THE CBF CHURCH OF ENGLAND INVESTMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

CCLA

CONTENTS

*Collectively, these comprise the Manager's Report.
**Audited.

References to "CCLA" refer to the CCLA Group, comprising CCLA Investment Management Limited and CCLA Fund Managers Limited.

Disability Discrimination Act 1995
Extracts from the Annual Report and Financial Statements are available in large print and audio formats.

REPORT OF THE TRUSTEE
for the year ended 31 December 2024

On behalf of the Trustee, I have pleasure in presenting the Annual Report and Audited Financial Statements of The CBF Church of England Investment Fund (the "Fund"), which includes a separate report from CCLA Investment Management Limited (the "Manager") as Manager of the Fund. The Manager is authorised and regulated by the Financial Conduct Authority ("FCA").

Structure and management of the Fund
The Fund is an investment fund, administered as a common fund and is established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010 (together the "Measure") and the Trustee Act 2000. The Fund was formed in 1958. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 ("FSMA") as amended or changed from time to time. CBF Funds Trustee Limited (the "Trustee") is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee.

The Manager has been appointed by the Trustee pursuant to the investment management agreement dated September 2008 to provide discretionary investment management services as well as administrative and registration services under the investment management agreement.

Under the provisions of FSMA, the Trustee is not considered to be operating the Fund "by way of business". Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose.

As the Fund is structured as an unregulated fund, investments in the Fund are not covered by the Financial Services Compensation Scheme.

Charitable status
The Fund is entitled to charitable status by virtue of section 99(4) of the Charities Act 2011. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

Investment objective
The Fund aims to provide a long-term total return comprising growth in capital and income.

REPORT OF THE TRUSTEE
for the year ended 31 December 2024

Investment policy
The Fund is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. It will have an emphasis on equities, but will also include property, bonds and other asset classes, which may be either liquid or illiquid in nature.

The Fund is managed in line with a faith-consistent investment policy, developed by the Manager, to meet Shareholders' desire to invest in a way that reflects Christian and Anglican teachings and is grounded in the advice produced by the Church of England's Ethical Investment Advisory Group. This can include restrictions from investment (or other implications for asset selection) and/or engagement activity that goes beyond CCLA's standard approach.

Target benchmark
The target benchmark sets a standard against which the long-term performance of the Fund can be assessed. The Fund has a long-term investment target benchmark designed to help investors meet their objectives. Over time, the Fund aims to achieve a total return before the deduction of any fees, costs and expenses of UK Consumer Prices Index (CPI) inflation plus 5% per annum.

Comparator benchmark
To provide additional guidance on returns, the Manager publishes regular performance information relative to a comparator index designed to represent the typical structure and strategy of the Fund's underlying portfolio. The typical asset mix may change over time, so it may be necessary to review the make-up of the comparator benchmark to ensure that it remains a useful guide to returns. The composite comparator benchmark of the Fund (and the constituents' respective weightings within the comparator benchmark) is as follows: MSCI World Index (75%), MSCI UK Monthly Property Index (5%), Markit iBoxx £ Gilts Index (15%) and Sterling Overnight Index Average (5%).

Target investors
The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise. Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor. Investors may be either retail or professional clients (both per se and elective).

REPORT OF THE TRUSTEE
for the year ended 31 December 2024

Review of investment activities and policies of the Fund

The Trustee is ultimately responsible for The CBF Church of England Funds and receives reports on the published financial statements. The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund. The Trustee has appointed the custodian to hold the securities of the Fund in specially designated accounts in safe custody.

Delegation of functions

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Church Funds Investment Measure 1958 and with the investment management agreement.

Controls and risk management

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Shareholders.

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.

At its periodic audit committee meetings, the Trustee receives a report from the Chief Risk Officer of the Manager which covers the following areas amongst others:

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;
- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines any operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

REPORT OF THE TRUSTEE
for the year ended 31 December 2024

The Manager is currently considering the launch of a Charity Authorised Investment Fund ("CAIF"), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and investor approval. Should this be approved, on completion of the transfer, the CBF Church of England Investment Fund would cease operations and be wound up, with the investors' existing holdings in the CBF Church of England Investment Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund. For existing and future investors the investment experience and service they receive will be unchanged, and the transfer will be undertaken with the minimum of disruption.

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to investors.

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2026, the Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

A Brookes, Chair
CBF Funds Trustee Limited
21 May 2025

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Strategy
To achieve its aim of maintaining investors' real long term spending power, the Fund has a structural bias to 'real' assets. By 'real' assets, we mean investments that are expected to achieve returns from 'real' economic activity, as opposed to 'loan' assets like bonds and cash.

For that reason, global, listed equities (company shares) make up most of the portfolio. Within this universe, the Fund's emphasis is on quality companies with high standards of governance and growth prospects that do not depend on trends in the broad economy.

Other assets held by the Fund may include UK commercial property, government and non-government bonds, private equity and infrastructure. Infrastructure assets are those that support social and economic activity, such as clean power generation, health and public service facilities, transport and social housing.

Annualised total capital and income return

To 31 December 2024	1 year %	5 years % p.a.	10 years % p.a.
Performance against benchmark (after expenses)			
The CBF Church of England Investment Fund	**5.09**	**6.82**	**9.04**
Income Shares*	**5.09**	**6.82**	**9.04**
Accumulation Shares*	**5.11**	**6.83**	**9.05**
Target Benchmark+	7.57	9.56	8.08
Comparator benchmark#	15.31	7.40	7.94

+ Target benchmark – Consumer Price Index (CPI) plus 5% (before fees).
# Comparator benchmark – Composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01.01.16 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/MSCI™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, MSCI™ UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5% and to 31.12.11 FTSE All-Share 60%, FTSE All-World Developed Ex UK 20%, MSCI™ All Properties 10% and FTSE UK Government All Stocks 10%.
* Mid to mid plus income re-invested.

Past performance is not a reliable indicator of future results.
Source: CCLA, Bloomberg & HSBC.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Performance
The Fund's total return target benchmark of CPI plus 5%, before fees, is a long-term objective. Returns in any one period may be higher or lower than that level, as inflation and investment market returns vary through the economic cycle. To aid investors' understanding of the portfolio's performance in different market conditions, we report the Fund's returns in each reporting period against those of a comparator benchmark.

Over the 12 months under review, the Fund's total return was 5.1% on the Income Shares and 5.1% on the Accumulation Shares, after costs and expenses. This compares with the Fund's target benchmark of 7.6%, before fees, and a return of 15.3% on the comparator benchmark.

The Fund's allocation to equities returned over 8% during the year under review. But its underperformance of the target benchmark was mainly due to its allocations to infrastructure assets and fixed income securities, in that order. Both asset classes suffered from higher bond yields over the year, unusual at a time when central banks were cutting interest rates. This effect was most pronounced at the end of the year, when long-dated yields rose steeply.

Within equities, market returns were heavily concentrated in a minority of shares. That was the case in information technology, notably with some of the 'Magnificent 7' shares (Google's parent Alphabet, Amazon, Apple, Facebook parent Meta Platforms, Microsoft, Nvidia and Tesla). But it was also the case in other sectors, including health care and financials. By contrast, the Fund's portfolio continued to take a more diversified approach. We continued to focus on attractively valued businesses that continue to be well-placed to grow and compound earnings. In 2024, this approach caused the Fund's equity allocations to lag broader equity markets.

Economic and Market Review
At the beginning of 2024, many investors considered that the high interest rates that central banks put in place to combat inflation might trigger recessions. In such a scenario, they feared, stock markets would struggle to advance in 2024.

But from early 2024, it became clear that major economies would probably avoid recessions and continue to grow. US gross domestic product (GDP) grew 2.8% last year. The eurozone and UK economies also avoided recessions, growing 0.7% and 0.9% in 2024, respectively.

