca	613,514	20,019	1.93
BHP Billiton	1,380,000	14,462	1.39	GlaxoSmithKline	2,711,069	40,937	3.94
Rio Tinto	655,965	18,748	1.81	Food & Drug Retailers 1.33%			
Xstrata	214,284	4,391	0.42	Morrison (Wm)			
Construction & Materials 0.37%				Supermarkets			
Hanson	583,350	3,827	0.37	Tesco	700,000	1,360	0.13
Aerospace & Defence 0.44%				General Retailers 1.43%			
Meggitt	390,000	1,244	0.12	GUS	648,955	6,266	0.60
Smiths Group	370,075	3,296	0.32	Kesa Electricals	613,201	1,771	0.17
General Industrials 0.32%				Marks & Spencer			
Rexam	635,582	3,354	0.32	Next	287,632	1,687	0.16
Electronic & Electrical Equipment 0.41%				Pendragon			
Spectris	700,000	4,284	0.41		175,000	2,854	0.28
Industrial Engineering 0.52%				Media & Entertainment 1.25%			
FKI	960,000	1,025	0.10	Aegis	3,445,432	4,479	0.43
IMI	878,076	4,382	0.42	EMI	636,179	1,931	0.19
Industrial Transportation 0.55%				Taylor Nelson Sofres			
BAA	453,574	4,241	0.41	WPP	845,000	1,967	0.19
Forth Ports	80,000	1,466	0.14	Yell	248,440	1,625	0.16
				Travel & Leisure 1.24%			
				Carnival			
				FirstGroup			
				Intercontinental Hotels			
				Whitbread			
				79,083			
				1,741			
				996,076			
				4,669			
				367,338			
				3,471			
				254,659			
				2,967			
				0.17			
				0.45			
				0.33			
				0.29			

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	Market Value	%		Market Value	%		
<i> Holding</i>	<i> £'000</i>	<i> Fund</i>		<i> £'000</i>	<i> Fund</i>		
Fixed Line Telecommunications 1.02%							
BT	4,447,541	10,630	1.02	Merrill Lynch World Mining Trust	110,000	446	0.04
Mobile Telecommunications 2.81%				Montanaro UK Smaller Companies Investment Trust	1,200,000	2,892	0.28
Vodafone	25,330,629	29,130	2.81	Throgmorton Trust	2,165,000	3,340	0.32
Electricity 0.94%				Software & Computer Services 0.13%			
Scottish Power	838,555	4,885	0.47	Sage	606,860	1,399	0.13
Scottish & Southern Energy	425,000	4,888	0.47				
Gas, Water & Multiutilities 2.33%				EUROPE 7.46% (31.12.05, 7.34%)			
AWG	351,000	4,201	0.40	BELGIUM 0.13%			
Centrica	1,649,990	4,703	0.45	Dexia	45,000	583	0.06
Kelda	718,857	5,499	0.53	GBL	13,040	736	0.07
National Grid	1,689,209	9,873	0.95	GBL Strip	440	0	0.00
Banks 11.69%				DENMARK 0.03%			
Barclays	2,680,759	16,460	1.59	Lundbeck	24,800	305	0.03
HBOS	1,886,986	17,728	1.71	FINLAND 0.60%			
HSBC	3,758,889	35,747	3.44	Fortum	31,000	429	0.04
Lloyds TSB	3,136,844	16,657	1.60	Kemira	66,000	586	0.05
Northern Rock	604,299	6,040	0.58	Neste Oil	15,000	286	0.03
Royal Bank of Scotland	1,074,420	19,092	1.84	Nokia	273,500	3,018	0.29
Standard Chartered	731,115	9,643	0.93	Raisio	362,669	414	0.04
Life Insurance 3.28%				Teleste	149,000	1,002	0.10
Aviva	1,101,091	8,423	0.81	YIT	37,062	491	0.05
Friends Provident	1,249,839	2,231	0.22	FRANCE 2.72%			
Legal & General	8,286,953	10,607	1.02	Air Liquide	7,700	892	0.09
Prudential	1,545,861	9,438	0.91	Alcatel	91,000	623	0.06
Resolution	500,000	3,348	0.32	Arkema	2,730	58	0.01
Real Estate 2.45%				Atos Origin	17,400	615	0.06
Great Portland Estates	616,272	3,080	0.30	Axa	106,200	48	0.00
Hammerson	469,670	5,556	0.54	Axa Rights	106,200	1,883	0.18
Land Securities	398,666	7,148	0.69	BNP Paribas	20,010	1,035	0.10
Unite	860,000	3,449	0.33	Bouygues	20,700	575	0.06
Workspace	1,689,948	6,113	0.59	Carrefour	11,200	355	0.03
General Financial 1.39%				Christian Dior	7,700	408	0.04
3i	688,199	6,201	0.60	CNP	6,800	350	0.03
Close Brothers	291,532	2,654	0.26	EDF	33,158	944	0.09
Collins Stewart Tullett	383,000	2,905	0.28	Eurazeo	15,550	831	0.08
Man Group	102,000	2,598	0.25	Groupe Danone	18,000	1,235	0.12
Investment Companies 1.73%				Dassault Systemes	18,000	521	0.05
Eaglet Investment Trust	528,000	1,836	0.18	Fimalac	12,649	539	0.05
Electra Private Equity	320,000	4,070	0.39	France Telecom	102,735	1,194	0.11
Merrill Lynch British Smaller Companies Trust	1,794,000	5,391	0.52	Ingenico	42,470	505	0.05
				L'Oreal	24,500	1,248	0.12
				LVMH	19,200	1,029	0.10
				Nicox	9,263	67	0.01

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	Market Value	%		Market Value	%	
Holding	£'000	Fund		Holding	£'000	Fund
PPR	15,650	1,078	0.10			
Publicis	59,900	1,250	0.12			
Rhodia	730,000	782	0.08			
Saint-Gobain	7,500	289	0.03			
Sanofi-Aventis	22,500	1,186	0.11			
Schneider	12,300	692	0.07			
Societe Generale	7,000	556	0.05			
ST Microelectronics	60,000	521	0.05			
Technip	14,400	431	0.04			
TF1	47,000	828	0.08			
Total	109,200	3,880	0.37			
Vinci	13,944	777	0.08			
Vivendi Universal	55,000	1,041	0.10			
NETHERLANDS 0.33%						
Ageon				43,000	397	0.04
ING				57,000	1,211	0.12
Philips Electronics				38,000	642	0.06
Wolters Kluwer				91,800	1,172	0.11
SPAIN 0.32%						
Banco Bilbao Vizcaya						
Argentaria				132,333	1,471	0.14
Gamesa Corp Tecnologica				52,600	609	0.06
Repsol				19,200	297	0.03
Telefonica				102,213	919	0.09
SWEDEN 0.29%						
Nordea				173,000	1,113	0.11
SEB				63,000	809	0.08
Securitas				28,000	290	0.03
Svenska Handelsbanken				56,000	780	0.07
SWITZERLAND 0.86%						
Actelion				5,800	315	0.03
Basilea Pharmaceutica				4,000	311	0.03
Credit Suisse				15,600	471	0.04
Micronas				37,000	538	0.05
Nestle				9,600	1,626	0.16
Novartis				48,450	1,415	0.14
Roche				22,200	1,979	0.19
Synthes				10,600	690	0.07
UBS				26,700	1,579	0.15
IRELAND 0.18%						
Bank of Ireland	132,000	1,265	0.12			
CRH	37,500	659	0.06			
ITALY 1.12%						
Aedes	110,000	392	0.04			
Autostrada Torino Milano	26,250	290	0.03			
Beni Stabili	900,000	489	0.05			
Credem	147,000	981	0.09			
Enel	67,250	313	0.03			
ENI	150,000	2,385	0.23			
Generali	18,800	370	0.04			
IGD	556,583	914	0.09			
Luxottica	26,000	381	0.04			
Mediobanca	54,000	570	0.05			
Saipem	90,000	1,083	0.10			
SIAS	38,000	257	0.02			
SOL	101,535	308	0.03			
Telecom Italia	12,450	19	0.00			
Telecom Italia RNC	748,000	1,045	0.10			
Unicredito Italiano	429,500	1,817	0.18			
UNITED STATES OF AMERICA 5.19% (31.12.05, 4.90%)						
3M Company				9,733	425	0.04
Abbott Laboratories				18,261	430	0.04
Aetna				4,556	98	0.01
Alcoa				13,554	237	0.02
Allstate				11,641	344	0.03
American Express				18,949	545	0.05
American International				27,347	873	0.08
Amgen				15,062	531	0.05
Anheuser-Busch				11,014	271	0.03
Apple Computer				10,618	328	0.03
Applied Materials				13,417	118	0.01
Archer-Daniels-Midland				14,030	313	0.03
AT & T Inc				38,904	587	0.06
Automatic Data Processing				10,053	246	0.02
Bank of America				44,875	1,166	0.11
Bank of New York				14,504	252	0.02
Bellsouth				24,011	470	0.05
Berkshire Hathaway A				11	545	0.05
Best Buy				8,998	267	0.03
Bristol-Myers Squibb				25,632	358	0.03
Burlington Northern Santa Fe				6,411	275	0.03

