



for the Church of England

The CBF Church of England Global Equity Income Fund

**Report and Accounts
Half Year ended 31 May 2010
(unaudited)**

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Trustee and Manager

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Description of The CBF Church of England Funds

(outside back cover)

Disability Discrimination Act 1995

Extracts from the Reports & Accounts are available in large print and audio format.

Report of the Trustee

for the half year ended 31 May 2010

On behalf of the Trustee, I have pleasure in presenting the half year Report and Accounts of The CBF Church of England Global Equity Income Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the Manager) as Manager of the Fund.

Structure and management

The Fund is a common fund established by the Church Funds Investment Measure 1958 (as amended from time to time), and the Trustee Act 2000 (together “the Measure”).

CBF Funds Trustee Limited (CBFFT), a company incorporated under the Companies Act, limited by guarantee and not having a share capital, is the Trustee and Operator of the Fund. CBFFT has an Audit Committee which meets twice each year to review the financial statements and monitor the control environment in which the Fund operates.

CBFFT has delegated to the Manager, which is authorised and regulated by the Financial Services Authority (FSA), the investment management, administration, registrar, secretarial and company secretarial functions of the Fund under Management Agreements dated September 2008, which are reviewed by the Audit Committee on an annual basis.

Under the provisions of the Financial Services and Markets Act 2000 (FSMA), CBFFT is not considered to be operating the Fund by way of business. In consequence, it is not required to

be authorised and regulated by the FSA and the trustee directors of CBFFT are not required to be authorised by the FSA for this purpose.

Investments in the Fund are not covered by the Financial Services Compensation Scheme. The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

Charitable status of the Fund

The Fund is entitled to charitable status by virtue of section 24(9) of the Charities Act 1993. In the administration of the Fund, CBFFT is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

Investment objective of the Fund

The Fund has wide powers, being permitted to invest in securities of any kind although investment is predominantly in UK and overseas equities. It is believed that over the longer term this approach should help to protect both capital and income from the effect of inflation. The investment objective of the Fund is to provide investors with an income return greater than that on the FTSE All World Series World Index. This objective is reviewed annually.

Benchmark

The income on the Fund is targeted against the income available on the FTSE All-World Index. A comparison of returns is made against the FTSE All-Share Index as the domestic investment alternative.

Report of the Trustee

for the half year ended 31 May 2010

Responsibilities of the Trustee

CBFFT receives a report on the published accounts from the Manager twice a year and is wholly responsible for the Fund. CBFFT monitors the investment, property and cash management, administration, registration, secretarial and company secretarial services provided by the Manager under respective Management Agreements. It meets quarterly with the Manager to monitor investment strategy, dividend and interest rate policy, investment diversification and risk and to review the Fund's performance. In addition, CBFFT reviews the Report and Accounts of the Fund prepared on its behalf by the Manager.

CBFFT is responsible for appointing an Audit Committee, the Auditor and the Safe Custody Agent. It reviews annually the objectives of the Fund in the light of current circumstances.

RBS monitoring service

CBFFT has appointed The Royal Bank of Scotland plc to monitor the Manager in respect of its activities related to the management and administration of the Fund and to provide formal six-monthly reviews of its findings to the Audit Committee. The Royal Bank of Scotland plc has not raised any material issues.

Delegation of functions

Following its regular meetings and consideration of the reports and papers it has received, CBFFT is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Measure and with the relevant Management Agreements.

Ethical & Responsible Investment

CBFFT continues to be represented on the Church of England's Ethical Investment Advisory Group (EIAG) by Mrs Lesley Farrall. The EIAG co-ordinates, develops and recommends ethical investment policy for the Church's three national investment bodies, (the Church Commissioners and Church of England Pensions Board being the other two), and communicates this to the wider Church through an Annual Report of its work, as well as other research and policy publications. The EIAG makes considered recommendations on a range of material ethical and responsible investment issues, but responsibility rests with the CBFFT for accepting and implementing any recommendations made by the EIAG. The EIAG Annual Report, and other publications associated with the Church and ethical investment are available in downloadable form from the Manager and the Church of England websites.

Report of the Trustee

for the half year ended 31 May 2010

The EIAG, in liaison with the three national investment bodies, has initiated a review process of the Ethical Investment policies, currently focussing on alcohol, financial services and defence. We welcome comments and views from clients as part of this process.

The Manager supports CBFFT's ethical investment priorities via signatory status to the UN Principles of Responsible Investment (UNPRI) and the Carbon Disclosure Project (CDP) relating to climate change. The Manager is a member of the Institutional Investors Group on Climate Change (IIGCC) and signatory to the Investor Statement on Transparency in the Extractives Sector.

Corporate Governance

The Manager has recently concluded a transition to global voting in collaboration with other Church investors.

Controls and risk management

CBFFT receives and considers regular reports from the Manager. Ad hoc reports and information are supplied 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.

CBFFT receives internal audit reports on the controls of the Manager. During the period CBFFT, assisted by the Manager, reviewed the Fund's systems of internal control. At each of its meetings, the Audit Committee receives and reviews, a formal risk management report from the Manager. This sets out the main risks facing the Fund, the controls in place to mitigate those risks and the assessment of each risk in terms of both gross and residual exposure after the application of mitigating controls.

R Broadhurst
Chairman
CBF Funds Trustee Limited

5 July 2010

Report of the Investment Manager

for the half year ended 31 May 2010

Strategy

Stocks are selected for the portfolio on their individual merits. The manager searches for companies with an attractive yield and the ability to grow their dividend payments in the future. There is a broad spread across international markets but the selection criteria for the individual constituents of the portfolio and the overall yield requirement mean that the geographical distribution of holdings is very different to that on the FTSE All-World Index.

Over the period we have seen net investors committing new cash inflows to the market and reducing cash weightings from 4.7% of

the portfolio to 0.7%. The UK market has been the recipient of the greatest proportion of this investment programme but we have also been substantial buyers of Europe, Asia and a number of emerging markets. The exposure to Japan is slightly lower and we have been net sellers of shares in the USA.