Secondly, inflation continued to fall in most countries, particularly in the first half of 2024. As a result, investors grew confident that central banks would cut interest rates soon. And they were right. Starting in June, the European Central Bank cut its deposit rate 1% in 2024. The Bank of England (BoE) cut its Official Bank Rate 0.50% between August and the end of the year. And in the US, the Fed cut its Federal Funds target rate 1.0% in 2024, starting in September.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Thirdly, company results continued to go from strength to strength in 2024, especially in the tech sector. For example: the third quarter of 2024, the last quarter for which we have full results, was the fifth consecutive quarter of year-on-year earnings growth for companies in the S&P500. The November election of Donald Trump helped corporate sentiment, too, because his policies include corporate tax cuts and deregulation.

However: each of the above catalysts for higher share prices had a flip side. Investors' expectations of companies' earnings became so ambitious that, at times, shares prices fell when companies met their earnings targets or did not beat them convincingly enough. That was briefly the case with, for example, Nvidia and Meta, among other stocks.

High economic growth, too, had its flip side. Investors welcomed Donald Trump's pro-business agenda. But they didn't lose sight of the fact that the Fed might stop cutting rates or even raise them, if Trump's policies put the US economy at risk of overheating.

And in the second half of 2024, inflation rebounded in many countries. UK consumer price (CPI) inflation, for example, fell to 1.7% in September, but rebounded to 2.6% in November, year on year. Above-target or volatile inflation made several central banks weary of cutting interest rates too fast. In December, the Fed forecast that it would cut rates by only 0.50% in 2025, instead of the 1.0% that investors were expecting. As a result, the S&P500 stock index fell 3% in two days, leading the index lower for the month.

Despite such temporary setbacks, however, stock markets had a record year. The MSCI World Index gained 20.79%, in pound sterling terms, and the S&P500 went up 25.02%, in US-dollar terms.

By contrast, returns from fixed income (bonds) were modest during 2024. The Bloomberg Global Aggregate Index returned just +0.07%, in pounds sterling (unhedged). This return appears low in a year when most central banks cut interest rates, but was due to rising bond yields. (Bond prices fall as yields rise.) Bond yields rose, particularly at the end of 2024, for several reasons: because investors were concerned about governments' debt levels, because investors feared that more government stimulus might reignite inflation, and because investors rowed back their expectations of central banks' rate cuts in 2025. In December 2024 alone, for example, 10-year UK government bond (gilt) yields rose from 4.23% at the beginning of the month to 4.57% just before the new year. Ten-year US Treasury yields rose from 4.19% to 4.58% during that time.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Alternative assets such as infrastructure and private equity are typically valued by discounting their future cash flows by a long-term interest rate or bond yield. As a result, higher bond yields depressed valuations for these assets as well. But UK property had a more positive year. Property values appeared to have stopped falling during the year. Because of this sector's attractive income returns (rents), total returns moved back into positive territory.

Outlook

Market fundamentals have weakened since late 2024. US earnings reported for the final quarter of 2024 were robust. But purchasing manager indices (PMIs) have trended lower since the start of 2025. And some expectations that bullish investors had for the Trump administration have remained unfulfilled. We now see the unpredictable nature of a Trump-led White House as a risk to financial markets. Tariffs are starting to be enforced and more are due to come into effect on 2 April.

Prices of large-cap US stocks, including the so-called Magnificent 7, have fallen in the year to date. Valuations in this segment were high at the start of 2025, but economic data has weakened, and US policymaking has become a concern for many investors. By contrast, European stocks have proved resilient in 2025, helped by the prospect of increased German government spending under newly elected chancellor Friedrich Merz. In China, weak manufacturing data and the downbeat property market continue to weigh on share prices. But the success of AI startup DeepSeek has triggered a revival in Chinese tech shares.

From a valuation perspective, the picture is mixed. At the inexpensive end of the spectrum, we put non-US mid- and large-cap equity. By contrast, US large-cap equity remains at the expensive end of the spectrum. That market traded at a 12-month forward price-to-earnings (P/E) ratio close to 22x at the end of March 2025, not far from its 1999 high of 25x high, since considered a bubble. Excluding the 'Magnificent 7' stocks, however, the US market trades at a P/E multiple of only 20x, with earnings expected to grow by 12%.

Inflation in the US and other developed markets appears to have levelled off. It may rise again, in particular if the Trump administration's policies prove inflationary. The Fed may therefore stop cutting interest rates altogether. A gentle re-acceleration of inflation would not be a problem for stock markets. But inflation in the 4%-5% range could put share and bond returns at risk. That level of inflation, however, is not our base case.

Bond yields are less than compelling, particularly for corporates where spreads are narrow. While lower economic growth would be supportive to bonds other significant risks remain. These include higher deficits, geopolitics and central banks' policies. Investor inflows are slowing, but they are, so far in 2025, sufficient to absorb the moderate level of bond issuance.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Bond yields are relevant to alternatives and private equity as well. Borrowing costs, if they remain high, may impact companies' loan covenants and dividend payouts. This may become more important if central banks continue to be reticent to cut interest rates in 2025. But UK property appears to have moved into a more positive phase of its cycle. In our property team's analysis, yields are becoming more stable and rental growth is having a positive impact on valuations.

C Ryland
Head of Investment
CCLA Investment Management Limited
21 May 2025

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2024

Top ten changes in portfolio composition

	Cost £'000
Purchases:	
Compass Group	22,864
O'Reilly Automotive	19,856
Ashtead Group	18,128
Gallagher (Arthur J)	18,102
Spirax-Sarco Engineering	17,413
Hermes	15,942
Unite Group	15,911
Epiroc	12,043
Blackstone Secured Lending Fund	11,846
The Coca-Cola Company	11,361

	Proceeds £'000
Sales:	
Ametek	13,829
TransUnion	13,282
Edwards Lifesciences	13,266
Costco Wholesale	13,219
Hipgnosis Songs	13,075
Starbucks	12,720
The Blackstone Group	12,556
Trane Technologies	12,106
Pepsico	11,616
Nike B	11,332

When a stock has both purchases and sales in the reporting period, these transactions have been netted and the net amount has been reflected as either a net purchase or net sale in the table above.

Risk warning
Past performance is not a reliable indicator of future results. The price of the Fund's Shares and any income distributions from them may fall as well as rise and an investor may not get back the amount originally invested.

The Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Shares are realisable on each weekly dealing day only.

This Fund may invest in emerging market countries which could be subject to political and economic change.

The Fund may invest in collective investment schemes and other assets which may be illiquid. These include limited partnerships and other unquoted investments where valuations are open to substantial subjectivity. The Fund may also invest in the CBF Church of England Property Fund, which invests indirectly in property and property related assets which are valued by an independent valuer and as such are open to substantial subjectivity. The performance of this Fund may be adverseley affected by a downturn in the property market which could impact on the capital and/or income value of this Fund.

Investments in the Fund are not covered by the Financial Services Compensation Scheme.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainable investment label because it does not have a sustainability goal. However, the Fund is managed in line with its faith-consistent investment policy which supplements CCLA's standard 'Act, Assess, Align' approach to sustainability that applies to the listed equity component of the Fund. Other assets are managed in line with the 'Align' approach – which includes a combination of restrictions applied to meet the Fund's faith-consistent investment policy and to be in common with CCLA's wider approach – as set out in the targeted restrictions below.

The 'Act, Assess, Align' approach includes:

Act: acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them. This includes:

- Using our ownership rights to improve the sustainability of the assets in which we invest.
- Bringing investors together to address systemic risks that have not received the attention that they require.
- Seeking to be a catalyst for change in the investment industry.

Engagement priorities are applied by the Manager to holdings within the Fund on a 'top-down basis'. By this it is meant that the Manager prioritises a number of sustainable themes, builds engagement programmes to tackle them and then identifies the correct holdings within the Fund to be included within them. This allows the Manager to control the number of ongoing dialogues and increase its ability to deliver the desired change.

At present, three engagement themes are applied to the Fund. These are:

I. **Better Health:** which includes working with companies to push for better standards to protect the mental health of employees and push for improvements in the nutritional standards of products.
II. **Better Environment:** where we are working to accelerate the transition to a net-zero emissions economy and address concerns regarding biodiversity loss. This includes issues such as addressing climate change and tackling biodiversity loss.
III. **Better Work:** where we are working to address modern slavery and wider concerns regarding human rights, poor labour standards and the living wage.