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	<i>Market Value</i>	<i>% Fund</i>		<i>Market Value</i>	<i>% Fund</i>		
<i> Holding</i>	<i> £'000</i>		<i> Holding</i>	<i> £'000</i>			
Cardinal Health	7,570	263	0.03	Liberty Media Intl A	13,110	122	0.01
Carnival	8,017	181	0.02	Loews	4,498	86	0.01
Caterpillar	11,162	449	0.04	Lilly (Eli)	14,622	437	0.04
Chevron	25,065	841	0.08	Lowes	10,896	356	0.03
Cisco Systems	62,040	655	0.06	McDonald's	19,325	351	0.03
Citigroup	43,765	1,141	0.11	Medtronic	15,368	390	0.04
Coca-Cola	30,376	707	0.07	Merck & Co	26,333	518	0.05
Colgate-Palmolive	10,270	332	0.03	Merrill Lynch	13,371	503	0.05
Comcast A	24,709	437	0.04	Metlife	13,479	373	0.04
Comcast Special A	12,642	224	0.02	Microsoft	95,000	1,197	0.12
ConocoPhillips	17,442	618	0.06	Monsanto	6,113	278	0.03
Corning	18,452	241	0.02	Morgan Stanley	13,795	471	0.05
Costco Wholesale	9,367	289	0.03	Motorola	35,820	389	0.04
Dell	26,089	345	0.03	News	25,001	259	0.02
Devon Energy	7,418	242	0.02	Newmont Mining	8,736	250	0.02
Disney (Walt)	27,352	442	0.04	Norfolk Southern	4,721	136	0.01
Dominion	6,432	260	0.02	Occidental Petroleum	7,444	413	0.04
Dow Chemical	18,832	397	0.04	Oracle	62,785	492	0.05
Du Pont De Nemours	11,541	260	0.03	Pepsico	18,204	591	0.06
Duke Energy	26,262	417	0.04	Pfizer	70,447	894	0.09
eBay	22,225	352	0.03	Procter & Gamble	30,123	906	0.09
Electronic Arts	8,976	208	0.02	Prudential Financial	7,145	300	0.03
EMC	32,870	195	0.02	Qualcomm	19,861	430	0.04
Embarg	1,622	36	0.00	Schering Plough	19,246	198	0.02
Emerson Electric	7,427	337	0.03	Schlumberger	13,572	478	0.05
Exelon	14,162	435	0.04	Southern	13,212	229	0.02
Exxon Mobil	52,535	1,743	0.17	Sprint	32,459	350	0.03
Fannie Mae	13,468	350	0.03	St Paul Travelers	10,913	263	0.03
Fedex	6,642	420	0.04	Starbucks	13,679	279	0.03
Fifth Third Bancorp	9,378	187	0.02	Suntrust Banks	6,593	272	0.03
First Data	15,025	366	0.04	Target	13,529	357	0.03
Ford Motor	73,357	274	0.03	Texas Instruments	19,316	316	0.03
Freddie Mac	12,525	386	0.04	Time Warner	58,601	548	0.05
Genentech	7,093	314	0.03	TXU Corporation	8,676	280	0.03
General Electric	95,805	1,706	0.16	Tyco International	29,023	431	0.04
General Mills	10,333	289	0.03	United Parcel Services	8,666	386	0.04
General Motors	22,283	359	0.03	United Technologies	12,506	429	0.04
Goldman Sachs	6,361	517	0.05	Unitedhealth	20,500	496	0.05
Google A	2,155	489	0.05	Union Pacific	5,590	281	0.03
Halliburton	9,206	369	0.04	US Bancorp	24,057	402	0.04
Harley-Davidson	8,342	248	0.02	Valero Energy	11,813	425	0.04
Hewlett-Packard	30,319	519	0.05	Verizon Communications	27,968	506	0.05
Home Depot	25,536	494	0.05	Viacom B	12,800	248	0.02
Honeywell	16,491	359	0.03	Wachovia	16,107	471	0.05
I.B.M.	14,545	604	0.06	Walgreen	18,239	442	0.04
Illinois Tool Works	10,424	268	0.03	Wal-Mart Stores	33,966	884	0.09
Intel	63,793	654	0.06	Washington Mutual	15,176	374	0.04
JPMorgan Chase	34,474	783	0.08	Wellpoint	10,771	424	0.04
Johnson & Johnson	30,446	986	0.09	Wells Fargo	17,141	622	0.06
Kimberly Clark	9,364	312	0.03	Wyeth	17,861	429	0.04
Lehman Brothers	14,488	510	0.05	Yahoo!	16,083	287	0.03
Liberty Media A	2,622	119	0.01				

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	Market Value	%		Market Value	%		
<i> Holding</i>	<i> £'000</i>	<i> Fund</i>		<i> Holding</i>	<i> £'000</i>	<i> Fund</i>	
JAPAN 2.87% (31.12.05, 3.06%)							
Aeon	25,000	296	0.03	Nitto Denko	7,000	268	0.03
Ajinomoto	35,000	210	0.02	Nomura Securities	52,800	534	0.05
Asahi Glass	40,000	274	0.03	NTT DoCoMo	550	434	0.04
Asahi Kasei	80,000	282	0.03	Oji Paper	70,000	216	0.02
Astellas Pharmaceutical	18,500	366	0.04	Omron	15,000	205	0.02
Bank of Yokohama	60,000	251	0.02	Orix	3,000	395	0.04
Bridgestone	24,000	250	0.02	Resona Bank	210	358	0.04
Canon	27,000	713	0.07	Ricoh	18,000	190	0.02
Central Japan Railway	70	374	0.04	Rohm	4,700	226	0.02
Chubu Electric Power	15,200	221	0.02	Sanyo Electric	74,000	86	0.01
Daiichi Sankyo	24,515	364	0.04	Secom	9,000	229	0.02
Dai Nippon Printing	26,000	217	0.02	Sekisui House	35,000	259	0.02
Daiwa House	30,000	259	0.02	Seven & I	20,000	355	0.03
Daiwa Secs	50,000	322	0.03	Sharp	30,000	256	0.03
Denso	18,000	318	0.03	Shin-Etsu Chemical	12,100	354	0.03
East Japan Railway	104	417	0.04	SMC	2,600	198	0.02
Fanuc	6,800	329	0.03	Sony	26,000	621	0.06
Fuji Photo Film	18,000	326	0.03	Sumitomo	46,000	327	0.03
Fujitsu	68,000	285	0.03	Sumitomo Chemical	65,000	292	0.03
Hitachi	95,000	339	0.03	Sumitomo Mitsui	150	851	0.08
Honda Motor	33,000	565	0.05	Suzuki Motor	22,000	258	0.03
Hoya	13,200	253	0.03	Takeda Pharmaceuticals	18,000	603	0.06
Isetan	15,000	138	0.01	TDK	4,200	173	0.02
JFE	16,500	378	0.04	Tohoku Electric Power	10,500	124	0.01
JS	25,000	283	0.03	Tokyo Electric Power	24,500	364	0.04
Kansai Electric Power	19,200	232	0.02	Tokyo Electron	7,500	284	0.03
Kao	22,000	311	0.03	Tokyo Gas	80,000	203	0.02
Keyence	1,600	220	0.02	Toppa Printing	35,000	213	0.02
Kintetsu	110,000	198	0.02	Toray Industries	62,000	291	0.03
Kyocera	6,100	256	0.02	Toshiba	100,000	353	0.03
Kyushu Electric Power	10,000	125	0.01	Toyota Motor	56,200	1,587	0.15
Matsushita Electric Industries	63,000	717	0.07	West Japan Railway	105	235	0.02
Millea	45	451	0.04	Yamada Denki	4,500	248	0.02
Mitsubishi	38,000	409	0.04	Yamato Transport	17,000	163	0.02
Mitsubishi Estate	40,000	458	0.04	PACIFIC BASIN 2.92% (31.12.05, 3.06%)			
Mitsubishi Tokyo Financial	220	1,654	0.16	HONG KONG 0.68%			
Mitsui & Co	50,000	381	0.04	BOC Hong Kong	350,000	369	0.04
Mitsui Fudosan	32,000	375	0.04	China Life Insurance	464,000	394	0.04
Mitsui OSK Lines	70,000	257	0.02	China Merchants	192,000	315	0.03
Mitsui Sumitomo Insurance	51,000	344	0.03	China Mobile	168,000	519	0.05
Mizuho Financial	220	1,006	0.10	China Shenhua	340,000	337	0.03
Murata Manufacturing	8,200	287	0.03	China State Construction	726,000	152	0.01
NEC	80,000	230	0.02	CNOOC	1,200,000	514	0.05
Nikko Cordial	40,000	277	0.03	Hang Seng Bank	62,000	425	0.04
Nintendo	3,800	345	0.03	HKEX	170,000	591	0.06
Nippon Oil	70,000	275	0.03	Hong Kong & China Gas	352,000	417	0.04
Nippon Steel	200,000	408	0.04	Hutchison Whampoa	104,000	512	0.05
Nippon Telegraph & Telephone	150	397	0.04	Hysan Development	225,000	339	0.03
Nissan Motor	59,000	348	0.03	HSBC Holdings	50,000	473	0.05
				Link Reit	142,000	153	0.02
				Petrochina	960,000	551	0.05