Performance

The total return on the Fund for the period was +0.35%, this compares to a return of +2.68% on the FTSE All-Share Index. Income payments for the period totalled 2.70p.

The CBF Church of England Global Equity Income Fund Annualised total capital and income return

| To 31 May 2010 | Six months % | 1 Year % |
|---|-----------------|-------------|
| <u>Performance against market indices (before expenses)</u> | | |
| CBF Global Equity Income Fund | +0.35 | +17.19 |
| FTSE All-World Index | +7.93 | +27.89 |
| FTSE All-Share Index | +2.68 | +22.94 |
| MSCI Value UK Index | -1.96 | +17.27 |
| MSCI Value Europe ex UK Index | -9.68 | +10.74 |
| MSCI Value US Index | +13.27 | +33.58 |
| MSCI Value Asia Pacific ex Japan Index | -2.35 | +22.82 |
| <u>Performance after expenses</u> | | |
| Income shares* | -0.09 | +16.21 |
| Accumulation shares* | -0.09 | +16.18 |

* Net asset value to net asset value plus income reinvested

Source : The Manager

Report of the Investment Manager

for the half year ended 31 May 2010

Market Review

International equity investors began the period in a mood of cautious optimism, looking into the New Year with expectations of a gradual improvement in economic activity levels.

Government policies were supportive, with low interest rates and an easy monetary stance designed to stimulate activity levels. This combination of ample liquidity and low interest rates on deposited funds, in an environment where investment risks were thought to be falling, created an environment where investors seeking returns greater than those on cash were increasingly willing to expand equity weightings. In fact the pace of economic improvements, in the UK, Europe and Japan, failed to match expectations and although the US performance was better, the strength seemed to be due more to companies rebuilding stocks and the government's stimulus programme than any substantial improvement in underlying demand. The period was characterised by relatively high levels of day to day share price volatility and this increased as the debt crisis in Greece began to attract more attention. Investors had been shocked by news that the Greek administration had significantly understated their annual budget deficit and swiftly became concerned that the higher debt levels implied were not sustainable. Attention widened and soon other Euro bloc members with high debt or borrowing requirements came under scrutiny. As the crisis deepened so equity markets fell back, giving up the hard won gains achieved earlier in the year. Of concern to investors was not just the risks of

default, there was also a worry that, if high levels of government debt was no longer going to be tolerated by investors, then spending to support economic revival would have to reduce, with the implication that hopes of a gradual improvement in growth levels would be frustrated.

Outlook

Our expectation is that the recovery in economic activity will continue but that the pace of improvement will remain modest, constrained by a number of powerful factors such as high unemployment, modest wage growth, high levels of indebtedness and actions by governments to reduce deficits. In a low growth environment we expect short term interest rates to stay low and for inflation to remain at, or fall to, modest levels.

Investment markets continue to face a number of substantial challenges and it is likely that this will result in day to day price volatility staying at elevated levels. Looking beyond this we believe that the long term prospects are attractive, particularly for companies with strong franchises, robust balance sheets and the capacity to pay rising dividends to their investors.

M Humphreys
Fund Manager
CCLA Investment Management Limited

5 July 2010

Report of the Investment Manager

for the half year ended 31 May 2010

Top ten changes in portfolio composition

| | <i>Cost</i> <i>£'000</i> | | <i>Proceeds</i> <i>£'000</i> |
|-------------------------|-----------------------------|---------------------------|---------------------------------|
| Purchases: | | Sales: | |
| Royal Dutch Shell B | 1,258 | Merck & Co | 1,435 |
| National Australia Bank | 1,026 | Johnson & Johnson | 886 |
| Tate & Lyle | 1,007 | Hennes & Mauritz | 861 |
| Du Pont De Nemours | 739 | HJ Heinz | 801 |
| BP | 719 | HSBC | 697 |
| National Grid | 699 | Admiral | 614 |
| Axa | 601 | Canadian Imperial Bank of | |
| BOC Hong Kong | 510 | Commerce | 611 |
| Tisco Financial | 487 | Coca-Cola | 597 |
| Macquarie Korea | | CNOOC | 499 |
| Infrastructure Fund | 460 | Kraft Foods | 460 |

Risk warning

The Fund's shares and the revenue from the shares can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns. The Fund's shares are intended for long-term investment only and are not suitable for money liable to be needed in the near future. The shares are realisable on each weekly dealing day.

The Fund may invest in emerging market countries which could be subject to political and economic change. The Fund may also invest in collective investment schemes and other assets. The Fund's share value will reflect fluctuations in the securities prices and currency exchange rates.

Statement of Ethical Investment Policy

to the Shareholders of The CBF Church of England Global Equity Income Fund

The EIAG makes recommendations on ethical investment policy. The legal responsibility for managing the Church's investments rests with the investing bodies. These bodies all have a moral and legal responsibility (known as 'fiduciary duty') to further the interests of their beneficiaries. While mindful at all times of beneficiaries' need for financial returns, the investing bodies seek to align their investment policies with the ethics of the Church by acting on the recommendations of the EIAG.

The EIAG positively recommends investment in companies with responsible employment practices, best corporate governance practice, conscientiousness with regard to human rights, sustainable environmental practice and

sensitivity towards the communities in which the business operates.

The EIAG recommends against investment in any company that promotes pornography or is involved in indiscriminate weaponry. It recommends against investment in companies involved in conventional weapons if their strategic military supplies exceed 10% of turnover.

The EIAG recommends against investment in any company, a major part of whose business activity or focus (defined as more than 25% of group turnover) is tobacco, gambling, alcoholic drinks, doorstep lending or human embryonic cloning.

The Church of England Ethical Investment Advisory Group was established in 1994 and includes representation from the Church Commissioners for England, The CBF Church of England Funds, the Church of England Pensions Board, the General Synod,

the Archbishops' Council, and the Mission & Public Affairs Council.