In the management of the Fund, CCLA may supplement these engagement themes with additional work to address specific issues prioritised to align with Shareholders' desire to reflect Christian, and specifically Anglican, teachings. These additional issues would then be part of the faith-consistent investment policy. Any additional issues will be disclosed to Shareholders through CCLA's website.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

This work only applies to the listed equity component of the Fund. CCLA may change or add to these areas of focus, including items mandated by the faith-consistent investment policy, with the aim of aligning with the priorities of Shareholders.

Recognising the importance of engagement to the sustainability approach the Manager has adopted an engagement metric. The Manager, no less than annually, will disclose the proportion of portfolio holdings that have been engaged directly and report on the effectiveness of these engagements.

For details about engagement priorities and the outcomes that have been achieved please refer to the 'Sustainable Investment Outcomes' report which is available at www.ccla.co.uk.

Assess: assessing the environmental, social, and governance (ESG) standards of listed equities with the aim of avoiding investment in companies that are deemed by the Manager as having an unacceptable social or environmental impact and supporting the financial returns of the Fund.

This approach is undertaken because the Manager believes that a combination of legislation, regulation and changing societal preferences will impact negatively on the most unsustainable business models.

The Manager's approach to assessing ESG standards has two components; (i) formal codified restrictions from investment of sectors and companies that the Manager believes pose significant environmental and social risks and (ii) an assessment process for the remaining eligible holdings.

The formal codified restrictions process is the method through which investments are 'screened out' on ESG grounds. An example would be that CCLA would be unable to buy a listed equity security of a company that generates more than 10% of its revenue from the extraction, refining or production of fossil fuels. The full restrictions applied by the Fund are included within the 'Align' section below.

The assessment process of the remaining 'eligible' universe is designed to assist in 'financial risk' management and – as such – it identifies companies that require further assessment and/or additional approvals (such as approval by the CCLA Investment Committee) due to the level of ESG Risk rather than explicitly restricting companies. There are three components to this approach:

I. **Corporate Governance:** assessments of companies' corporate governance is conducted using the CCLA Corporate Governance Rating. Companies with an E or F (the two lowest ratings provided) require the approval of the CCLA Investment Committee.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

II. **ESG Risk/Wider Sustainability factors:** we assess ESG Risk using our third-party data provider's ESG Risk Rating. Companies which have an ESG Risk rating of 35 (high risk) or more are deemed high risk and require Investment Committee approval for investment. The ESG Risk Rating scale ranges from 0 (negligible risk) to 40+ (severe risk).

III. **Controversies:** companies which do not comply with Global Standards have the most severe level of controversy (as advised by our third-party provider) and are excluded. If they become non-compliant while they are in the Fund, a time-limited engagement plan is created with regular monitoring by the Investment Committee. Should the company not show sufficient improvement the Manager then has a 6-months divestment window. Finally, no further stock/shares can be purchased in this company.

In addition, the Fund is managed in line with CCLA's goal to achieve net-zero emission listed equity portfolios no later than 2050. Companies can be included in our net-zero approach as long as they pass the Fund's values-based screens, our wider ESG minimum standards and are covered by our third-party data providers which provide the basis for assessment in our engagement framework. All our listed-equity portfolios are managed in a way that is less carbon intensive than the MSCI World Index. We determined a reducing maximum carbon ceiling by decarbonising the MSCI World Index's weighted average carbon intensity (Scope 1+2) using the Intergovernmental Panel on Climate Change (IPCC) 1.5°C/net zero pathway (P2). We commit to managing the listed-equity component of the Fund in a way that ensures that the portfolio footprint is lower than this maximum ceiling. The Manager currently does not provide Scope 3 emissions data due to concerns over accuracy and availability from data providers.

The 'Assess' criteria set out above only apply to the listed equities held within the Fund. In the management of the Fund the Manager may, over time, amend the process used to assess ESG standards.

Recognising the importance of climate change to the Fund's client base the Manager has adopted 'Weighted Average Carbon Intensity' as a key metric for managing the Fund. The Manager will disclose, no less than annually, the weighted average carbon intensity of the Fund, the proportion of the Fund that the disclosure applies to (as it is anticipated that the Manager will be unable to provide full disclosure due to unavailable data) and the listed-equity component of the Fund's position against the maximum carbon ceiling.

More detail is available in our 'Climate for Good Investment' publication – available at www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline.

Full details of our approach to net-zero listed equity portfolios are available on our website at www.ccla.co.uk/sustainability/initiatives/climate-action.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

Align: investing in a way that we believe is aligned with the values and beliefs of our clients (as prescribed by the faith-consistent investment policy).

Note: We offer other multi-asset funds with similar investment objectives but different targeted restrictions to enable investors to better align with their values.

The implementation of this approach involves the application of targeted restrictions upon investment by the Fund. As such, companies and any other assets that meet the following criteria are restricted from investment by the Fund, in line with the Church's teachings:

- **Adult Entertainment:** companies that derive more than 3% of revenue from the production and/or distribution of adult entertainment.
- **Gambling:** companies that derive more than 10% of revenue from the operation of gambling establishments and the provision of key support services and products.
- **Alcohol:** companies that derive more than 10% of revenue from the production and/or retail of alcohol and related products or services.
- **Tobacco:** companies that have any involvement in the production of tobacco and/or derive more than 5% of revenue from the production and/or retail of tobacco and related products/services.
- **Cannabis:** companies that derive more than 10% of revenue from the production and/or retail of non-medicinal cannabis.
- **Controversial Weapons:** companies that have any involvement in the production of Controversial Weapons (core weapons and components). These are defined as landmines, cluster munitions, chemical and/or biological weapons.
- **Nuclear Weapons:** companies that have any involvement in the production of core weapons and/or components of nuclear weapons.
- **Military Weapons:** companies that derive more than 10% of revenue from the production of military weapons and equipment (core weapons, components and equipment/services) and/or the provision of key non-weapons related, tailor-made products for the defence industry.
- **Civilian Firearms:** companies that derive more than 10% of revenue from the production and/or retail of civilian firearms (including key components).
- **High Interest Rate Lending:** companies that derive more than 10% of their revenue from high interest rate lending.
- **Thermal Coal Extraction:** companies that derive more than 5% of revenue from the extraction of thermal coal and/or produce more than 10 million metric tonnes of coal (or have plans to expand their coal production).

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

- **Oil and Gas Extraction:** companies that derive more than 5% of revenue from the extraction of tar sands and/or companies that generate more than 10% of revenue from the extraction, production, and/or refining of oil and/or gas.
- **Generation of Electricity and Climate Change:** electrical utility and infrastructure companies that intend to expand their coal-fired generation capacity and/or businesses whose principal activity is the generation of electricity and have not demonstrated the ability to align their business with the Paris Climate Change Agreement (as defined by the Manager).
- **Controversies and International Norms:** companies that fail CCLA's controversy process including non-conformance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and/or other factors defined by the Manager.
- **Sovereign Debt:** no direct investment in sovereign debt from countries identified by the Manager as being amongst the world's most oppressive.
- **Collective Investment Schemes:** Other investment funds that are assessed by the Manager as having any exposure to landmines, cluster munitions, chemical or biological weapons or exposures that materially contradict the above approach. This is defined as having more than 10% of Net Asset Value exposed to other precluded activity. As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within such other investment fund holdings remains below 1% of the capital value of the Fund. Due to a lack of data this approach to assessing the eligibility of Collective Investment Schemes is implemented on a 'best-endeavours' basis.

These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures. The full values-based screening policy is available on our website at www.ccla.co.uk/about-us/policies-and-reports.

Recognising the importance of restrictions to Shareholders the Manager will disclose the percentage of the MSCI World Index that is restricted from investment by the Fund.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Investment Fund

Climate-related financial disclosures
CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities.