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	<i>Holding</i>	<i>Market Value</i> £'000	<i>% Fund</i>		<i>Holding</i>	<i>Market Value</i> £'000	<i>% Fund</i>
Sinopec Shanghai	1,086,000	285	0.03	THAILAND 0.02%			
Sun Hung Kai Properties	46,000	253	0.02	Bangkok Bank	110,000	165	0.02
Swire Pacific A	78,000	435	0.04				
KOREA 0.62%				AUSTRALIA & NEW ZEALAND 0.94%			
Atlantis Korea Smaller Companies Fund	7,000	164	0.02	AMP	141,200	517	0.05
Hana Financial Holding	16,665	424	0.04	ANZ Bank	51,245	547	0.05
Hyundai Securities	44,000	273	0.03	Australian Gas Light	70,000	492	0.05
Kookmin Bank	9,800	434	0.04	BHP Billiton	177,000	2,059	0.20
Korea Electric Power	17,000	341	0.03	Brambles Industries	102,000	447	0.04
Korea Exchange Bank	52,000	335	0.03	CSL	17,000	365	0.04
LG Card	15,800	421	0.04	Excel Coal	104,000	337	0.03
Lotte Shopping	1,650	347	0.03	JB Hi-Fi	135,500	276	0.03
Orion	1,740	254	0.02	Mayne Pharma	260,000	272	0.03
Samsung Electronics	6,000	2,059	0.20	Orica	32,000	307	0.03
Samsung Fire & Marine	5,800	420	0.04	Origin Energy	78,000	231	0.02
Samsung Heavy	49,000	612	0.06	QBE	89,200	735	0.07
Shinhan Financial	17,000	431	0.04	SFE Corporation	30,000	197	0.02
MALAYSIA 0.01%				Symbian Health	193,000	236	0.02
Sime Darby	160,000	129	0.01	Toll	55,000	310	0.03
SINGAPORE 0.15%				Westfield	45,500	316	0.03
China Dairy	786,000	155	0.01	Westpac Banking	98,000	913	0.09
China Milk	480,000	169	0.02	Woodside Petroleum	32,000	566	0.05
Goodpack	230,000	128	0.01	Woolworths	40,000	324	0.03
Hong Kong Land	150,000	297	0.03	Zinifex	72,000	290	0.03
Olam	908,000	444	0.04	OTHER OVERSEAS 0.22% (31.12.05, 0.37%)			
United Overseas Bank	79,040	419	0.04	F & C Latin America Investment Trust	118,338	360	0.03
TAIWAN 0.50%				Invesco GT Developing Markets C	44,259	682	0.07
Acer	318,000	302	0.03	JPMorgan Fleming Emerging Markets	402,752	1,203	0.12
ASE	593,900	317	0.03	UNQUOTED 0.58% (31.12.05, 0.57%)			
Au Optronics	392,000	299	0.03	CCLA Investment Management Limited 'B' Shares	28,167	3,127	0.30
Benq	650	0	0.00	CCLA Investment Management Limited 'D' Shares	26,000	2,886	0.28
Cathay Financial	180,000	213	0.02	HV II Distributions	6,667	0	0.00
Chi Mei Optoelectronics	848	1	0.00	PROPERTY UNIT TRUSTS 9.35% (31.12.05, 9.00%)			
China Steel	500,000	268	0.03	COIF Charities Property Fund Income Units*	70,383,537	97,094	9.35
Chinatrust Financial	368,499	165	0.02				
Compal Electron	450,000	232	0.02				
Hon Hai	143,492	478	0.05				
Lite-on Technology	403,471	323	0.03				
President Chain Store	265,000	314	0.03				
Quanta Computer	354,000	306	0.03				
Siliconware Precision	269,959	179	0.02				
Taiwan Opportunities Fund	51,905	431	0.04				
TSMC	1,089,520	1,061	0.10				
Yuanta Core Pacific	611,748	219	0.02				

* COIF Charities Property Fund is managed by CCLA Investment Management Limited.

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2006 (unaudited)

<i> Holding</i>	<i> Market Value £'000</i>	<i> % Fund</i>
FIXED INTEREST STOCKS 6.15% (31.12.05, 7.93%)		
UNITED KINGDOM 4.52% (31.12.05, 5.19%)		
Treasury 5% Stock 2008	1,905,000	1,913 0.18
Treasury 5.75% Stock 2009	3,821,150	3,933 0.38
Treasury 6.25% Stock 2010	10,665,000	11,279 1.09
Conversion 9% Stock 2011	3,040,000	3,606 0.35
Treasury 8% Stock 2013	3,035,000	3,633 0.35
Treasury 8.75% Stock 2017	3,845,000	5,185 0.50
Treasury 8% Stock 2021	2,180,000	2,957 0.28
Treasury 5% Stock 2025	2,955,000	3,124 0.30
Treasury 6% Stock 2028	5,375,000	6,528 0.63
Treasury 4.25% Stock 2036	2,300,000	2,267 0.22
Treasury 4.75% Stock 2038	2,350,000	2,526 0.24
OVERSEAS 1.63% (31.12.05, 1.76%)		
Germany 1.08%		
Bund 4.5% 2009	5,000,000	3,532 0.34
Bund 5.25% 2011	5,505,000	4,022 0.39
Bund 5.5% 2031	4,500,000	3,636 0.35
USA 0.47%		
US Treasury 5.625% Bond 2008	1,825,000	995 0.10
US Treasury 5% Bond 2011	1,185,000	639 0.06
US Treasury 5.375% Bond 2031	1,950,000	1,073 0.10
US Govt TIPS 3% 2012	3,485,000	2,176 0.21
JAPAN 0.08%		
JGB 0.8% 2010	190,000,000	879 0.08
TOTAL VALUE OF INVESTMENTS	1,015,078	97.80
NET CURRENT ASSETS	22,838	2.20
TOTAL VALUE OF FUND	1,037,916	100.00

COIF Charities Investment Fund

Summary of Material Portfolio Changes

for the six months ended 30 June 2006 (unaudited)

	<i>Cost</i> <i>£'000</i>
Total purchases for the period	93,272
Major purchases:	
Treasury 6.25% Stock 2010	4,671
BP	3,883
Xstrata	3,569
Resolution	3,374
Treasury 8% Stock 2021	2,994
Treasury 4.75% Stock 2038	2,554
Conversion 9% Stock 2011	2,517
Treasury 5% Stock 2025	2,248
Dana Petroleum	2,093
Bund 5.5% 2031	1,996
Scottish Power	1,976
Corus	1,934
Abbot	1,922
Treasury 5% Stock 2008	1,914
BHP Billiton	1,859
Next	1,587
SIG	1,397
Forth Ports	1,375
Taylor Nelson Sofres	1,354
Morrison (Wm) Supermarkets	1,344
	<i>Proceeds</i> <i>£'000</i>
Total sales for the period	111,141
Major sales:	
Treasury 8.5% Stock 2007	5,211
Royal Bank of Scotland	5,061
O2	4,522
Treasury 7.5% Stock 2006	4,125
Treasury 8% Stock 2013	3,869
Barclays	3,694
P & O Dfd	3,673
Reed Elsevier	3,644
WPP	3,426
BAA	3,288
Treasury 5% Stock 2025	2,988
Treasury 8% Stock 2021	2,852
LogicaCMG	2,834
Treasury 6% Stock 2028	2,590
HBOS	2,576
Tate & Lyle	2,457
EMAP	2,454
Reuters	2,354
Carnival	2,324
Bund 4.5% 2009	1,995

COIF Charities Investment Fund

Balance Sheet

at 30 June 2006 (unaudited)

	Notes	30.6.2006		31.12.2005	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of investments			1,015,078		1,008,106
Debtors	8	5,787		4,572	
Cash and bank balances	9	24,096		<u>21,066</u>	
Total current assets			<u>29,883</u>		<u>25,638</u>
Total assets			1,044,961		1,033,744
LIABILITIES					
Creditors	10	59		157	
Proposed distribution of income		<u>6,986</u>		<u>8,505</u>	
Total current liabilities			7,045		8,662
Net assets attributable to unitholders			<u>1,037,916</u>		<u><u>1,025,082</u></u>

The notes on pages 23 to 30 form part of these accounts.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

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

(b) Income recognition

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

(c) Management expenses

The Manager's periodic charge paid to CCLA Investment Management Limited is charged 75% to the capital and 25% to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.30% p.a. plus VAT. The Fund receives a management fee rebate credited to the income of the Fund for its holding in the COIF Charities Property Fund and for the Fund's deposits in COIF Charities Deposit Fund where, in both Funds, management fees are charged to income. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of staff and investment services and other expenses incurred by the Manager. The Corporate Trustee fee, audit, legal, safe custody fees and transaction charges and insurance are charged separately to the income of the Fund before distribution.

(d) Distributions

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

(e) 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 CCLA Investment Management Limited 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.

(f) Foreign exchange

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

2. Net gains on investments

	30.6.2006	30.6.2005
	£'000	£'000

The net gains on investments during the period comprise:

Non-derivative securities	24,841	44,239
Net gains on investments	<u>24,841</u>	<u>44,239</u>

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

3. Other (losses)/gains	30.6.2006	30.6.2005
	£'000	£'000
Other (losses)/gains comprise:		
Currency (loss)/gain	<u>(363)</u>	<u>554</u>
4. Gross income	30.6.2006	30.6.2005
	£'000	£'000
UK dividends	12,395	12,263
COIF Charities Property Fund dividends	2,252	2,182
Overseas dividends	2,927	2,542
Dividends on unquoted stocks	114	108
Interest on debt securities	1,754	2,201
Interest on COIF Charities Deposit Fund	280	263
Bank interest	73	75
	<u>19,795</u>	<u>19,634</u>

In the current period UK special dividends of £495,000 (30.6.2005, £458,000) have been taken to capital in accordance with the IMA SORP issued in December 2005. The decision whether a special dividend is income or capital depends upon the proportion paid as a dividend relative to the capital value of the entity paying the dividend. Where this is significant, which is regarded as a level of more than 5% of the value of the entity, the special dividend is treated as capital. Previously, the underlying circumstances were reviewed on a case by case basis to determine whether the special dividends should be treated as income or capital.