Website: www.cofe.anglican.org/info/ethical

E-mail: ethics@ccla.co.uk

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

Net asset value

| <i>At 30 November</i> | <i>Net asset value £'000</i> | <i>Income shares</i> | | <i>Accumulation shares</i> | |
|-----------------------|----------------------------------|--|--------------------------------------|--|--------------------------------------|
| | | <i>Net asset value pence per share</i> | <i>Number of shares in issue</i> | <i>Net asset value pence per share</i> | <i>Number of shares in issue</i> |
| 2008 | 35,893 | 99.87 | 35,869,339 | 104.70 | 20,193 |
| 2009 | 45,746 | 118.98 | 38,420,719 | 132.00 | 25,544 |
| At 31 May 2010 | 49,154 | 116.19 | 42,189,003 | 131.88 | 101,627 |

The net asset value is calculated on the mid-market value basis compared to the balance sheet where the assets are valued on a bid-market value basis in accordance with the Statement of Recommended Practice for Authorised Funds which was issued by the Investment Management Association (IMA) in November 2008.

Share price range

| <i>Year to 30 November</i> | <i>Income shares</i> | | <i>Accumulation shares</i> | |
|--------------------------------|--|---------------------------------------|--|---------------------------------------|
| | <i>Highest offer pence per share</i> | <i>Lowest bid pence per share</i> | <i>Highest offer pence per share</i> | <i>Lowest bid pence per share</i> |
| 2008 | 156.27 | 92.94 | 156.27 | 95.99 |
| 2009 | 122.53 | 85.23 | 133.92 | 90.33 |
| To 31 May 2010 | 129.33 | 115.55 | 144.68 | 128.63 |

Net distribution

| <i>Year to 30 November</i> | <i>Income shares pence per share</i> | <i>Accumulation shares pence per share</i> |
|--------------------------------|--|--|
| 2008 | 6.00 | 7.25 |
| 2009 | 6.19 | 6.17 |
| To 31 May 2010 | 2.70 | 3.32 |

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

Share price at 31 May 2010

| | <i>Bid price pence per share</i> | <i>Offer price pence per share</i> |
|---------------------|--------------------------------------|--|
| Income shares | 115.55 | 116.83 |
| Accumulation shares | 131.15 | 132.61 |

The share prices are published in the *Financial Times*, and on the Manager's website at www.ccla.co.uk.

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

The Fund's income shares and accumulation shares were both issued on 3 December 2007, the date of the launch of the Fund, at a price of 150.00p.

Share price range

| | <i>31.5.2010</i> | <i>31.5.2009</i> |
|---------------------|------------------|------------------|
| Total expense ratio | 0.95% | 0.82% |

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

Portfolio statement

at 31 May 2010 (unaudited)

| | Bid | | | Bid | | |
|---|-----------|-------|---------|-------|------|--|
| | value | % | value | % | | |
| Holding | £'000 | Fund | Holding | £'000 | Fund | |
| UNITED KINGDOM 27.29% | | | | | | |
| (30.11.09, 23.33%) | | | | | | |
| Oil & Gas Producers 7.50% | | | | | | |
| BP | 320,111 | 1,584 | 3.22 | | | |
| Royal Dutch Shell B | 107,464 | 1,881 | 3.83 | | | |
| Support Services 1.12% | | | | | | |
| Electrocomponents | 79,734 | 170 | 0.35 | | | |
| Interserve | 117,055 | 238 | 0.48 | | | |
| Smiths News | 117,702 | 141 | 0.29 | | | |
| Beverages 0.53% | | | | | | |
| Britvic | 56,600 | 260 | 0.53 | | | |
| Food Producers 2.96% | | | | | | |
| Tate & Lyle | 229,811 | 965 | 1.96 | | | |
| Unilever | 26,302 | 491 | 1.00 | | | |
| Pharmaceutical & Biotechnology 4.42% | | | | | | |
| AstraZeneca | 30,768 | 892 | 1.82 | | | |
| GlaxoSmithKline | 110,210 | 1,275 | 2.60 | | | |
| Food & Drug Retailer 0.01% | | | | | | |
| Thorntons | 4,833 | 4 | 0.01 | | | |
| Travel & Leisure 0.51% | | | | | | |
| Cineworld | 33,194 | 60 | 0.12 | | | |
| Thomas Cook | 93,627 | 194 | 0.39 | | | |
| Fixed Line Telecommunications 0.49% | | | | | | |
| BT | 190,000 | 241 | 0.49 | | | |
| Mobile Telecommunications 4.23% | | | | | | |
| Cable & Wireless Communications | 324,588 | 188 | 0.38 | | | |
| Cable & Wireless Worldwide | 324,588 | 259 | 0.53 | | | |
| Vodafone | 1,179,337 | 1,629 | 3.32 | | | |
| Electricity 0.26% | | | | | | |
| Scottish & Southern Energy | 12,043 | 127 | 0.26 | | | |
| Gas Water & Multiutilities 3.92% | | | | | | |
| Centrica | 158,729 | 436 | 0.89 | | | |
| National Grid NPD | 78,734 | 108 | 0.22 | | | |
| National Grid | 196,837 | 982 | 2.00 | | | |
| Severn Trent | 11,681 | 140 | 0.28 | | | |
| United Utilities | 48,466 | 261 | 0.53 | | | |
| Nonlife Insurance 0.27% | | | | | | |
| Catlin | 40,729 | 133 | 0.27 | | | |
| Life Insurance 0.26% | | | | | | |
| Aviva | 39,643 | 127 | 0.26 | | | |
| General Financial 1.26% | | | | | | |
| Close Brothers | 35,584 | 255 | 0.52 | | | |
| Intermediate Capital | 96,027 | 250 | 0.51 | | | |
| Man | 48,945 | 113 | 0.23 | | | |
| EUROPE 24.32% (30.11.2009, 30.95%) | | | | | | |
| Austria 0.48% | | | | | | |
| Telekom Austria | 26,612 | 234 | 0.48 | | | |
| France 9.07% | | | | | | |
| Axa | 60,741 | 690 | 1.40 | | | |
| BNP Paribas | 13,551 | 530 | 1.08 | | | |
| France Telecom | 88,026 | 1,151 | 2.34 | | | |
| Gaz de France | 9,970 | 213 | 0.43 | | | |
| Pagesjaunes | 50,947 | 406 | 0.83 | | | |
| Total | 26,111 | 832 | 1.69 | | | |
| Veolia | | | | | | |
| Environnement | 13,475 | 238 | 0.48 | | | |
| Vivendi Universal | 26,950 | 401 | 0.82 | | | |