CCLA produces a TCFD Product Report for each fund it manages, which are consistent with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Product Reports are designed to help you understand how the Fund is exposed to climate-related risks.

These reports are available on the relevant fund page at www.ccla.co.uk/investments.

The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is currently Chaired by Barbara Ridpath who took over from the Right Reverend David Walker, The Bishop of Manchester, on the 8 July 2020. More information about the EIAG is available at www.churchofengland.org/eiag.

INDEPENDENT AUDITOR'S REPORT
to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee") of The CBF Church of England Investment Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The CBF Church of England Investment Fund (the 'Fund'):

- give a true and fair view of the financial position of the Fund as at 31 December 2024 and of the net revenue and the net capital gains on the property of the Fund for the year ended 31 December 2024;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee") of The CBF Church of England Investment Fund

Emphasis of matter – Financial statements prepared other than on a going concern basis
We draw attention to note 1a in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees and Manager
As explained more fully in the Statement of Trustee and Manager Responsibilities, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT
to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee") of The CBF Church of England Investment Fund

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustee about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty. These included The Church Funds Investment Measure 1958 and Trustee Act 2000.

We discussed among the audit engagement team, including relevant internal specialists such as IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-fund. In response we have agreed the investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT
to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee") of The CBF Church of England Investment Fund

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Use of our report

This report is made solely to the shareholders of the Fund, as a body, in accordance with paragraph 14 of the Schedule to the Church Investment Funds Measure 1958. Our audit work has been undertaken so that we might state to the shareholders of the Fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than shareholders of the Fund, as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
21 May 2025

SUMMARY RISK INDICATOR

The UK PRIIPs Regulation requirements set out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the Recommended Holding Period.

1	2	3	**4**	5	6	7

Lower risk — Higher risk

The Manager has classified The CBF Church of England Investment Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes investment in the Fund for the Recommended Holding Period of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Investors can request redemption at any time and the Fund deals on a daily basis. The Fund does not include any protection from future market performance, so you could lose some or all of your investment.

A more detailed description of risk factors that apply to this product is set out in the latest Scheme Information document available on CCLA's website or by request.

COMPARATIVE TABLE

Change in net assets per Share

	Income Shares		
	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share
Opening net asset value per Share	**2,259.84**	2,063.85	2,339.61
Return before operating charges*	**126.80**	272.10	(200.68)
Operating charges**	**(14.39)**	(14.32)	(13.29)
Return after operating charges*	**112.41**	257.78	(213.97)
Distributions on Income Shares	**(63.03)**	(61.79)	(61.79)
Closing net asset value per Share	**2,309.22**	2,259.84	2,063.85
* after direct transaction costs of:	**0.47**	0.34	0.62
Performance			
Return after charges	**4.97%**	12.49%	(9.15%)
Other information			
Closing net asset value (£'000)	**2,005,330**	1,942,355	1,779,919
Closing number of Shares	**86,840,115**	85,950,875	86,242,662
Operating charges**	**0.76%*** **	0.81%***	0.80%***
Direct transaction costs	**0.02%**	0.02%	0.03%
Prices (pence per Share)			
Highest Share price (offer)	**2,380.85**	2,273.01	2,337.88
Lowest Share price (bid)	**2,206.10**	2,029.99	2,013.32

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

*** Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024, 31 December 2023 and 31 December 2022 include synthetic costs of 0.14%, 0.14% and 0.18% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

COMPARATIVE TABLE

Change in net assets per Share

	Accumulation Shares		
	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share
Opening net asset value per Share	**5,969.57**	5,298.94	5,834.67
Return before operating charges*	**336.26**	708.12	(501.51)
Operating charges**	**(37.89)**	(37.49)	(34.22)
Return after operating charges*	**298.37**	670.63	(535.73)
Distributions on Accumulation Shares	**(140.43)**	(124.01)	(109.94)
Retained distributions on Accumulation Shares	**140.43**	124.01	109.94
Closing net asset value per Share	**6,267.94**	5,969.57	5,298.94
* after direct transaction costs of:	**1.26**	0.88	1.55
Performance			
Return after charges	**5.00%**	12.66%	(9.18%)
Other information			
Closing net asset value (£'000)	**144,134**	140,333	134,925
Closing number of Shares	**2,299,535**	2,350,808	2,546,265
Operating charges**	**0.75%*** **	0.82%***	0.81%***
Direct transaction costs	**0.02%**	0.02%	0.03%
Prices (pence per Share)			
Highest Share price (offer)	**6,418.30**	5,971.38	5,830.36
Lowest Share price (bid)	**5,827.61**	5,325.50	5,055.37

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

*** Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024, 31 December 2023 and 31 December 2022 include synthetic costs of 0.14%, 0.14% and 0.18% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

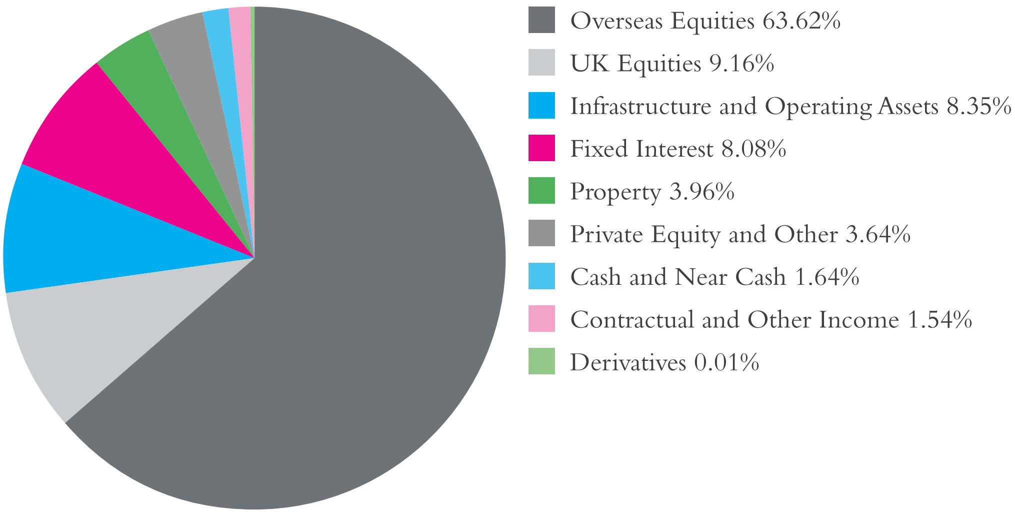
OPERATING CHARGES ANALYSIS
for the year ended 31 December 2024

The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2024 %	31.12.2023 %
Manager's annual management charge including VAT	**0.60**	0.61
Safe custody fees and monitoring fee	**0.01**	0.01
Other expenses	**0.01**	0.05
Total operating charges	**0.62**	0.67

PORTFOLIO ANALYSIS
at 31 December 2024

Portfolio Allocation



Breakdown of Overseas Equities by Geography

North America	44.62%
Developed Europe	14.04%
Asia Pacific ex-Japan	3.22%
Japan	0.81%
Other Countries	0.93%
	63.62%

Breakdown of Equities by Sector

Information Technology	19.16%
Financials	14.25%
Health Care	11.83%
Industrials	10.63%
Consumer Discretionary	8.03%
Consumer Staples	3.80%
Communication Services	3.11%
Real Estate	1.23%
Utilities	0.70%
Materials	0.04%
	72.78%

The portfolio analyses above differ from the portfolio statement because: prices used here are mid-market, rather than bid; and allocations are adjusted on a 'look through' basis in respect of cross holdings in other CCLA funds (i.e. such funds are shown in a single category in the portfolio statement, but are analysed by their underlying holdings on this page).