5. Expenses	30.6.2006	30.6.2005
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	1,824	1,571
Manager's periodic charge rebate – see Note 1(c)*	(370)	(328)
	<u>1,454</u>	<u>1,243</u>
Payable to the Corporate Trustee, associates of the Corporate Trustee and agents of either of them:		
Corporate Trustee fee	11	11
Safe custody fees and transaction charges	86	76
	<u>97</u>	<u>87</u>
Other expenses:		
Insurance	11	12
Professional fees	29	-
Audit fee	6	8
Consultancy fee	1	-
	<u>47</u>	<u>20</u>
Total expenses	<u>1,598</u>	<u>1,350</u>

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

The above expenses include VAT where applicable.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

6. Taxation

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

	30.6.2006	30.6.2005
	£'000	£'000
Overseas taxation suffered in the period	379	337
Overseas taxation recovered in the period	(71)	(1)
Provision for overseas tax in prior periods	-	(2,194)
Total taxation	<u>308</u>	<u>(1,858)</u>

7. Finance Costs

Distributions

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

	30.6.2006	30.6.2005
	£'000	£'000
31 March – Interim distribution	8,002	7,921
30 June – Interim distribution	8,143	8,184
	<u>16,145</u>	<u>16,105</u>
Add: Income deducted on cancellation of units	73	77
Deduct: Income received on creation of units	(42)	(45)
Net distribution for the period	<u>16,176</u>	<u>16,137</u>
Net income after taxation for the period	17,889	20,142
Manager's periodic charge – see Note 1(c)	1,365	1,178
Overseas taxation provision	-	(2,000)
Accrued capital special dividends	-	(759)
Transfer to income reserve – see Note 11	(3,078)	(2,424)
Net distribution for the period	<u>16,176</u>	<u>16,137</u>

Details of the distribution per unit are set out in the distribution table on page 12.

8. Debtors

	30.6.2006	31.12.2005
	£'000	£'000
Amounts receivable on creation of units	-	153
Accrued income	5,751	4,400
Prepayments	8	19
Other debtors	28	-
	<u>5,787</u>	<u>4,572</u>

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

9. Cash and bank balances	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Cash in COIF Charities Deposit Fund	13,980	12,140
Cash in overseas currencies	9,071	8,860
Cash at bank	1,045	66
	<u>24,096</u>	<u>21,066</u>

10. Creditors	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Accrued expenses	59	38
Amounts payable for cancellation of units	-	119
	<u>59</u>	<u>157</u>

11. Income reserve

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

	30.6.2006	<i>30.6.2005</i>
	£'000	<i>£'000</i>
Income reserve at start of the half-year period	1,908	1,902
Transfer to income reserve	3,078	2,424
Income reserve at end of the half-year period	<u>4,986</u>	<u>4,326</u>

12. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market values (see Note 1(e)), except for the holding in CCLA Investment Management Limited (see Note 15). 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 throughout the period and the comparative period.

Market price risk

The Fund is actively-managed and invests in UK and overseas equities, and fixed interest investments. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence, and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the unit price from time to time, although there will generally be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

Currency risk

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

At 30 June 2006, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement. The total exposure at 30 June was:

<i>Currency</i>	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Australian Dollar	11,130	10,900
Danish Krone	341	698
Euro	76,692	76,667
Hong Kong Dollar	7,628	6,059
Japanese Yen	31,173	31,516
Malaysian Dollar	963	1,025
New Zealand Dollar	276	331
Norwegian Krone	2	2
Singapore Dollar	2,200	2,277
South Korean Won	7,665	8,393
Swedish Krona	3,292	3,161
Swiss Franc	9,100	9,177
Taiwan Dollar	5,648	6,210
Thailand Baht	749	750
US Dollar	62,073	60,909
	<u>218,932</u>	<u>218,075</u>

Credit risk

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

Liquidity risk

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

Interest rate risk

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

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2006 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	14,812	46,951	665,921	727,684
Euro	65	11,191	65,326	76,582
US Dollar	1,657	4,883	54,832	61,372
Other	7,562	879	170,882	179,323

<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	-	-	7,045	7,045
Euro	-	-	-	-
US Dollar	-	-	-	-
Other	-	-	-	-

31 December 2005

<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	12,206	53,204	750,258	815,668
Euro	828	12,661	63,179	76,668
US Dollar	1,514	5,422	53,972	60,908
Other	6,518	-	73,982	80,500

<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	-	-	8,662	8,662
Euro	-	-	-	-
US Dollar	-	-	-	-
Other	-	-	-	-

* 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.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

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

<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	46,951	4.71	12.1
Euro	11,190	3.97	10.6
US Dollar	4,883	4.00	9.2
Japan	879	1.32	4.6

31 December 2005

<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	53,204	4.15	11.3
Euro	12,661	3.11	7.5
US Dollar	5,422	2.85	5.7
Japan	-	-	-

13. Future Calls

There were no future calls due for payment after 30 June 2006 (31.12.2005, £nil).

14. Underwriting and underwriting commitments

The Fund may, with the written approval of the Charity Commissioners, underwrite new issues of stock. At 30 June 2006 there were no commitments outstanding (31.12.2005, £nil).

15. Contingent liabilities

There were no contingent liabilities at 30 June 2006 (31.12.2005, £nil).

16. Unquoted and other investments

Unquoted investments include the Investment Fund's holding of 25% of the issued shared capital of CCLA Investment Management Limited, 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 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 2006, 9.4% (31.12.2005, 9.0%) of the value of the Fund was held in units in the COIF Charities Property Fund and 1.3% (31.12.2005, 1.2%) of the value of the Fund was held in the COIF Charities Deposit Fund. At 30 June 2006, 0.1% (31.12.2005, 0.1%) of the value of the Fund was held in Authorised Unit Trust Schemes.

At 30 June 2006 the COIF Charities Investment Fund held 63.6% (31.12.2005, 64.4%) of the COIF Charities Property Fund which may not be readily realisable. 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.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

17. Board remuneration

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

18. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited and the Corporate Trustee fee, safe custody fee and transaction charges are paid to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of these charges are disclosed in Note 5. In addition, CCLA Investment Management Limited made a voluntary, without prejudice, payment of £39,900 (30.6.2005, £77,450) to the Fund as a contribution towards professional fees and penalties in relation to US tax issues.

The COIF Charities Properties Fund is a related party to the Fund. At 30 June 2006 the Fund held 63.6% of the units of the COIF Charities Property Fund. The net assets of the COIF Charities Property Fund have not been consolidated as, due to the Trustee arrangements, the Fund is unable to exercise control over the COIF Charities Property Fund.

A rebate of management fees is credited to the Fund's income for its holding in the COIF Charities Property Fund and for the Fund's deposits in the COIF Charities Deposit Fund where, in both Funds, the management fees are charged to income as disclosed in Note 5.

At 30 June 2006 the balances due to CCLA Investment Management Limited and HSBC Bank plc were as set out below:

	30.6.2006	31.12.2005
	£'000	£'000
CCLA Investment Management Limited	-	-
HSBC Bank plc Corporate Trustee fee	6	6
HSBC Bank plc safe custody fee and transaction charges	15	15

There were no other transactions entered into with CCLA Investment Management Limited or HSBC Bank plc during the period.

19. Portfolio transaction costs

	30.6.2006	30.6.2005
	£'000	£'000
Analysis of total purchase costs:		
Purchases in period before transaction costs	93,117	78,408
Commissions	155	125
Gross purchases total	<u>93,272</u>	<u>78,533</u>
Analysis of total sale costs:		
Gross sales in period before transaction costs	111,296	84,299
Commissions	(152)	(118)
Total sales net of transaction costs	<u>111,141</u>	<u>84,181</u>

COIF Charities Fixed Interest Fund

Report of the Investment Manager

for the six months ended 30 June 2006

- A high-income fund for long-term capital
- Invested only in Sterling fixed income stocks
- Gives no long-term protection for capital against inflation

Good asset allocation - Fund outperforms the gilt benchmark index

The Fund performed well over the reporting period, outperforming the FTSE UK Government All Stocks index by 0.38%. The Fund's strategy to have an overweight allocation to securities with shorter maturities proved particularly beneficial. There has also been take-over speculation and balance sheet restructuring involving securities held by the Fund. In some instances bonds with strong covenants have experienced significant spread narrowing, thereby aiding overall Fund performance. We now consider the yield premium of most investment grade corporate bonds to be too small hence providing little prospect of enhancing fund performance. We have therefore reduced the Fund's corporate bond weighting and aim to make further disposals. Over the first six months the Fund's total return (before expenses) was -1.35%.

The FTSE UK Government bond short total return index rose 0.87%, the medium and long total return indices fell by 2.08% and 3.89% respectively. Corporate bonds generally underperformed gilt-edged securities, the Barclays corporate bond index fell by 1.88%, while the FTSE UK Government All Stocks total return index fell 1.73%.

Over the six months to 30 June 2006 the value of an Accumulation Unit fell by 1.49%, from 462.05p to 455.17p. The value of a COIF Charities Fixed Interest Fund Income Unit fell by 4.15%, from 133.98p to 128.42p.

A shift towards higher global interest rates

At the end of December 2005 the price of the 50-year gilt was £108, yielding a remarkably low 3.9%; in mid-January the price had risen by over 7.5%, the corresponding yield falling 35 basis points to 3.55%. Although this fall in yield occurred against a background of strong global demand for bonds the movement within the gilt market was extreme. The gilt market distortion was associated with the Pension Protection Fund announcement regarding the basis of levy calculations. Pension funds were required to submit details of their deficits by the end of March 2006. The levy was to be based on the size of the deficit and the fund's credit quality, so by improving the asset liability matching companies were hoping to reduce the levy on their pension funds. Towards the end of the reporting period, tighter monetary policy expectations in the US, Europe and Japan caused global short term yields to rise. The Bank of England's continued optimism that UK economic growth would be higher than market forecasts added upward pressure on gilt yields across all maturities. As a consequence the sharp fall in long gilt yields seen in January reversed, the yield on the 50-year gilt rising to 4.15% at the end of June.