Portfolio statement

at 31 May 2010 (unaudited)

| | | <i>Bid</i> | | | <i>Bid</i> | |
|--|-----------------|---------------|--------------|--|---------------|--------------|
| | <i> Holding</i> | <i> value</i> | <i> %</i> | | <i> value</i> | <i> %</i> |
| | | <i> £'000</i> | <i> Fund</i> | | <i> £'000</i> | <i> Fund</i> |
| Germany 1.84% | | | | | | |
| Allianz | 3,332 | 229 | 0.47 | Du Pont De Nemours | 29,100 | 724 1.47 |
| Deutsche Telekom | 59,961 | 461 | 0.94 | Duke Energy | 13,100 | 144 0.29 |
| E.on | 10,134 | 212 | 0.43 | Eaton Vance Tax | | |
| | | | | Advantage Dividend | | |
| | | | | Income Fund | 24,000 | 236 0.48 |
| Italy 4.42% | | | | | | |
| ENI | 117,700 | 1,509 | 3.07 | Eaton Vance Tax | | |
| Enel | 116,948 | 369 | 0.75 | Advantage Global | | |
| Terna | 113,219 | 293 | 0.60 | Dividend Income Fund | 27,200 | 232 0.47 |
| | | | | Freeport McMoran | 1,920 | 92 0.19 |
| | | | | Gabelli Dividend & | | |
| Netherlands 0.53% | | | | | | |
| KPN | 29,377 | 262 | 0.53 | Income Trust | 16,400 | 142 0.29 |
| | | | | Gabelli Equity Trust | 74,200 | 239 0.49 |
| | | | | Genuine Parts | 28,400 | 793 1.61 |
| Norway 1.39% | | | | | | |
| Seadrill | 21,839 | 289 | 0.59 | Liberty All Star | 80,600 | 237 0.48 |
| Statoil ASA | 28,800 | 391 | 0.80 | Lilly (Eli) | 11,000 | 248 0.50 |
| | | | | NiSource | 17,400 | 179 0.36 |
| | | | | NY Community | | |
| Spain 5.48% | | | | | | |
| Banco Santander | 132,527 | 932 | 1.90 | Bancorp | 23,900 | 264 0.54 |
| Criteria Caixacorp | 78,697 | 233 | 0.47 | Pfizer | 118,030 | 1,237 2.52 |
| Iberdrola | 70,302 | 320 | 0.65 | Verizon | | |
| Telefonica | 92,108 | 1,210 | 2.46 | Communications | 30,115 | 570 1.16 |
| Switzerland 0.46% | | | | | | |
| Credit Suisse | 8,473 | 227 | 0.46 | JAPAN 1.42% (30.11.2009, 2.53%) | | |
| | | | | Wisdom Tree Japan | | |
| | | | | SmallCap Dividend | | |
| | | | | Fund | 13,341 | 357 0.73 |
| Turkey 0.65% | | | | | | |
| Turkcell Iletisim | 85,634 | 317 | 0.65 | Wisdom Tree Japan | | |
| | | | | Total Dividend Fund | 13,341 | 341 0.69 |
| UNITED STATES OF AMERICA 16.08% | | | | | | |
| (30.11.2009, 20.32%) | | | | | | |
| AT&T | 54,653 | 914 | 1.86 | PACIFIC BASIN 23.37% (30.11.2009, 13.09%) | | |
| Bank America | | | | Australia 5.05% | | |
| 7.25% Convertible | | | | ANZ Bank | 15,768 | 203 0.41 |
| Preference Shares | 1,400 | 893 | 1.82 | Commonwealth Bank | | |
| Bristol-Myers | | | | of Australia | 20,431 | 606 1.23 |
| Squibb | 47,800 | 763 | 1.55 | Goodman Fielder | 218,008 | 170 0.35 |
| | | | | Insurance Australia | 105,713 | 220 0.45 |

Portfolio statement

at 31 May 2010 (unaudited)