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 9.19% (31.12.2023 – 7.58%)			
Consumer Discretionary 1.72% (31.12.2023 – 0.75%)			
Compass Group	1,002,404	26,654	1.24
InterContinental Hotels Group	103,623	10,315	0.48
Financials 0.93% (31.12.2023 – 1.15%)			
London Stock Exchange Group	176,706	19,941	0.93
Health Care 0.75% (31.12.2023 – 0.88%)			
AstraZeneca	153,506	16,063	0.75
Industrials 3.03% (31.12.2023 – 1.99%)			
Ashtead Group	309,758	15,364	0.72
Experian	550,756	18,974	0.88
RELX	470,354	17,064	0.79
Spirax-Sarco Engineering	201,635	13,822	0.64
Funds 2.76% (31.12.2023 – 2.81%)			
The CBF Church of England UK Equity Fund Income Shares*	29,661,353	59,253	2.76
OVERSEAS EQUITIES 53.28% (31.12.2023 – 63.14%)			
DEVELOPED EUROPE 12.79% (31.12.2023 – 10.84%)			
Communication Services 1.07% (31.12.2023 – 0.98%)			
Universal Music Group	1,136,341	23,075	1.07
Consumer Discretionary 1.62% (31.12.2023 – 0.92%)			
Hermes	9,065	17,396	0.81
LVMH Moet Hennessy Louis Vuitton	33,244	17,468	0.81
Consumer Staples 2.26% (31.12.2023 – 2.26%)			
Kerry Group	243,470	18,681	0.87
L'Oréal	38,072	10,742	0.50
Nestlé	289,786	19,108	0.89

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Financials 2.06% (31.12.2023 – 1.49%)			
Deutsche Boerse	108,790	20,032	0.93
Partners Group	22,337	24,197	1.13
Health Care 1.71% (31.12.2023 – 1.65%)			
Essilor International	112,430	21,687	1.01
Novo Nordisk	218,318	15,015	0.70
Industrials 2.16% (31.12.2023 – 1.62%)			
Epiroc	808,871	11,214	0.52
Schneider	88,135	17,555	0.82
Wolters Kluwer	133,898	17,719	0.82
Information Technology 1.91% (31.12.2023 – 1.92%)			
ASML Holding	33,775	18,934	0.88
Hexagon	2,913,243	22,179	1.03
Utilities 0.00% (31.12.2023 – 0.29%)			
NORTH AMERICA 40.49% (31.12.2023 – 42.01%)			
Communication Services 1.50% (31.12.2023 – 1.18%)			
Alphabet C	211,476	32,155	1.50
Consumer Discretionary 3.61% (31.12.2023 – 3.50%)			
Amazon.com	209,511	36,693	1.71
McDonald's	79,295	18,354	0.85
O'Reilly Automotive	23,861	22,589	1.05
Consumer Staples 1.10% (31.12.2023 – 2.20%)			
The Coca-Cola Company	475,855	23,664	1.10

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Financials 7.83% (31.12.2023 – 6.81%)			
CME Group	126,431	23,444	1.09
Gallagher (Arthur J)	84,735	19,204	0.89
Intercontinental Exchange Group	170,907	20,336	0.95
Marsh & McLennan	94,938	16,103	0.75
Mastercard	47,349	19,930	0.93
S&P Global	56,251	22,393	1.04
Tradeweb Markets	223,018	23,313	1.08
Visa A	93,189	23,536	1.10
Health Care 8.21% (31.12.2023 – 10.06%)			
Abbott Laboratories	268,371	24,244	1.13
Agilent Technologies	117,401	12,597	0.59
Avantor	1,066,001	17,943	0.83
Danaher	83,328	15,277	0.71
ICON	130,099	21,767	1.01
Illumina	104,766	11,178	0.52
Stryker	57,078	16,411	0.76
Thermo Fisher Scientific	51,360	21,330	0.99
UnitedHealth Group	38,157	15,430	0.72
Zoetis	156,473	20,370	0.95
Industrials 3.93% (31.12.2023 – 4.90%)			
Deere & Company	45,350	15,341	0.71
IDEX	104,027	17,394	0.81
Ingersoll Rand	121,015	8,742	0.41
Trane Technologies	45,428	13,404	0.62
TransUnion	207,176	15,330	0.71
Union Pacific	78,403	14,276	0.67

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Information Technology 12.48% (31.12.2023 – 11.49%)			
Accenture	46,372	13,037	0.61
Adobe	52,071	18,488	0.86
Ansys	87,632	23,598	1.10
Broadcom	131,740	24,381	1.13
Fortinet	297,815	22,467	1.05
Intuit	36,153	18,143	0.84
Microsoft	105,592	35,519	1.65
Nvidia	188,921	20,239	0.94
NXP Semiconductors	98,503	16,348	0.76
Roper Technologies	58,180	24,143	1.12
ServiceNow	17,828	15,083	0.70
Synopsys	57,998	22,456	1.05
Texas Instruments	95,710	14,330	0.67
Real Estate 1.18% (31.12.2023 – 1.40%)			
Alexandria Real Estate Equities	176,611	13,746	0.64
American Tower	79,012	11,563	0.54
Utilities 0.65% (31.12.2023 – 0.47%)			
NextEra Energy	242,269	13,870	0.65
JAPAN 0.76% (31.12.2023 – 0.81%)			
Information Technology 0.76% (31.12.2023 – 0.81%)			
Keyence	50,000	16,410	0.76
ASIA PACIFIC EX JAPAN 2.90% (31.12.2023 – 2.78%)			
Financials 1.79% (31.12.2023 – 1.79%)			
AIA Group	3,099,200	17,935	0.83
HDFC Bank	405,079	20,649	0.96
Information Technology 1.11% (31.12.2023 – 0.99%)			
Taiwan Semiconductor Manufacturing Company	913,000	23,904	1.11

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
MULTI GEOGRAPHY 5.92% (31.12.2023 – 5.75%)			
Funds 5.92% (31.12.2023 – 5.75%)			
The CBF Church of England Global Equity Fund*	39,557,687	127,195	5.92
OTHER 0.85% (31.12.2023 – 0.95%)			
Information Technology 0.85% (31.12.2023 – 0.95%)			
Nice	135,191	18,313	0.85
PRIVATE EQUITY & OTHER 3.65% (31.12.2023 – 3.23%)			
CCLA Shares 2.11% (31.12.2023 – 2.14%)			
CCLA Investment Management – Ordinary Shares**	13,000,000	45,370	2.11
Private Equity 1.54% (31.12.2023 – 1.09%)			
Blackstone Capital Parters Asia**	1	11,363	0.53
Cambridge Innovation Capital II**	1	2,183	0.10
Clean Energy and Environment Fund**	1	1,020	0.05
Clean Growth Fund**	1	4,444	0.21
Rubicon Partners**	1	14,039	0.65
INFRASTRUCTURE & OPERATING ASSETS 8.33% (31.12.2023 – 8.89%)			
Energy Resources & Environment 2.65% (31.12.2023 – 3.88%)			
Bluefield Solar Income Fund	1,804,730	1,700	0.08
Brookfield Renewable Partners	494,414	8,989	0.42
Foresight Solar Fund	6,389,401	4,913	0.23
Greencoat UK Wind	14,475,913	18,486	0.86
NextPower III**	1	7,336	0.34
SDCL Energy Efficiency Income Trust	10,525,434	5,736	0.27
The Forest Company**	624,524	1,180	0.05
The Renewables Infrastructure Group	7,951,545	6,822	0.32
US Solar Fund	5,218,975	1,708	0.08