Distribution Rate for current period

The rate of income distribution for the half-year to 30 June 2006 was 3.6p per Income Unit. On the 30 June 2006 Income Unit price of 128.42p, and annual distribution rate of 7.2p, the annualised income yield is 5.61%. The corresponding gross redemption yield, which is an estimate of the total return of the Fund over the long-term, after management expenses, is 4.45%.

COIF Charities Fixed Interest Fund

Report of the Investment Manager

for the six months ended 30 June 2006

Risk Warning

The COIF Charities Fixed Interest Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in interest rates and the average maturity date of the securities held by the Fund. When the Fund's income yield is higher than the gross redemption yield, income is being paid at the expense of capital.

Outlook

Contrary to expectations at the start of the year, the UK economy has remained on a steady course. The assumption that a further reduction in base rate may be required has now receded. Inflation may move higher in the coming months as increased household energy prices feed through, but we expect this to be a temporary factor. The recent rise in gilt yields is more a reflection of higher global interest rates and a change in UK base rate looks premature. The yield curve remains inverted with the shorter end of the curve, our preferred sector, offering the more attractive prospects and higher yields. The Pension Regulator and the Debt Management Office have eased some of the pressures in terms of longer dated securities though it is unclear where long yields will go in the near term. Despite the recent fall in bond prices they continue to look extremely expensive by historic measures and are likely to underperform other asset classes.



Stuart P. Freeman
Fund Manager
CCLA Investment Management Limited

27 July 2006

COIF Charities Fixed Interest Fund

Net Asset Value, Unit Price Range, Net Distributions and Total Expense Ratio

Net Asset Value

At 31 December	Net Asset	Income Units		Accumulation Units	
	Value £'000	Net Asset Value Pence per Unit	Number of Units in Issue	Net Asset Value Pence per Unit	Number of Units in Issue
2003	180,947	131.93	124,541,503	403.24	4,127,766
2004	169,457	131.36	115,437,105	429.27	4,150,458
2005	170,214	133.98	113,298,517	462.05	3,986,163
At 30 June 2006	161,387*	128.42	110,643,095	455.17	4,239,724

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

Unit Price Range

Year to 31 December	Income Units		Accumulation Units	
	Highest Offer Pence per Unit	Lowest Bid Pence per Unit	Highest Offer Pence per Unit	Lowest Bid Pence per Unit
2001	139.94	130.84	369.84	339.88
2002	139.55	131.12	392.52	357.29
2003	140.43	130.18	408.57	390.08
2004	134.68	127.73	432.86	399.57
2005	135.84	129.50	462.97	423.60
To 30 June 2006	135.99	128.16	469.03	450.86

Net Distributions

Year to 31 December	Income Units Pence per Unit	Accumulation Units Pence per Unit
2001	8.80	22.92
2002	8.80	24.07
2003	8.80	24.76
2004	8.80	25.85
2005	7.20	25.87
To 30 June 2006	3.60	12.67

Unit Prices at 30 June 2006

	Bid Price Pence per Unit	Offer Price Pence per Unit
Income Units	128.16	128.68
Accumulation Units	454.26	456.08

The Unit prices are published in *The Times*, *The Daily Telegraph* and *Financial Times*.
The offer and bid prices are calculated on the net asset value plus or minus a 0.20% surcharge or deduction.

Total Expense Ratio

	30.6.2006	30.6.2005
Total expense ratio (annualised)	0.29%	0.29%

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

COIF Charities Fixed Interest Fund

Summary of Investments and Maturity Profile

at 30 June 2006 (unaudited)

	30.6.2006 <i>Nominal Value £'000</i>	30.6.2006 <i>Market Value £'000</i>	30.6.2006 <i>% of Total</i>	31.12.2005 <i>% of Total</i>	30.6.2006 <i>Interest Yield %</i>	30.6.2006 <i>Gross Redemption Yield %</i>
By Sector						
Government Stocks	115,605	128,812	79.82	69.75	5.63	4.68
Debentures	1,850	2,424	1.50	2.09	8.16	5.64
Eurosterling Bonds	20,170	23,318	14.45	23.45	6.51	5.27
Other Fixed Interest Stocks	3,202	3,866	2.39	2.36	8.69	5.27
Net current assets	2,966	2,966	1.84	2.35	4.32	4.39
Total	143,793	161,386	100.00	100.00	5.84	4.79
By Maturity						
Net current assets	2,966	2,966	1.84	2.35	4.32	4.39
0-5 years	53,495	55,823	34.59	36.52	6.01	4.88
5-10 years	24,377	29,247	18.12	16.20	7.30	5.09
10-15 years	17,825	24,009	14.88	9.29	6.30	4.86
15-20 years	9,910	10,336	6.40	13.26	4.74	4.64
Over 20 years	34,695	37,996	23.54	21.75	4.61	4.44
Undated	525	1,009	0.63	0.63	5.98	5.97
Total	143,793	161,386	100.00	100.00	5.84	4.79

Average term to maturity: 12.1 years (31.12.2005, 11.2 years)

Distribution Table

for the six months ended 30 June 2006 (unaudited)

<i>Period Ended</i>	<i>Date of Payment</i>	<i>Distribution Payable Pence per Unit</i>	
		2006	2005
Income Units			
31 March 2006	31 May 2006	1.80	1.80
30 June 2006	31 August 2006	1.80	1.80
		3.60	3.60
<i>Income Accumulated Pence per Unit</i>			
Accumulation Units			
31 March 2006		6.38	6.47
30 June 2006		6.29	6.48
		12.67	12.95

COIF Charities Fixed Interest Fund

Statement of Total Return

for the six months ended 30 June 2006 (unaudited)

	Notes	30.6.2006		30.6.2005	
		£'000	£'000	£'000	£'000
Net (losses)/gains on investments during the period	2		(7,156)		2,411
Gross income	3	4,877		5,305	
Expenses	4	<u>(236)</u>		<u>(237)</u>	
Net income for the period			<u>4,641</u>		<u>5,068</u>
Total return for the period			(2,515)		7,479
Finance Costs: Distributions	6		<u>(4,567)</u>		<u>(4,675)</u>
Change in net assets attributable to unitholders			<u>(7,082)</u>		<u>2,804</u>

Statement of Change in Unitholders' Net Assets

for the six months ended 30 June 2006 (unaudited)

	30.6.2006		30.6.2005	
	£'000	£'000	£'000	£'000
Net assets at start of the period		170,214		169,457
Movement due to creations and cancellations of units				
Amounts receivable on creation of units	5,326		7,098	
Less: Amounts payable on cancellation of units	<u>(7,608)</u>		<u>(7,612)</u>	
		(2,282)		(514)
Change in net assets attributable to unitholders (see above)		(7,082)		2,804
Retained distribution on accumulation units		<u>536</u>		<u>539</u>
Net assets at end of the period		<u>161,386</u>		<u>172,286</u>

The notes on pages 40 to 46 form part of these accounts.

COIF Charities Fixed Interest Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	<i>Holding</i>	<i>Market Value £'000</i>	<i>% Fund</i>
Government Stocks 79.82% (31.12.05, 69.75%)			
Treasury 7.5% Stock 2006	3,000,000	3,036	1.88
Treasury 8.5% Stock 2007	1,000,000	1,038	0.64
Treasury 5% Stock 2008	13,185,000	13,238	8.20
Treasury 6.25% Stock 2010	27,940,000	29,549	18.31
Conversion 9% Stock 2011	10,900,000	12,930	8.01
Treasury 8% Stock 2013	1,000,000	1,197	0.74
Treasury 8% Stock 2015	1,780,000	2,221	1.38
Treasury 8.75% Stock 2017	5,835,000	7,868	4.88
Treasury 8% Stock 2021	8,490,000	11,515	7.13
Treasury 5% Stock 2025	7,780,000	8,224	5.10
Treasury 6% Stock 2028	13,475,000	16,367	10.14
Treasury 4.25% Stock 2032	1,380,000	1,350	0.84
Treasury 4.25% Stock 2036	11,740,000	11,572	7.17
Treasury 4.75% Stock 2038	8,100,000	8,707	5.40
Debenture Stocks 1.50% (31.12.05, 2.09%)			
Monks Inv Trust 11% Deb. Stock 2012	550,000	705	0.44
British Sugar 10.75% Deb. Stock 2013	800,000	1,040	0.64
BAA Lynton 10.25% Deb. Stock 2017	500,000	679	0.42
Eurosterling Bonds 14.45% (31.12.05, 23.45%)			
BP Capital 5% Bond 2007	1,000,000	999	0.62
Barclays 9.875% Bond 2008/Undated	1,250,000	1,349	0.84
EIB 6.25% Bond 2008	1,000,000	1,028	0.64
Halifax 6.375% Bond 2008	600,000	612	0.38
Tesco 6.625% Bond 2010	1,000,000	1,052	0.65
ICO 4.5% Bond 2011	2,000,000	1,944	1.20
Toyota Motor Cred 4.625% Bond 2011	1,000,000	978	0.61
Blue Circle 10.75% Bond 2013	1,500,000	1,954	1.21
RBS 10.5% Bond 2013	1,000,000	1,282	0.79
Bank of Scotland 10.25% Bond 2015	900,000	1,189	0.74
Network Rail 4.875% Bond 2015	1,265,000	1,253	0.78
Aviva 9.5% Bond 2016	2,000,000	2,610	1.62
EIB 8.75% Bond 2017	2,000,000	2,628	1.63
Halifax 10.5% Bond 2018	500,000	713	0.44
British Telecom 8.625% Bond 2020	500,000	606	0.37
Network Rail 4.75% Bond 2024	2,130,000	2,112	1.31
Nat West 11.5% Conv Bond	525,000	1,009	0.62