| | <i>Bid</i> | | | <i>Bid</i> | | |
|---------------------------------------|-----------------|---------------|-----------|---|---------------|-----------|
| | <i> Holding</i> | <i> value</i> | <i> %</i> | <i> Holding</i> | <i> value</i> | <i> %</i> |
| | <i> £'000</i> | <i> Fund</i> | | <i> £'000</i> | <i> Fund</i> | |
| National Australia Bank | 60,828 | 864 | 1.76 | Inventec | 671,000 | 251 0.51 |
| Westpac Banking | 31,472 | 417 | 0.85 | Lite-on Technology | 280,000 | 219 0.45 |
| Hong Kong 5.08% | | | | Macronix Intl | 695,000 | 316 0.64 |
| BOC Hong Kong | 319,000 | 495 | 1.01 | Quanta Computer | 186,000 | 233 0.47 |
| China Construction | 294,000 | 164 | 0.34 | TSMC | 374,000 | 483 0.98 |
| Hutchison Telecom Hong Kong | 2,064,000 | 286 | 0.58 | Thailand 3.60% | | |
| Industrial & Commercial Bank of China | 637,000 | 325 | 0.66 | Thai Oil | 288,900 | 276 0.56 |
| Jiangsu Expressway | 256,000 | 160 | 0.33 | Siam Makro | 141,100 | 299 0.61 |
| Petrochina | 828,000 | 622 | 1.27 | Thai Union F | 350,800 | 307 0.62 |
| Texwinca | 400,000 | 276 | 0.56 | Charoen Pok Foods | 990,000 | 365 0.74 |
| Zhejiang Express | 258,000 | 162 | 0.33 | Tisco Financial | 1,015,000 | 527 1.07 |
| Malaysia 0.56% | | | | OTHER OVERSEAS 5.96% (30.11.09, 5.39%) | | |
| Lafarge Malayan | 199,900 | 274 | 0.56 | African Bank | | |
| Singapore 2.52% | | | | Investments | 81,836 | 230 0.47 |
| DBS | 74,000 | 509 | 1.04 | Allied Technologies | 38,277 | 213 0.43 |
| Singapore Press | 400,000 | 728 | 1.48 | Cellcom Israel | 4,950 | 87 0.18 |
| South Korea 0.89% | | | | Fountainhead | | |
| Macquarie Korea Infrastructure | 164,910 | 436 | 0.89 | Property | 429,490 | 244 0.50 |
| Taiwan 5.67% | | | | Growthpoint Property | 201,366 | 272 0.56 |
| Chunghwa Telecom | 337,000 | 448 | 0.91 | Kimberley-Clark MXC | 102,085 | 378 0.77 |
| Compal Electron | 263,000 | 225 | 0.46 | Lewis | 52,693 | 278 0.57 |
| Fubon Financial | 338,000 | 267 | 0.54 | Manitoba Telecom | 6,400 | 119 0.24 |
| HTC | 37,000 | 346 | 0.71 | Metropolitan | 209,549 | 295 0.60 |
| | | | | Oriental Weavers | 55,411 | 239 0.49 |
| | | | | Partner | | |
| | | | | Communications | 7,896 | 93 0.19 |
| | | | | Pretoria Port Cement | 88,668 | 254 0.52 |
| | | | | Telecom Egypt | 105,680 | 218 0.44 |

Portfolio statement

at 31 May 2010 (unaudited)

| | | <i>Bid</i> | |
|---|----------------|---------------|---------------|
| | | <i>value</i> | <i>%</i> |
| | <i>Holding</i> | <i>£'000</i> | <i>Fund</i> |
| DERIVATIVES 0.37% (30.11.09, 0.03%) | | | |
| Forward currency contracts | | | |
| US Dollar vs UK sterling maturing on 22/07/10 | \$7,182,000.00 | (286) | (0.58) |
| Euro vs UK sterling maturing 01/07/10 | €8,095,000.00 | 394 | 0.80 |
| Australian dollar vs UK sterling maturing on 30/06/10 | \$2,412,500.00 | 72 | 0.15 |
| NET INVESTMENT ASSETS | | 48,537 | 98.81 |
| NET OTHER ASSETS | | 587 | 1.19 |
| NET ASSETS | | <u>49,124</u> | <u>100.00</u> |

Statement of total return

for the half year ended 31 May 2010 (unaudited)

| | Notes | 31.5.2010 | | 31.5.2009 | |
|--|-------|--------------|----------------|-----------|-------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (1,274) | 1,417 | 1,841 |
| Revenue | 3 | 1,317 | | 1,417 | |
| Expenses | 4 | (231) | | (145) | |
| Net revenue before taxation | | 1,086 | | 1,272 | |
| Taxation | 5 | (103) | | (87) | |
| Net revenue after taxation | | | 983 | | 1,185 |
| Total return before distributions | | | (291) | | 3,026 |
| Finance costs: distributions | 6 | | (1,096) | | (980) |
| Change in net assets attributable to shareholders from investment activities | | | (1,387) | | 2,046 |

Statement of change in net assets attributable to shareholders

for the half year ended 31 May 2010 (unaudited)

| | 31.5.2010 | | 31.5.2009 | |
|--|--------------------|----------------------|-----------|----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to shareholders | | 45,747 | | 35,772 |
| Amounts receivable on issue of shares | 4,802 | | 720 | |
| Amounts payable on cancellation of shares | <u>(40)</u> | | <u>-</u> | |
| | | 4,762 | | 720 |
| Change in net assets attributable to shareholders from investment activities | | (1,387) | | 2,046 |
| Retained distribution on accumulation shares | | <u>2</u> | | <u>1</u> |
| Closing net assets attributable to shareholders | | <u>49,124</u> | | <u>38,539</u> |

The above statement shows the comparative closing net assets at 31 May 2009 whereas the opening net assets for the current accounting period commenced on 1 Dec 2009.

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

Balance sheet

at 31 May 2010 (unaudited)

| | | 31.5.2010 | | <i>30.11.2009</i> | |
|--|-------|------------------|--|-------------------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| ASSETS | | | | | |
| Investment assets | | | 48,823 | | 43,806 |
| Debtors | 7 | 232 | | 169 | |
| Cash and bank balances | 8 | 1,089 | | <u>2,533</u> | |
| Total other assets | | | <u>1,321</u> | | <u>2,702</u> |
| Total assets | | | <u>50,144</u> | | <u>46,508</u> |
| LIABILITIES | | | | | |
| Investment liabilities | | | 286 | | 56 |
| Creditors | 9 | 17 | | 18 | |
| Distribution payable on income shares | | | <u>717</u> | <u>687</u> | |
| Total other liabilities | | | <u>734</u> | | <u>705</u> |
| Total liabilities | | | <u>1,020</u> | | <u>761</u> |
| Net assets attributable to shareholders | | | <u>49,124</u> | | <u>45,747</u> |
| Approved on behalf of the Trustee 5 July 2010 | | | R Broadhurst, <i>Chairman</i> , CBF Funds Trustee Limited | | |

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

Notes to the accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with accounting policies set out below and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in November 2008.