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
General 3.51% (31.12.2023 – 3.83%)			
Brookfield Infrastructure Partners	831,902	21,096	0.98
Infracapital Partners III**	1	13,973	0.65
Infratil	1,326,089	7,474	0.35
International Public Partnership	5,084,825	6,163	0.29
KKR Global Infrastructure Investors III**	1	13,587	0.63
Macquarie Korea Infrastructure Fund	41,409	238	0.01
Pan-European Infrastructure Fund I**	1	6,033	0.28
Strategic Partners Offshore Real Assets – Infrastructure II**	1	6,972	0.32
Social 2.17% (31.12.2023 – 1.18%)			
Assura	38,601,772	14,800	0.69
Empiric Student Property	5,773,496	4,821	0.22
European Student Housing Fund**	1	–	–
HICL Infrastructure	7,067,361	8,396	0.39
KMG Wren Retirement Fund**	6,479	2,778	0.13
Target Healthcare REIT	2,602,861	2,186	0.10
Unite Group	1,695,259	13,672	0.64
PROPERTY 3.94% (31.12.2023 – 4.57%)			
PRS REIT	4,418,025	4,754	0.22
Segro REIT	2,138,141	14,984	0.70
The CBF Church of England Property Fund Income Shares*	39,044,654	48,100	2.24
Tritax Big Box REIT	12,659,018	16,798	0.78
CONTRACTUAL & OTHER INCOME 1.53% (31.12.2023 – 1.56%)			
Ares Capital	587,863	10,275	0.48
Blackstone Secured Lending Fund	496,949	12,805	0.59
GCP Asset Backed Income Fund	3,635,831	2,745	0.13
KKR Mezzanine Partners I**	1	1,057	0.05
KKR Private Credit Opportunities Partners II**	1	1,213	0.06
RM Infrastructure Income Fund	2,480,928	1,811	0.08
Social and Sustainable Housing**	1	2,932	0.14

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
FIXED INTEREST 8.08% (31.12.2023 – 8.96%)			
Government Bonds 5.17% (31.12.2023 – 6.00%)			
UK Treasury 3.25% 2044	£71,347,000	55,639	2.59
UK Treasury 4.5% 2042	£59,127,000	55,495	2.58
Non-Government Bonds 2.91% (31.12.2023 – 2.96%)			
Federated Hermes Sustainable Global Investment Grade Credit Fund	£19,500,478	19,561	0.91
The CBF Church of England Short Duration Bond Fund*	28,854,478	43,029	2.00
CERTIFICATES OF DEPOSIT 0.00% (31.12.2023 – 0.24%)			
INVESTMENT ASSETS		**2,115,693**	**98.43**
NET OTHER ASSETS		**33,771**	**1.57**
TOTAL NET ASSETS		**2,149,464**	**100.00**

All investments, except collective investment schemes, unquoted investments and private equities are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

* The CBF Church of England UK Equity Fund, The CBF Church of England Global Equity Fund, The CBF Church of England Property Fund and The CBF Church of England Short Duration Bond Fund are managed by the Manager and represent related party transactions.

** Unquoted investments.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2024

	Note	Year ended 31.12.2024 £'000	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000	Year ended 31.12.2023 £'000
Income					
Net capital gains	2		67,581		205,228
Revenue	3	50,878		46,670	
Expenses	4	(13,317)		(13,295)	
Interest payable and similar charges		(1)		(11)	
Net revenue before taxation		37,560		33,364	
Taxation	5	(1,029)		(436)	
Net revenue after taxation			36,531		32,928
Total return before distributions			104,112		238,156
Distributions	6		(57,790)		(56,434)
Change in net assets attributable to Shareholders from investment activities			46,322		181,722

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2024

	Year ended 31.12.2024 £'000	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000	Year ended 31.12.2023 £'000
Opening net assets attributable to Shareholders		2,082,688		1,914,844
Amounts receivable on issue of Shares	83,168		49,321	
Amounts payable on cancellation of Shares	(67,160)		(69,086)	
In-specie transactions	1,193		2,854	
		17,201		(16,911)
Change in net assets attributable to Shareholders from investment activities		46,322		181,722
Retained distributions on Accumulation Shares		3,253		3,033
Closing net assets attributable to Shareholders		2,149,464		2,082,688

The notes on pages 37 to 56 and the distribution tables on page 57 form part of these financial statements.

BALANCE SHEET
at 31 December 2024

	Note	31.12.2024 £'000	31.12.2024 £'000	31.12.2023 £'000	31.12.2023 £'000
ASSETS					
Fixed assets:					
Investments			**2,115,693**		2,044,587
Current assets:					
Debtors	7	**6,350**		6,319	
Cash equivalents	*8*	**31,000**		33,872	
Cash and bank balances	*8*	**11,656**		13,450	
Total current assets			**49,006**		53,641
Total assets			**2,164,699**		2,098,228
LIABILITIES					
Creditors:					
Bank overdraft		**–**		28	
Other creditors	*9*	**1,427**		2,086	
Distribution payable on Income Shares		**13,808**		13,426	
Total creditors			**15,235**		15,540
Total liabilities			**15,235**		15,540
Net assets attributable to Shareholders			**2,149,464**		2,082,688

The financial statements on pages 35 to 57 have been approved by the Board.

Approved on behalf of the Trustee
21 May 2025

A Brookes, Chair
CBF Funds Trustee Limited

The notes on pages 37 to 56 and the distribution tables on page 57 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a basis other than that of a going concern, as a result of the intention to transition the CBF Church of England Investment Fund into new Charity Authorised Investment Fund ("CAIF") in 2026. This basis includes, where applicable, writing the Fund's assets down to net realisable value. As of the reporting date, no assets have been written down, and they continue to be reflected at their fair value. No provision has been made for the future cost of terminating the Fund unless such costs were committed at the reporting date. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

The financial statements have been prepared in compliance with FRS 102, the Scheme Information, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

The Fund is exempt from preparing a statement of cash flows under FRS 102 and the Church Funds Investment Measure Act 1958 substantially all of the Fund's investments are highly liquid, substantially all of the Fund's investments are carried at market value and the Fund provides a statement of change in net assets.

The Manager is currently considering the launch of a Charity Authorised Investment Fund ("CAIF"), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and investor approval. Should this be approved, on completion of the transfer, the CBF Church of England Investment Fund would cease operations and be wound up, with the investors' existing holdings in the CBF Church of England Investment Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to investors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. **Accounting policies** ***(continued)***

(a) Basis of preparation (continued)

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2026, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate, and distributions received on collective investment schemes are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise on receipt of cash. Interest on Government stocks, convertible loan stocks and other fixed interest stocks are accrued on a daily basis. Interest on bank deposits are accrued on a daily basis and interest on deposits in the CCLA Public Sector Deposit Fund are credited to revenue on an accruals basis. Direct property income is accrued on a daily basis.

Revenue on debt securities is recognised on the effective yield basis which takes into account the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Accrued interest purchased or sold is excluded from the cost of the security and is recognised as revenue of the Fund.

Dividends received from US real estate investment trusts (US REITs) are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior year's aggregated dividend split for each US REIT.

Revenue is stated net of irrecoverable tax credits. In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge. Overseas tax recovered is recorded in the period it is received.

(c) Stock dividends

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. **Accounting policies** ***(continued)***

(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.

It is likely that where the receipt of a special dividend, share buy-back, additional share issues results in a significant reduction in the capital value of the holding, then the special dividend, share buy-back, additional share issue is treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend, share buy-back, traditional share issue is treated as revenue.

(e) Expenses

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.55% pa plus VAT.

The Fund received AMC rebates credited to the capital of the Fund for its holdings during the year in The CBF Church of England Property Fund, The CBF Church of England Global Equity Fund and The CBF Church of England UK Equity Fund. The Fund also received AMC rebates credited to revenue of the Fund for its holdings in The CBF Church of England Short Duration Bond Fund, where the AMC is charged to revenue.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the AMC fee due. The Manager charges an AMC for the provision of managing investments. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services.

The depositary fee, audit, legal, safe custody fees and transaction charges, insurance and other fees are charged separately to the revenue of the Fund before distribution.

(f) Distributions

Distributions are paid quarterly and can also be supported by the Fund's capital.

A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. **Accounting policies** ***(continued)***

(f) Distributions (continued)

The Fund can utilise an income reserve to even out the fluctuations in revenue which arise over the years. Movements in the income reserve are therefore adjustments made to net revenue in determining the distributions. The income reserve was £nil as at 31 December 2024. There was no change in the income reserve balance during the current and prior reporting period.

(g) Basis of valuation

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

The Manager's valuation is based upon valuations supplied by the manager of the underlying investments. The Manager satisfies itself that these valuations can be relied on by valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity. The estimates and assumptions underlying the valuations are kept under review by the Manager and judgements are reviewed, considering all factors affecting the investments.