COIF Charities Fixed Interest Fund

Portfolio Statement

at 30 June 2006 (unaudited)

	<i>Holding</i>	<i>Market Value £'000</i>	<i>% Fund</i>
Other Fixed Interest Stocks 2.39% (31.12.05, 2.36%)			
EIB 9.5% Bond 2009	1,250,000	1,429	0.88
Barclays 12% ULS Bond 2010	520,260	639	0.40
World Bank 9.5% Bond 2010	750,000	877	0.54
BOC 12.25% ULS Bond 2012/17	682,000	921	0.57
TOTAL VALUE OF INVESTMENTS		<u>158,420</u>	<u>98.16</u>
NET CURRENT ASSETS		2,966	1.84
TOTAL PORTFOLIO		<u><u>161,386</u></u>	<u><u>100.00</u></u>

COIF Charities Fixed Interest Fund

Summary of Material Portfolio Changes

for the six months ended 30 June 2006 (unaudited)

	<i>Cost</i> <i>£'000</i>
Total purchases for the period	87,132
Purchases:	
Treasury 6.25% Stock 2010	28,688
Treasury 8% Stock 2021	11,651
Treasury 4.75% Stock 2038	8,805
Conversion 9% Stock 2011	8,735
Treasury 5% Stock 2025	7,120
Treasury 5% Stock 2008	6,574
Treasury 4.25% Stock 2036	4,897
Treasury 8.75% Stock 2017	2,493
Treasury 8% Stock 2015	2,234
Treasury 8% Stock 2013	1,204
Treasury 4.25% Stock 2032	1,035
Toyota Motor Cred 4.625% Bond 2011	999
Treasury 6% Stock 2028	953
Telefonica 5.375% Bond 2018	748
Telefonica 5.375% Bond 2026	501
BAA 5.125% Bond 2023	495
	<i>Proceeds</i> <i>£'000</i>
Total sales for the period	87,764
Major Sales:	
Treasury 8.5% Stock 2007	23,066
Treasury 7.5% Stock 2006	11,926
Treasury 5% Stock 2025	9,183
Treasury 4.25% Stock 2032	8,860
Treasury 8% Stock 2021	7,639
Treasury 5% Stock 2012	6,573
ICO 5% Bond 2009	2,494
Network Rail 4.75% Bond 2035	2,394
GECC 7.25% Bond 2007	1,432
GE Capital 4.75% Bond 2011	1,371
Wal-Mart Stores Inc 4.75% Bond 2013	1,368
BAA 8.5% Bond 2021	1,363
British Telecom 12.25% Bond 2006	1,266
Treasury 8.75% Stock 2017	1,247
McDonalds 6.375% Bond 2020	1,075
Whitbread Hotel 9.875% Deb. Stock 2015	1,064
GlaxoSmithKline 5.25% Bond 2033	1,040
AMEX Credit Corp 5.5% Bond 2007	1,007
Telefonica 5.375% Bond 2018	719
Hammerson Property 10.75% Bond 2013	669

COIF Charities Fixed Interest Fund

Balance Sheet

at 30 June 2006 (unaudited)

	Notes	30.6.2006		31.12.2005	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of investments			158,420		166,209
Debtors	7	2,365		2,987	
Cash and bank balances	8	<u>2,673</u>		<u>3,081</u>	
Total current assets			<u>5,038</u>		<u>6,068</u>
Total assets			163,458		172,277
LIABILITIES					
Creditors	9	81		24	
Proposed distribution of income		<u>1,991</u>		<u>2,039</u>	
Total current liabilities			<u>2,072</u>		<u>2,063</u>
Net assets attributable to unitholders			<u>161,386</u>		<u>170,214</u>

The notes on pages 40 to 46 form part of these accounts.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

- (a) Basis of accounting
The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005 and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in December 2005.
- (b) Income recognition
Interest on Government stocks, debentures, eurosterling bonds, other fixed interest stocks and bank and COIF Charities Deposit Fund balances is accrued on a daily basis.
- (c) Management expenses
The Manager's periodic charge paid to CCLA Investment Management Limited is charged to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.22% p.a. plus VAT, less a management fee rebate for the Fund's deposits in COIF Charities Deposit Fund. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of staff and investment services and other expenses incurred by the Manager. The Corporate Trustee fee, audit, legal, safe custody fees and transaction charges and insurance are charged separately to the income of the Fund before distribution.
- (d) Distributions
Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in income which arise over the years (see Note 10).
- (e) 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 CCLA Investment Management Limited 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.

2. Net (losses)/gains on investments

	30.6.2006 £'000	30.6.2005 £'000
The net (losses)/ gains on investments during the period comprise:		
Non-derivative securities	<u>(7,156)</u>	<u>2,411</u>
Net (losses)/gains on investments	<u><u>(7,156)</u></u>	<u><u>2,411</u></u>

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

3. Gross income	30.6.2006	30.6.2005
	£'000	£'000
Interest on debt securities	4,808	5,209
Interest on COIF Charities Deposit Fund	62	94
Bank interest	7	2
	<u>4,877</u>	<u>5,305</u>
4. Expenses	30.6.2006	30.6.2005
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	214	216
Manager's periodic charge rebate – see Note 1(c)*	(4)	(5)
	<u>210</u>	<u>211</u>
Payable to the Corporate Trustee, associates of the Corporate Trustee and agents of either of them:		
Corporate Trustee fee	10	10
Safe custody fees and transaction charges	11	11
	<u>21</u>	<u>21</u>
Other expenses:		
Insurance	2	2
Audit fee	3	3
	<u>5</u>	<u>5</u>
Total expenses	<u>236</u>	<u>237</u>

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

The above expenses include VAT where applicable.

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 income credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

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:

	30.6.2006	<i>30.6.2005</i>
	£'000	<i>£'000</i>
31 March – Interim distribution	2,295	2,333
30 June – Interim distribution	2,258	2,340
	4,553	4,673
Add: Income deducted on cancellation of units	52	52
Deduct: Income received on creation of units	(38)	(50)
Net distribution for the period	4,567	4,675
Net income for the period	4,641	5,068
Transfer to income reserve – see Note 10	(74)	(393)
Net distribution for the period	4,567	4,675

Details of the distribution per unit are set out in the distribution table on page 34.

7. Debtors

	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Accrued income	2,350	2,920
Prepayments	2	3
Amounts receivable on creation of units	13	64
	2,365	2,987

8. Cash and bank balances

	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Cash in COIF Charities Deposit Fund	2,535	3,018
Cash at bank	138	63
	2,673	3,081

9. Creditors

	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Accrued expenses	20	13
Amounts payable for cancellation of units	61	11
	81	24

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

10. Income reserve

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

	30.6.2006	30.6.2005
	£'000	£'000
Income reserve at start of the half-year period	881	223
Transfer to income reserve	74	393
Income reserve at end of the half-year period	955	616

11. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market values (see Note 1(e)). 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 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 throughout the period and the comparative period.

Market price risk

The Fund is actively-managed and invests in Sterling fixed interest securities. 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.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, income and short-term debtors and creditors are denominated in Sterling.

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. The corporate bond holdings in the Fund are also exposed to the risk of issuer default.

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of Sterling fixed interest securities and Sterling cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

Interest rate risk

The Fund invests in fixed interest securities. The income may be affected by changes in interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2006 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	2,673	158,420	2,365	163,458

<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	-	-	2,072	2,072

31 December 2005

<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	3,081	166,209	2,987	172,277

<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	-	-	2,063	2,063

* 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.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

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

<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	157,411	4.79	12.1
Sterling - undated	1,009	5.97	-

31 December 2005

<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	165,136	4.29	11.2
Sterling - undated	1,073	5.61	-

12. Board remuneration

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

13. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited and the Corporate Trustee fee is payable to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of the Manager's periodic charge and the Corporate Trustee fee, safe custody fee and transaction charges are disclosed in Note 4. A rebate of management fees is credited to the Fund's income for its deposits in the COIF Charities Deposit Fund where the management fees are charged to income. At June 2006, the balances due to CCLA Investment Management Limited and HSBC Bank plc were as set out below:

	30.6.2006	31.12.2005
	£'000	£'000
CCLA Investment Management Limited	-	-
HSBC Bank plc Corporate Trustee fee	15	5
HSBC Bank plc safe custody fees and transaction charges	2	2

There were no other transactions entered into with CCLA Investment Management Limited or HSBC Bank plc during the period.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

14. Portfolio transaction costs

	30.6.2006	30.6.2005
	£'000	£'000
Analysis of total purchase costs:		
Purchases in period before transaction costs	87,132	45,653
Commissions	<u>-</u>	<u>-</u>
Gross purchases total	<u>87,132</u>	<u>45,653</u>
Analysis of total sale costs:		
Gross sales in period before transaction costs	87,764	45,525
Commissions	<u>-</u>	<u>-</u>
Total sales net of transaction costs	<u>87,764</u>	<u>45,525</u>

COIF Charities Investment Fund

COIF Charities Fixed Interest Fund

Statement of Board, Corporate Trustee and Manager Responsibilities

Responsibilities of the Board

The Board is required by the Schemes of the Charity Commissioners made under the Charities Act 1993, dated 29 November 2000, for each of the Funds to:

- prepare an annual report and to inform the Charity Commissioners if it is not satisfied with the Corporate Trustee's or the Manager's compliance with the Schemes or the Scheme Particulars;
- meet regularly to receive reports and monitor the progress of the Funds;
- obtain Charity Commission orders for the discharge and appointment of the Corporate Trustee and Manager of the Funds;
- appoint the Auditors of the Funds and to agree their terms of engagement;
- determine the rate of remuneration of the Corporate Trustee and Manager in accordance with the Schemes.