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate, are credited to revenue on the dates when the investments are first quoted ex-dividend. Interest on bank and The CBF Church of England Deposit Fund balances is accrued on a daily basis.

(c) Stock dividends

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

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

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution.

(e) Expenses

The Manager's periodic charge, paid to the Manager, is charged to the capital of the Fund. During the period, the fee was based on a fixed percentage of the value of the Fund, 0.75% plus VAT. The Fund receives a management fee rebate credited to the revenue expenses of the Fund's deposits in The CBF Church of England Deposit Fund where the management fees are charged to revenue. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. A fee for ethical services is also charged by the Manager. Audit, legal, safe custody fees and transaction charges, insurance, direct property expenses and monitoring fee are charged separately to the revenue of the Fund before distribution. The Trustee's administration fee is charged to the capital of the Fund.

(f) Distributions

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

Notes to the accounts

(unaudited)

(g) Basis of valuation

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

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

(h) Foreign exchange

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

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

| 2. Net capital (losses)/gains | 31.5.2010 | <i>31.5.2009</i> |
|---|-----------------------|------------------|
| | £'000 | <i>£'000</i> |
| The net capital (losses)/gains on investments during the period comprise: | | |
| Non-derivative securities | (1,144) | 914 |
| Forward currency contracts | (66) | 809 |
| Currency (losses)/gains | (64) | 118 |
| | <u>(1,274)</u> | <u>1,841</u> |
| | | |
| 3. Revenue | 31.5.2010 | <i>31.5.2009</i> |
| | £'000 | <i>£'000</i> |
| UK dividends | 272 | 323 |
| Overseas dividends | 1,040 | 1,068 |
| Bank interest | (3) | 1 |
| Interest on The CBF Church of England Deposit Fund | 8 | 25 |
| | <u>1,317</u> | <u>1,417</u> |

Notes to the accounts

(unaudited)

| 4. Expenses | 31.5.2010 | 31.5.2009 |
|---|-------------------|------------|
| | £'000 | £'000 |
| Payable to the Manager, associates of the Manager and agents of either of them: | | |
| Manager's periodic charge – see note 1(e) | 213 | 132 |
| Manager's periodic charge rebate – see note 1(e)* | (2) | (3) |
| Manager's fee for ethical services | 2 | - |
| | <u>213</u> | <u>129</u> |
| Payable to the Trustee, associates of the Trustee and agents of either of them: | | |
| Safe custody fees and transaction charges | 7 | 6 |
| Monitoring fee | 4 | 4 |
| | <u>11</u> | <u>10</u> |
| Other expenses: | | |
| Audit fee | 7 | 6 |
| | <u>7</u> | <u>6</u> |
| Total expenses | <u>231</u> | <u>145</u> |

The above expenses include VAT where applicable.

* This amount represents the rebate of management fee credited to the Fund's revenue for the Fund's deposits in The CBF Church of England Deposit Fund where the management fees are charged to revenue.

5. Taxation

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

| | 31.5.2010 | 31.5.2009 |
|---|-------------------|-----------|
| | £'000 | £'000 |
| Overseas taxation suffered in the period | 106 | 89 |
| Overseas taxation recovered in the period | (3) | (2) |
| Total taxation | <u>103</u> | <u>87</u> |

Notes to the accounts

(unaudited)

6. Finance costs

Distributions

Distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 31.5.2010 | <i>31.5.2009</i> |
|---|---------------------|------------------|
| | £'000 | <i>£'000</i> |
| 28 February – interim distribution | 396 | 364 |
| 31 May – interim distribution | 720 | 622 |
| | <u>1,116</u> | <u>986</u> |
| Add: revenue deducted on cancellation of shares | - | - |
| Deduct: revenue received on issue of shares | (20) | (6) |
| Net distribution for the period | <u>1,096</u> | <u>980</u> |
| | | |
| Net revenue after taxation for the period | 983 | 1,185 |
| Transfer to income reserve – see note 10 | (102) | (337) |
| Manager's periodic charge – see note 1(e) | 215 | 132 |
| Net distribution for the period | <u>1,096</u> | <u>980</u> |

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

7. Debtors

| | 31.5.2010 | <i>30.11.2009</i> |
|-----------------|-------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Accrued revenue | <u>232</u> | <u>169</u> |

8. Cash and bank balances

| | 31.5.2010 | <i>30.11.2009</i> |
|--|---------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Cash at bank | 421 | 170 |
| Cash in The CBF Church of England Deposit Fund | 668 | 2,363 |
| | <u>1,089</u> | <u>2,533</u> |

9. Creditors

| | 31.5.2010 | <i>30.11.2009</i> |
|------------------|------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Accrued expenses | <u>17</u> | <u>18</u> |

Notes to the accounts

(unaudited)

10. Income reserve

The income reserve, accumulated out of income, is used to smooth fluctuations in the revenue received in the Fund. The income reserve is included in the total value of the Fund and is attributable to income shareholders.

| | 31.5.2010 | <i>30.11.2009</i> |
|---|-------------------|-------------------|
| | £'000 | <i>£'000</i> |
| Income reserve at the start of the period | 265 | 335 |
| Transfer to/(from) income reserve | <u>102</u> | <u>(70)</u> |
| Income reserve at the end of the period | <u>367</u> | <u>265</u> |

11. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market value (see note 1(g)). Bid-market value is considered to be a fair representation of the amount repayable to shareholders should they wish to sell their shares. 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 year.

Market price risk

This is an actively-managed Fund, which invests mainly in UK and overseas equities and fixed interest investments. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence, and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the share price from time to time, although there will generally be a close correlation in the movement of the share 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.

Notes to the accounts

(unaudited)

Credit risk

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

Liquidity risk

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

Currency risk

The Fund is exposed to fluctuations in foreign currencies as some of its assets and revenue are denominated in currencies other than sterling, the base currency of the Fund. The Fund may seek to minimise this risk through the use of forward currency contracts denominated in the same currency as the underlying investments.