For unquoted investments, the latest valuation point may be prior to the year end, but the Manager is satisfied that the resultant portfolio valuation would not be materially different from a valuation carried out as at the year end.

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

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling as at close of business on 31 December 2024, the last business day in the accounting period. This also includes management fee rebates received on underlying investments within the portfolio.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. **Accounting policies** ***(continued)***

(h) Foreign exchange (continued)

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.

(i) Cash equivalents

The Manager has treated some assets as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

– highly liquid investments held in sterling that are readily convertible to a known amount of cash;
– are subject to an insignificant risk of change in value; and
– provide a return no greater than the rate of a three month high quality government bond.

2. **Net capital gains**

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
The net capital gains during the year comprise:		
Realised gains on non-derivative securities*	**64,220**	56,883
Unrealised gains on non-derivative securities*	**1,963**	147,482
Manager's annual management charge rebate – see note 1(e)**	**1,605**	1,483
Currency losses	**(207)**	(622)
Realised gains on forward currency contracts*	**–**	2
	67,581	205,228

* Where net realised gains include gains/(losses) arising in previous reporting periods, a corresponding (loss)/gain is included in unrealised gains.

** This amount includes the rebates credited to the capital of the Fund for its holding in The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Global Equity Fund where, in all Funds, management fees are charged to capital.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

3. Revenue

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
Overseas dividends	**21,886**	19,628
Overseas dividends on unquoted stocks	**206**	–
UK dividends	**4,725**	4,614
Franked dividend distributions	**7,667**	7,337
Franked dividends on unquoted stocks	**3,823**	3,380
Interest on debt securities	**6,409**	6,313
Interest distributions from The CBF Short Duration Bond Fund	**905**	1,118
Interest on The CBF Church of England Deposit Fund	**57**	1,959
Interest on the The Public Sector Deposit Fund	**1,599**	–
Property income distributions	**2,948**	1,813
Bank interest	**640**	425
Other income	**3**	2
Manager's annual management charge rebate*	**10**	81
	50,878	46,670

* This amount represents the annual management charge rebates credited to the Fund's revenue for the Fund's deposit in The CBF Church of England Deposit Fund and holdings in the CBF Short Duration Bond Fund where the annual management charge is charged to revenue.

4. Expenses

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's annual management charge – see note 1(e)	**12,774**	12,021
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Monitoring fee	**99**	92
Safe custody fees	**131**	104
	230	196

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

4. Expenses *(continued)*

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
Other expenses:		
Audit fee	**17**	17
Insurance fee	**30**	29
Other fees	**266**	1,032
	313	1,078
Total expenses	**13,317**	13,295

Audit fee net of VAT is £17,000 (31.12.2023, £16,400).

The above expenses include VAT where applicable.

5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. 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 revenue. Recoverable withholding tax is credited to revenue, on receipt.

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
Overseas taxation suffered in the year	**630**	372
Overseas recoverable withholding tax written off in the year	**399**	64
Total taxation	**1,029**	436

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

6. Distributions

Distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares, and comprise:

	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000
31 March – interim distribution	**14,180**	13,846
30 June – interim distribution	**14,381**	14,089
30 September – interim distribution	**14,507**	14,169
31 December – final distribution	**14,766**	14,271
	57,834	56,375
Add: revenue deducted on cancellation of Shares	**146**	176
Deduct: revenue received on in-specie transactions	**–**	(4)
Deduct: revenue received on issue of Shares	**(190)**	(113)
Net distribution for the year	**57,790**	56,434
Net revenue after taxation for the year	**36,531**	32,928
Irrecoverable tax payable on dividends	**–**	(2)
Amortisation under coupon accounting	**(346)**	(428)
Distributions from capital	**9,088**	12,019
Movement in Net Income Property	**(261)**	(104)
Manager's periodic charge – see note 1(e)	**12,778**	12,021
Net distribution for the year	**57,790**	56,434

Details of the distribution per Share are set out in the distribution tables on page 57.

The Manager's annual management charge is charged to capital, so this amount is added back in the table above to the net distribution for the year and deducted from capital.

There were unclaimed distributions as at 31 December 2024 of £164,239 (31.12.2023, £175,269).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

7. Debtors

	31.12.2024 £'000	31.12.2023 £'000
Accrued revenue	**5,908**	5,643
Amounts receivable on creation of Shares	**25**	20
Annual management charge rebate receivable	**145**	133
Sales awaiting settlement	**248**	281
Prepayments	**7**	7
Income tax recoverable	**17**	235
	6,350	6,319

8. Cash equivalent, cash and bank balances

	31.12.2024 £'000	31.12.2023 £'000
Cash equivalents – cash in The CBF Church of England Deposit Fund	**–**	1,878
Cash equivalents – cash in The CCLA Public Sector Deposit Fund	**31,000**	27,000
Cash equivalents – certificates of deposit	**–**	4,994
Cash and bank balances – cash at bank	**11,656**	13,450

9. Other creditors

	31.12.2024 £'000	31.12.2023 £'000
Purchases awaiting settlement	**–**	767
Amounts payable on cancellation of Shares	**43**	11
Accrued expenses	**1,384**	1,308
	1,427	2,086

10. 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 consistently throughout the year and the comparative year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

10. Financial instruments ***(continued)***

Market price risk

This is an actively managed Fund which invests mainly in UK and overseas equities. 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 positive 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 and also by the Board.

At 31 December 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would increase or decrease respectively by approximately £105,785,000 (31.12.2023, £102,229,000).

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.

Board credit ratings

	31.12.2024		31.12.2023	
Rating category	**£'000**	**% Fund**	£'000	% Fund
Investment grade	**111,134**	**5.17**	124,968	6.00
Total investment in bonds	**111,134**	**5.17**	124,968	6.00

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, pooled funds and 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. However, 6.17% (31.12.2023, 7.38%) of the net asset value of the Fund comprises unquoted investments, which are illiquid.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

10. Financial instruments ***(continued)***

Currency risk

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

At 31 December 2024, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would decrease or increase respectively by approximately £13,582,000 (31.12.2023, increase or decrease respectively by £13,128,000).

The total foreign currency exposure at 31 December 2024 and 31 December 2023 was:

Currency	31.12.2024 Monetary exposures £'000	31.12.2024 Non-monetary exposures £'000	31.12.2024 Total £'000	31.12.2023 Monetary exposures £'000	31.12.2023 Non-monetary exposures £'000	31.12.2023 Total £'000
Danish krone	–	15,015	15,015	–	15,539	15,539
Euro	–	190,535	190,535	81	170,066	170,147
Hong Kong dollar	–	17,935	17,935	–	18,078	18,078
Japanese yen	–	16,410	16,410	–	16,837	16,837
New Zealand dollar	–	7,474	7,474	–	–	–
Korean won	261	238	499	–	10,890	10,890
Swedish krona	–	33,393	33,393	–	21,930	21,930
Swiss franc	–	43,305	43,305	–	35,922	35,922
Taiwanese dollar	70	23,904	23,974	79	20,658	20,737
US dollar	3,178	1,006,508	1,009,686	1,615	1,001,084	1,002,699
Total	3,509	1,354,717	1,358,226	1,775	1,311,004	1,312,779

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

10. Financial instruments ***(continued)***

Interest rate risk

The majority of the Fund's financial assets are equities which neither receive interest nor have maturity dates. The Fund also invests in fixed interest securities and cash deposits, 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 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.