Responsibilities of the Corporate Trustee

The Corporate Trustee is required by the Schemes to:

- ensure that the Funds are managed by the Manager in accordance with the Schemes and Scheme Particulars and that proper accounting records have been maintained;
- safeguard the assets of the Funds and hence take reasonable steps for the prevention and detection of fraud and other irregularities;
- appoint and supervise the Registrar of the Funds;
- be responsible for any winding-up of the Funds in accordance with the Schemes.

Responsibilities of the Manager

The Manager of the respective Funds is required by the Schemes to prepare accounts for each of the Funds 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 Funds and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in December 2005;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enables the Manager to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the basis that the Funds will continue in operation unless it is inappropriate to presume this.

The Manager is required to manage and administer the Funds in accordance with the Schemes, maintain accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Corporate Trustee has appointed the Manager to act as Registrar to the Funds.



CCLA INVESTMENT MANAGEMENT LIMITED

COIF Charities Investment Fund

(Charity Registration No. 218873)

COIF Charities Fixed Interest Fund

(Charity Registration No. 803610)

Board

B.H.B. Wrey, Chairman of the Board, *Former Chairman, Henderson Global Investors*

P.E.B. Cawdron, FCA, *Company Director*

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

A. Huntley, FRICS

Mrs F. Quint, *Barrister*

N.S. Wilson, *Solicitor, a former Partner, Slaughter and May*

Secretary

Mrs J. Glass, ACIS

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

Authorised and regulated by the Financial Services Authority

80 Cheapside, London EC2V 6DZ

T: 020 7489 6000

Client Service: Freephone: 0808 220 2252

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Directors responsible for the COIF Charities Investment Fund and COIF Charities Fixed Interest Fund

A.G. Gibbs, FCA (*Chief Executive, up to 8.3.2006*)

M. F. Quicke (*Chief Executive, from 8.3.2006*)

T.H. Lavis (*Corporate Relationship, up to 14.7.2006*)

C.J. Peters (*Investment*)

D.A.W. Butler, FCA (*Operations*)

C.G. Finch

S.P. Freeman

Mrs M.J. Gow (*up to 14.7.2006*)

T.J. Sambrook

M.J. Goddings

Mrs J. Glass, ACIS

Mrs A.V. Young

Fund Managers

Client Relationship Manager

Company Secretary and Head of Compliance

Socially Responsible Investment (SRI) Unit

Corporate Trustee

HSBC Bank plc

8 Canada Square, London E14 5HQ

HSBC Bank plc

8 Canada Square, London E14 5HQ

The Royal Bank of Scotland plc

62/63 Threadneedle Street, London EC2R 8LA

Eversheds LLP

Senator House, 85 Queen Victoria Street

London EC4V 4JL

PricewaterhouseCoopers LLP

Southwark Towers, 32 London Bridge Street

London SE1 9SY

Custodian

Bankers

Solicitors

Independent Auditors

COIF Charities Deposit Fund

Report of the Trustees

for the six months ended 30 June 2006

We have pleasure in presenting our half-year report on COIF Charities Deposit Fund.

Responsibilities of the Trustees

We have met quarterly during the period to carry out our responsibility for the approval of strategy, for setting interest rate policy, to monitor investment diversification, suitability and risk, and to review the performance of the Fund. In addition we have monitored the administration and expenses of the Fund and are also responsible for the appointment of the Fund's Investment Manager and Administrator, and the Auditors.

Review of investment activities and policies of the Fund

During the period we met quarterly with the Investment Manager to review the investments, transactions and policies of the Fund. The Investment Manager's report on the Fund, which appears later, provides further details. In addition to receiving regular reports on the management of the Fund, the Trustees also met as an audit committee to approve the annual Accounts.

Delegation of functions

Following our regular meetings and consideration of the reports and papers we have received, we are satisfied that CCLA Investment Management Limited, to whom we have delegated the administration and management of the Fund, has complied in all material respects with the terms of the Scheme and with the relevant management agreement.

Controls and Risk Management

The Trustees receive and consider regular reports from the Manager and ad hoc reports and information are supplied to the Trustees as required. The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

The Trustees receive an annual report on the controls of the Manager (FRAG 21). The last report covered the year ended 31 December 2005 and included a satisfactory report by the Manager's reporting accountants, PricewaterhouseCoopers LLP.

During the period, the Trustees, assisted by the Manager, reviewed the Fund's system of internal control. At each quarterly meeting the Trustees receive from the Manager, and review, 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 exposure and residual exposure after application of mitigating controls.



B.H.B. Wrey
Chairman of the Trustees

27 July 2006

COIF Charities Deposit Fund Report of the Investment Manager for the six months ended 30 June 2006

- A money fund for short-term cash
- Competitive rates of interest (even on small balances)
- Rated Aaa by Moody's Investors Service
- Withdrawal on demand with no loss of interest

Stable rates but a divided Bank of England Monetary Policy Committee

The Bank of England Monetary Policy Committee (MPC) gave little serious discussion to changing rates during the reporting period; base rate has remained unchanged for eleven consecutive months at 4.5%. However, following the May MPC meeting a watershed may have been reached. The minutes revealed a widening range of member views about the economic outlook. These views focused upon an economy appearing to be gathering pace and the prospect that inflation could pick up at a time when unemployment was at its highest in almost three years. The MPC was split in three directions, the first time this had occurred since August 1998. Six members voted for no change, one for an increase and one for a cut. Money market rates have however moved a little higher and now discount a rise in base rate before the end of the year. The latest Bank of England quarterly inflation report incorporated a future interest rate profile that also assumed a need to increase rates, though not until 2007.

Total Client deposits

New clients have been attracted to the COIF Charities Deposit Fund and additional deposits received. Over the half-year total deposits (excluding those of the COIF Charities Investment, Fixed Interest and Property Funds) increased by £35 million to £1.073 billion at 30 June 2006.

A highly competitive deposit rate which averaged 4.32% (4.39% A.E.R.)

The Deposit Fund rate averaged 4.32% over the half-year, equivalent to an Annual Equivalent Rate (A.E.R.) of 4.39%. The Deposit Fund rate at 30 June 2006 was 4.43% (4.50% A.E.R.).

Fund's total return higher than its benchmark

Over the six months to 30 June 2006 the Fund achieved a total return before management expenses of 2.28%. This was higher than the Fund's benchmark, the London Inter-Bank 7-Day Bid rate (7-day LIBID), which averaged 2.25%.

A high quality Deposit Fund rated Aaa by Moody's Investors Service

The Fund is rated Aaa (Triple A) by Moody's Investors Service. This is the highest money market fund rating that can be awarded and reflects the high quality of the Fund's Approved Lending List, the employment of an appropriate investment policy, a low overall level of risk through diversification and the quality of management and internal controls. This excellent credit rating continues to underline to depositors the high credit quality of this Fund.

MPC will continue to 'wait-and-see'

The need for the MPC to cut rates to insure against weak economic growth now looks less likely, though we do not see an immediate need to increase rates. More recent economic data have been reassuring with house prices broadly flat and industrial surveys easing a little. The MPC's primary role is to control inflation. While inflation may move higher in the coming months as increased household energy prices feed through, it is likely to be a temporary factor. The MPC can afford to continue with the 'wait-and-see' approach unless there are signs that any rise in inflation expectations are feeding through to employment pay negotiations.



Stuart P. Freeman
Fund Manager
CCLA Investment Management Limited

27 July 2006

COIF Charities Deposit Fund

Average Rates of Interest Paid

for the six months ended 30 June 2006 (unaudited)

<i>Month</i>	<i>Actual % p.a.</i>	<i>Gross A.E.R.* %</i>
January 2006	4.30	4.37
February	4.30	4.37
March	4.30	4.37
April	4.30	4.37
May	4.31	4.38
June	4.38	4.45

<i>Years to 31 December</i>	<i>Actual % p.a.</i>	<i>Gross A.E.R.* %</i>
2001	4.89	4.99
2002	3.68	3.73
2003	3.41	3.45
2004	4.18	4.24
2005	4.46	4.54
To 30 June 2006	4.32	4.39

* A.E.R. = Annual Equivalent Rate

COIF Charities Deposit Fund Statement of Total Return

for the six months ended 30 June 2006 (unaudited)

	Notes	30.6.2006 £'000	30.6.2005 £'000
Gross income		24,658	25,046
Expenses	2	<u>(1,298)</u>	<u>(1,246)</u>
Net income and total return		23,360	23,800
Finance Costs: Distributions		<u>(23,304)</u>	<u>(23,717)</u>
Net increase in income reserve		<u>56</u>	<u>83</u>

The notes on pages 54 to 57 form part of these accounts.