The Fund does not seek to avoid currency risk on revenue accrued but not yet received. In respect of revenue, receipts are converted to sterling shortly after receipt.

At 31 May 2010, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement.

Notes to the accounts

(unaudited)

The total exposure at 31 May 2010 was:

| Currency | 31.5.2010 | | | 30.11.2009 | | |
|--------------------|--------------------------------|--|----------------|--------------------------------|--|----------------|
| | Monetary Exposures £'000 | Non- Monetary Exposures £'000 | Total £'000 | Monetary Exposures £'000 | Non- Monetary Exposures £'000 | Total £'000 |
| Australian Dollar | - | 2,494 | 2,494 | 6 | 1,700 | 1,706 |
| Brazilian Real | - | - | - | - | 148 | 148 |
| Canadian Dollar | - | 119 | 119 | - | 608 | 608 |
| Egyptian Pound | - | 457 | 457 | - | - | - |
| Euro | 205 | 9,833 | 10,038 | - | 12,590 | 12,590 |
| Hong Kong Dollar | 16 | 2,508 | 2,524 | - | 2,207 | 2,207 |
| Israeli New Shekel | - | 182 | 182 | - | - | - |
| Japanese Yen | - | 700 | 700 | - | 1,165 | 1,165 |
| Malaysian Ringgit | - | 274 | 274 | - | - | - |
| Mexican Peso | - | - | - | - | 264 | 264 |
| New Turkish Lira | - | 317 | 317 | - | 262 | 262 |
| Norwegian Krone | - | 696 | 696 | - | 430 | 430 |
| Singapore Dollar | - | 1,247 | 1,247 | - | 1,325 | 1,325 |
| South African Rand | 12 | 1,513 | 1,525 | - | - | - |
| South Korean Won | - | 436 | 436 | - | - | - |
| Swedish Krona | - | - | - | - | 727 | 727 |
| Swiss Franc | - | 227 | 227 | - | 156 | 156 |
| Taiwanese Dollar | - | 2,788 | 2,788 | - | 779 | 779 |
| Thailand Baht | 41 | 1,774 | 1,815 | - | - | - |
| US Dollar | 67 | 8,317 | 8,384 | 61 | 10,765 | 10,826 |
| | <u>341</u> | <u>33,882</u> | <u>34,223</u> | <u>67</u> | <u>33,126</u> | <u>33,193</u> |

Notes to the accounts

(unaudited)

Interest rate risk

The majority of the Fund's financial assets are equities which do not earn interest nor have maturity dates. The Fund invests in some fixed interest securities, the revenue 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 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 31 May 2010 was as set out below:

| <i>Currency</i> | <i>Floating rate financial assets*</i> £'000 | <i>Fixed rate financial assets</i> £'000 | <i>Financial assets not carrying interest</i> £'000 | <i>Total</i> £'000 |
|------------------|---|---|--|-----------------------|
| Sterling | 748 | - | 15,174 | 15,922 |
| Euro | 205 | - | 9,833 | 10,038 |
| US Dollar | 67 | - | 8,317 | 8,384 |
| Other | 69 | - | 15,732 | 15,801 |
| Total | <u>1,089</u> | - | <u>49,056</u> | <u>50,145</u> |

| <i>Currency</i> | <i>Floating rate financial liabilities</i> £'000 | <i>Fixed rate financial liabilities</i> £'000 | <i>Financial liabilities not carrying interest</i> £'000 | <i>Total</i> £'000 |
|-----------------|---|--|---|-----------------------|
| Sterling | - | - | 1,020 | 1,020 |
| Total | - | - | <u>1,020</u> | <u>1,020</u> |

Notes to the accounts

(unaudited)

30 November 2009

| <i>Currency</i> | <i>Floating rate financial assets*</i> £'000 | <i>Fixed rate financial assets</i> £'000 | <i>Financial assets not carrying interest</i> £'000 | <i>Total</i> £'000 |
|-----------------|---|---|--|-----------------------|
| Sterling | 2,466 | - | 10,849 | 13,315 |
| Euro | - | - | 12,590 | 12,590 |
| US Dollar | 61 | - | 10,765 | 10,826 |
| Other | 6 | - | 9,771 | 9,777 |
| <u>Total</u> | <u>2,533</u> | <u>-</u> | <u>43,975</u> | <u>46,508</u> |

| <i>Currency</i> | <i>Floating rate financial liabilities</i> £'000 | <i>Fixed rate financial liabilities</i> £'000 | <i>Financial liabilities not carrying interest</i> £'000 | <i>Total</i> £'000 |
|-----------------|---|--|---|-----------------------|
| <u>Sterling</u> | <u>-</u> | <u>-</u> | <u>761</u> | <u>761</u> |
| <u>Total</u> | <u>-</u> | <u>-</u> | <u>761</u> | <u>761</u> |

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

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

The Fund held derivatives relating to forward currency contracts valued at £179,399 as at 31 May 2010 (30.11.2009, £11,869).

12. Commitments and contingent liabilities

There were no commitments or contingent liabilities at 31 May 2010 (30.11.2009, £nil).

Notes to the accounts

(unaudited)

13. Related party transactions

The Manager's periodic charge and fee for ethical services are paid to the Manager, a related party to the Fund. The amounts paid to the Manager are disclosed in note 4. There were no outstanding balances due to the Manager at 31 May 2010 (30.11.2009, £nil). There were no other transactions entered into with the Manager during the period.

CBFFT, as Trustee, is a related party to the Fund. The amounts paid in respect of the Trustee's administration fee are disclosed in note 5. There were no outstanding balances due to CBFFT at 31 May 2010. There were no other transactions entered into with CBFFT during the period.

At 31 May 2010 a cash balance of £667,661 (30.11.2009, £2,363,117) was held in The CBF Church of England Deposit Fund.

At 31 May 2010 The CBF Church of England Investment Fund held 78.0% (30.11.2009, 85.8%) of the shares of The CBF Church of England Global Equity Income Fund.