Interest Paid Table

for the six months ended 30 June 2006 (unaudited)

Period ended	Date of Payment	Total £'000	Average Rates of Interest Paid	
			2006 %	2005 %
31 March 2006	6 April 2006	11,496	4.30	4.56
30 June 2006	6 July 2006	<u>11,808</u>	<u>4.33</u>	<u>4.60</u>
		<u>23,304</u>	<u>4.32</u>	<u>4.58</u>

COIF Charities Deposit Fund

Balance Sheet

at 30 June 2006 (unaudited)

	Notes	30.6.2006		31.12.2005	
		£'000	£'000	£'000	£'000
Cash at bank			2,752		1,688
Debtors	4		4,905		4,166
Deposits					
UK Banks and Building Societies		737,538		612,740	
Foreign Banks		370,000		455,000	
			<u>1,107,538</u>	<u>1,067,740</u>	
TOTAL ASSETS			<u>1,115,195</u>	<u>1,073,594</u>	
Current deposits	5		1,096,962		1,057,981
Creditors	6		14,235		11,671
Income reserve	7		3,998		3,942
			<u>1,115,195</u>	<u>1,073,594</u>	
TOTAL LIABILITIES			<u>1,115,195</u>	<u>1,073,594</u>	

The notes on pages 54 to 57 form part of these accounts.

Summary of Deposits Placed by Maturity

at 30 June 2006 (unaudited)

Repayable	30.6.2006		31.12.2005	
	£'000	%	£'000	%
On Call	163,538	14.77	207,740	19.46
Within 5 business days	125,000	11.29	155,000	14.52
Within 30 days	296,000	26.73	354,000	33.15
Between 31 and 60 days	218,000	19.68	240,000	22.48
Between 61 and 91 days	246,000	22.21	111,000	10.39
Between 92 and 182 days	39,000	3.52	-	-
Between 183 days and one year	20,000	1.80	-	-
Total deposits	<u>1,107,538</u>	<u>100.00</u>	<u>1,067,740</u>	<u>100.00</u>

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005.

(b) Income recognition

Interest on bank and building society deposits is accrued on a daily basis.

(c) Management expenses

The Manager's periodic charge paid to CCLA Investment Management Limited is charged to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.20% p.a. plus VAT. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of staff and investment services and other expenses incurred by the Manager. Audit, legal, insurance and bank charges are charged separately to the income of the Fund before distribution.

(d) Distributions

Interest is paid quarterly. The Fund utilises an income reserve to facilitate the payment of interest to depositors (see Note 7).

(e) Basis of valuation

The Money Market Deposits have been valued at cost.

2. Expenses

	30.6.2006	30.6.2005
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	<u>1,273</u>	1,222
	<u>1,273</u>	<u>1,222</u>
Payable to the Trustees, associates of the Trustees and agents of either of them:	-	-
Other expenses:		
Insurance	12	15
Audit fee	4	4
Bank charges	5	5
Consultancy fee	<u>4</u>	-
	<u>25</u>	<u>24</u>
Total expenses	<u><u>1,298</u></u>	<u><u>1,246</u></u>

The above expenses include VAT where applicable.

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

3. Taxation

The Fund is exempt from UK income tax and capital gains tax due to its charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid and reinvested income credited gross to depositors.

4. Debtors	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Interest receivable	4,897	4,145
Prepayments	8	21
	<u>4,905</u>	<u>4,166</u>

5. Current deposits	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Charities and Trusts	1,073,196	1,038,337
COIF Charities Investment Fund	13,980	12,140
COIF Charities Fixed Interest Fund	2,535	3,018
COIF Charities Property Fund	7,251	4,486
	<u>1,096,962</u>	<u>1,057,981</u>

Deposits are repayable to clients on demand.

6. Creditors	30.6.2006	<i>31.12.2005</i>
	£'000	<i>£'000</i>
Interest payable	11,436	11,245
Accrued expenses	4	8
Amounts payable on withdrawals from the Fund	2,795	418
	<u>14,235</u>	<u>11,671</u>

7. Income reserve

The Fund utilises a reserve, which is accumulated out of income and held by the COIF Charity Fund's Trustees on trust for depositors for the time being. The principal purpose of the reserve is to facilitate the payment of interest to depositors at each quarter-end, as a proportion of the income earned by the Fund over the quarter will not be received until the maturity date of individual deposits. It is also held as a provision against potential default of counterparties and is available to augment the Fund's deposit rate.

	30.6.2006	<i>30.6.2005</i>
	£'000	<i>£'000</i>
Income reserve at start of the half-year period	3,942	3,731
Transfer to income reserve	56	83
Income reserve at end of the half-year period	<u>3,998</u>	<u>3,814</u>

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

8. Financial instruments

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 throughout the period and the comparative period.

Interest rate risk

The Fund invests in fixed rate and floating rate deposits with an approved list of institutions maintained by the Manager. Changes in the interest rates may result in income either increasing or decreasing.

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2006 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	166,290	944,000	4,905	1,115,195

<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	1,100,960	-	14,235	1,115,195

31 December 2005

<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	209,428	860,000	4,166	1,073,594

<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	1,061,923	-	11,671	1,073,594

Note: The floating rate financial assets and liabilities earn and pay interest at rates based on either LIBOR or base rate.

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

9. Trustees' remuneration

The Trustees receive no remuneration from the COIF Charity Funds. Mr R. Fitzalan Howard is a Director of CCLA Investment Management Limited and receives remuneration from CCLA Investment Management Limited, which is disclosed in that Company's accounts.

10. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited, a related party to the Fund. The amounts paid in respect of the Manager's periodic charge are disclosed in Note 2. There were no outstanding balances due to CCLA Investment Management Limited at 30 June 2006 (31.12.2005, £nil). There were no other transactions entered into with CCLA Investment Management Limited during the period.

COIF Charities Deposit Fund

Statement of Trustees and Manager Responsibilities

The Trustees of the COIF Charities Deposit Fund are required by the Scheme of the Charity Commissioners made under the Charities Act 1993, dated 27 June 1995, to prepare accounts in accordance with any rules, regulations or standards of practice issued by the Secretary of State or the Charity Commissioners affecting the keeping of accounts of common deposit funds.

The Trustees are required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable them to demonstrate that the accounts, as prepared, comply with the above requirements;

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

The Trustees have delegated to the Manager the day-to-day management, accounting and administration of the Fund as permitted by the Scheme.

The Manager is required to manage the Fund in accordance with the Scheme and take reasonable steps for the prevention and detection of fraud and other irregularities.



CCLA INVESTMENT MANAGEMENT LIMITED

COIF Charities Deposit Fund

(Charity Registration No. 1046249)

Trustees

B.H.B. Wrey, Chairman of the Trustees, *Former Chairman, Henderson Global Investors*

P.E.B. Cawdron, FCA, *Company Director*

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

A. Huntley, FRICS

Mrs F. Quint, *Barrister*

N.S. Wilson, *Solicitor, a former Partner, Slaughter and May*

Secretary

Mrs J. Glass, ACIS

Investment Manager, Administrator and Registrar

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Directors responsible for the COIF Charities Deposit Fund

A.G. Gibbs, FCA (*Chief Executive, up to 8.3.2006*)

M.F. Quicke (*Chief Executive, from 8.3.2006*)

T. Lavis (*Corporate Relationship, up to 14.7.2006*)

C.J. Peters (*Investment*)

D.A.W. Butler, FCA (*Operations*)

Fund Manager

S.P. Freeman

Client Relationship Manager

M.J. Goddings

Company Secretary and Head of Compliance

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Bankers

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

Solicitors

Eversheds LLP
Senator House, 85 Queen Victoria Street
London EC4V 4JL

Independent Auditors

PricewaterhouseCoopers LLP
Southwark Towers, 32 London Bridge Street
London SE1 9SY



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

Mainly invested in equities in the United Kingdom and overseas. Intended for a charity's long-term capital. Income and Accumulation Units available. Weekly dealing dates.

● COIF CHARITIES FIXED INTEREST FUND

Invested in fixed interest stocks to provide a good income yield and supplement where necessary the lower income yield on COIF Charities Investment Fund. Intended for long-term investment but offers no protection against inflation. Income and Accumulation Units available. Weekly dealing dates.

● COIF CHARITIES DEPOSIT FUND

Designed for a charity's cash balances. Competitive rate of interest even on small sums. Daily deposit and withdrawal facilities.

● COIF CHARITIES PROPERTY FUND

Invested in commercial and industrial property. Intended for part of a charity's long-term capital to provide a good initial income yield and the prospect of some income and capital growth. Income and Accumulation Units available. Monthly dealing dates.

RISK WARNING

The value of COIF Charities Property, Investment and Fixed Interest Funds' units and the income from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns. The Property Fund's unit value will reflect fluctuations in property and share values. The Investment Fund's unit value will reflect fluctuations in share prices and currency exchange rates. The Fixed Interest Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fixed Interest Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in interest rates and the average maturity date of the securities held by the Fund. When the Fixed Interest Fund's income yield is higher than the gross redemption yield, income is being paid at the expense of capital.

The Property Fund's units are intended only for long-term investment and not suitable for money liable to be needed in the near future. They are realisable only on each monthly dealing date and a period of notice not exceeding six months may be imposed for redemption of the units. The Investment Fund and Fixed Interest Fund's units are intended only for long-term investment and are not suitable for money liable to be needed in the near future. They are realisable only on each weekly dealing date.

The Trustees of COIF Charities Deposit Fund cannot give guarantees regarding repayment of deposits in the Deposit Fund but undertake to exercise reasonable care in placing of deposits. The daily deposit rate will fluctuate. Past performance is no guarantee of future returns.

ADDITIONAL INFORMATION

Each Unitholder (Depositor for the COIF Charities Deposit Fund) will receive annual Reports and Accounts within three months of the end of the relevant period and half-yearly Reports and Accounts within two months of the end of the relevant period. Under the FSA Conduct of Business Rules, a Unitholder in the COIF Charities Property, Investment and Fixed Interest Funds is entitled to request an unaudited periodic report to be provided within 25 days after the end of the period to which it relates.

CCLA INVESTMENT MANAGEMENT LIMITED

Authorised and regulated by the Financial Services Authority

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London EC2V 6DZ

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