14. Portfolio transaction costs

| | 31.5.2010 | <i>31.5.2009</i> |
|--|----------------------|------------------|
| | £'000 | <i>£'000</i> |
| Analysis of total purchase costs: | | |
| Purchases in period before transaction costs | | |
| Commissions | 26,624 | 20,583 |
| Total gross purchases | <u>22</u> | <u>16</u> |
| | <u>26,646</u> | <u>20,599</u> |
| Analysis of total sale costs: | | |
| Sales in period before transaction costs | | |
| Commissions | 24,415 | 19,590 |
| Total sales net of transaction costs | (23) | (14) |
| | <u>24,392</u> | <u>19,576</u> |

Distribution table

for the half year ended 31 May 2010 (unaudited)

| <i>Period ended</i> | <i>Date paid/payable</i> | <i>Distributions paid/payable pence per share</i> | |
|----------------------------|--------------------------|---|-------------|
| | | 2010 | 2009 |
| Income shares | | | |
| 28 February 2010 | 30 April 2010 | 1.00 | 1.00 |
| 31 May 2010 | 31 July 2010 | 1.70 | 1.70 |
| | | <u>2.70</u> | <u>2.70</u> |
| | | | |
| | | <i>Revenue accumulated pence per share</i> | |
| | | 2010 | 2009 |
| Accumulation shares | | | |
| 28 February 2010 | | 0.93 | 1.26 |
| 31 May 2010 | | 2.39 | 2.39 |
| | | <u>3.32</u> | <u>3.65</u> |

Statement of Trustee and Manager responsibilities

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds

Investment Measure 1958 as amended by the Church of England (Miscellaneous Provisions) Measure 1995 and the Trustee Act 2000

(together the Measure) to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and settle their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Measure and the Scheme Information;
- supervise and oversee the Manager's compliance with the Measure and the

Statement of Trustee and Manager responsibilities

Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Measure and ensure the Manager is maintaining adequate and proper records;

- appoint, supervise and oversee any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Measure;
- make distributions to investors holding income shares and make allocations to investors holding accumulation shares in proportion to their respective shares in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

Preparation of accounts

The Trustee of the Fund is required, by the Measure, to prepare accounts which give a true and fair view of the financial position of the Fund at each year and year end valuation date. The net revenue for the year, together with a report on the operation of the Fund is also required. The accounts show the net asset value of the shares in the Fund as at the date to which the accounts are prepared, the amount of revenue per share, and the amount of revenue, if any, to

be transferred to capital pursuant to paragraph 11 of the Schedule to the Measure. In preparing these accounts, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in November 2008;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the accounts, as prepared, comply with the above requirements;
- makes judgments and estimates that are prudent and reasonable; and
- prepares the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Measure and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Measure. The Manager is required to carry out these duties in accordance with the Measure and take reasonable steps for the prevention and detection of fraud and other irregularities.

CCLA INVESTMENT MANAGEMENT LIMITED
The CBF Church of England
Global Equity Income Fund

Trustee – CBF Funds Trustee Limited

R Broadhurst (Chairman)

Rev E Carter

J Clunie *

L Farrall

G Pollard

S Steele

Rev Dr R Turnbull *

R Williams *

**Members of the Audit Committee*

Secretary

J Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

*Authorised and regulated by
the Financial Services Authority*

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Directors responsible for the Fund

M Quicke (Chief Executive)

J Bevan (Chief Investment Officer)

S Curran (Chief Operating Officer)

C Peters (Investment Director)

A Robinson (Director Market Development)

Fund Manager

M Humphreys

Company Secretary

J Fox

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

A Kemp

Socially Responsible Investment

H Wildsmith

Banker and Monitoring Service

The Royal Bank of Scotland plc

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London EC2R 8LA

Safe-Custody Agent

The Northern Trust Company

50 Bank Street, Canary Wharf

London E14 5NT

Solicitor

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Independent Auditor

Ernst & Young LLP

1 More London Place

London SE1 2AF



CCLA INVESTMENT MANAGEMENT LIMITED **The CBF Church of England Funds**

The CBF Church of England Funds provide Church of England parishes, dioceses and other church charitable trusts with a ready-made service to look after their money and investments. These Funds aim to provide prudent management of church money avoiding unnecessary risks but at the same time seeking to deliver satisfactory investment results.

A CHOICE OF FUNDS

The six CBF Church of England Funds aim to meet most of the investment and deposit needs of a Church trust.

Investment Fund

- A suitable 'all-in-one' long-term fund for most church organisations
- Highly diversified and well-balanced spread of investments
- Designed to help meet growth and income requirements
- Focus on delivering attractive, growing income
- Working with the EIAG to reflect appropriately ethical values in your investments

Global Equity Income Fund

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

UK Equity Fund

- The only UK equity fund managed to reflect Church ethical values
- High quality, well-diversified portfolio
- Designed to help meet growth and income requirements
- Usually held with other investments such as overseas equities, bonds and cash to give a broad spread of assets and achieve overall objectives

Fixed Interest Securities Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

Property Fund

- High quality, well-diversified commercial and industrial property portfolio
- Focus on delivering attractive income
- Actively managed to add value
- Usually held with other investments such as equities, bonds and cash to give a broad spread of assets and achieve combined income and growth objectives

Deposit Fund

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

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

The Funds are common funds established under the Church Funds Investment Measure 1958 (as amended from time to time). CBF Funds Trustee Limited, a company incorporated under the Companies Act is the Trustee and Operator of the Funds. CCLA Investment Management Limited manages the investment of the Funds.

The value of the investments may fall as well as rise and an investor may not get back the full amount originally invested.

CCLA Investment Management Limited (registered in England No. 2183088 at 80 Cheapside, London, EC2V 6DZ) is authorised and regulated by the Financial Services Authority. CBF Funds Trustee Limited is a Registered Charity No.1116932 and is registered in England as a company limited by guarantee (No. 5957490).

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