A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

The total exposure at 31 December 2024 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	41,277	111,134	654,062	806,473
Euro	–	–	190,535	190,535
Japanese yen	–	–	16,410	16,410
US dollar	1,379	–	1,008,307	1,009,686
Other	–	–	141,595	141,595
Total	42,656	111,134	2,010,909	2,164,699

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	15,235	15,235
Total	–	–	15,235	15,235

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

10. Financial instruments ***(continued)***

Interest rate risk (continued)

The total exposure at 31 December 2023 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	47,214	129,967	608,240	785,421
Euro	–	–	170,175	170,175
Japanese yen	–	–	16,837	16,837
US dollar	108	–	1,002,591	1,002,699
Other	–	–	123,096	123,096
Total	47,322	129,967	1,920,939	2,098,228

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	15,512	15,512
Euro	28	–	–	28
Total	28	–	15,512	15,540

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

11. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2024 £	31.12.2023 £
Pan-European Infrastructure Fund I	**2,134,028**	2,234,061
KKR Mezzanine Partners I	**580,619**	571,235
KKR Private Credit Opportunities Partners II	**3,901,946**	4,191,434
Strategic Partners Offshore Real Assets – Infrastructure II	**5,655,841**	5,796,139
KKR Global Infrastructure Investors III	**2,151,199**	2,454,819
Infracapital Partners III	**2,274,060**	3,187,510
European Student Housing II	**–**	–
Blackstone Capital Partners Asia	**1,515,978**	1,492,290
Clean Energy and Environment Fund	**920**	194,557
Social and Sustainable Housing	**152,914**	255,214
NextPower III	**–**	–
Clean Growth Fund	**1,707,479**	2,704,475
Rubicon Partners V	**753,107**	3,075,717
Cambridge Innovation	**2,849,167**	3,787,634
Total	**23,677,258**	29,945,086

There were no other commitments or contingent liabilities as at 31 December 2024 (31.12.2023, £nil).

12. Unquoted and other investments

Unquoted investments include the Fund's holding of the issued share capital of the Manager, CCLA Investment Management Limited (CCLA IM), which provides investment management and administrative services to the CBF Church of England Funds. The valuation of £45,370,000 (31.12.2023, £44,590,000) is based on a discounted market value calculation, prepared biannually by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

12. Unquoted and other investments ***(continued)***

The table below shows the percentage of the Net Asset Value of The CBF Church of England Investment Fund which are held in the following investments:

	31.12.2024 %	31.12.2023 %
The CBF Church of England Global Equity Fund	**5.92**	5.75
The CBF Church of England Property Fund	**2.24**	2.30
The CBF Church of England UK Equity Fund	**2.76**	2.81
CCLA Investment Management – Ordinary Shares	**2.11**	2.14
The CBF Church of England Short Duration Bond Fund	**2.00**	2.01

The table below shows the percentage of the Net Asset Value of the following investments which are held by the CBF Church of England Investment Fund:

	31.12.2024 %	31.12.2023 %
The CBF Church of England UK Equity Fund	**81.91**	82.76
The CBF Church of England Global Equity Fund	**49.75**	49.75
The CBF Church of England Property Fund	**36.67**	32.49
CCLA Investment Management – Ordinary Shares	**82.25**	53.85
The CBF Church of England Short Duration Bond Fund	**59.83**	59.79

The investment in the CBF Church of England Property Fund Shares may not be readily realisable, as the Manager may impose a period of notice (which is currently 180 days) before carrying out a redemption of Shares in that fund, if it is deemed necessary to protect the interests of Shareholders of the Fund or to permit properties to be sold to meet a redemption. The Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the fund to meet redemptions.

All unquoted investments are listed in the Portfolio Statement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

13. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of this inclusive of annual management charge rebates are disclosed in note 4. Please see note 1(e) for further information. An amount of £1,119,062 was due to the Manager at 31 December 2024 (31.12.2023, £1,018,321). During the year, the Fund received dividends of £2,730,000 from the Manager (31.12.2023, £2,730,000).

There were no other transactions entered into with the Manager during the year (31.12.2023, £nil).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2024 (31.12.2023, £nil). There were no other transactions entered into with CBFFT during the year (31.12.2023, £nil).

At 31 December 2024, a cash balance of £nil (31.12.2023, £1,877,739) was held in the CBF Church of England Deposit Fund. During the year the Fund received interest of £57,400 (31.12.2023, £1,958,842) from the CBF Church of England Deposit Fund.

At 31 December 2024, a cash balance of £31,000,000 (31.12.2023, £27,000,000) was held in the Public Sector Deposit Fund. During the year the Fund received interest of £1,598,671 from the Public Sector Deposit Fund.

Further details of the Fund's holdings in the manager and in other CBF Church of England Funds are disclosed in note 12.

There is no individual investor holding more than 20% of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

14. Portfolio transaction costs
For the year ended 31 December 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	411,525	159	0.04	85	0.02	411,769
In-specie transactions	1,193	–	–	–	–	1,193
Corporate actions	8,276	–	–	–	–	8,276
Total	420,994	159		85		421,238

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	385,317	(139)	0.04	(55)	0.01	385,123
Fund transactions	8,741	–	–	–	–	8,741
Corporate actions	13,971	–	–	–	–	13,971
Total	408,029	(139)		(55)		407,835

Commissions and taxes as a percentage of average net assets

Commissions	0.01%
Taxes	0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2024 was 0.09%.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

14. Portfolio transaction costs *(continued)*

For the year ended 31 December 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	367,022	151	0.04	19	–	367,192
Fund transactions	59,802	–	–	–	–	59,802
Bond transactions	148,389	–	–	–	–	148,389
In-specie transactions	2,858	–	–	–	–	2,858
Corporate actions	10,482	–	–	–	–	10,482
Total	588,553	151		19		588,723

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	359,124	(143)	0.04	(3)	–	358,978
Fund transactions	2,941	–	–	–	–	2,941
Bond transactions	131,573	–	–	–	–	131,573
Corporate actions	48,480	–	–	–	–	48,480
Total	542,118	(143)		(3)		541,972

Commissions and taxes as a percentage of average net assets

Commissions	0.02%
Taxes	0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2023 was 0.08%.

For the current year and the comparative year, in the case of equities, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike equities, the majority of other types of investments (such as bonds, funds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

15. Shareholders' funds – reconciliation of Shares

	Year ended 31.12.2024 Income Shares	Year ended 31.12.2024 Accumulation Shares
Opening number of Shares at beginning of year	85,950,875	2,350,808
Shares issued in year	3,477,094	53,209
Shares cancelled in year	(2,641,484)	(104,482)
Shares converted in year	53,630	–
Closing number of Shares at end of year	86,840,115	2,299,535

All Shares carry the same rights.

16. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments, there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 December 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,571,941	408,272	135,480	2,115,693
	1,571,941	408,272	135,480	2,115,693

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

16. Fair value of financial assets and financial liabilities ***(continued)***

For the year ended 31 December 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,473,500	412,646	158,441	2,044,587
	1,473,500	412,646	158,441	2,044,587

For financial instruments which have quoted prices for identical instruments in active markets, or for which there are prices of recent transactions for identical instruments, those prices are taken to be fair value.

DISTRIBUTION TABLES
for the year ended 31 December 2024

Period ended	Date payable/paid 2024	Date payable/paid 2023	Dividends payable/paid pence per Share 2024	Dividends payable/paid pence per Share 2023
Income Shares				
31 March	**31 May**	31 May	**15.62**	15.28
30 June	**30 August**	31 August	**15.62**	15.28
30 September	**29 November**	30 November	**15.89**	15.61
31 December	**28 February**	29 February	**15.90**	15.62
			63.03	61.79

Period ended	Revenue accumulated pence per Share 2024	Revenue accumulated pence per Share 2023
Accumulation Shares		
31 March	**29.96**	23.80
30 June	**39.12**	36.99
30 September	**29.67**	27.26
31 December	**41.68**	35.96
	140.43	124.01

The distributions for Income Shares were paid in the same year, apart from the distribution declared on 31 December which is payable on the 28 February in the subsequent year.

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 and (as amended from time to time) the Trustee Act 2000 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 agree their terms of engagement;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Church Funds Investment Measure 1958 and Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 and the 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 Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- 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 Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective share 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.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Preparation of financial statements
The Trustee of the Fund is required, by the Church Funds Investment Measure 1958, to prepare financial statements which give a true and fair view of the financial position of the Fund at each half 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 financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements 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 Church Funds Investment Measure 1958. In preparing the financial statements, 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 FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;
- makes judgments and estimates that are prudent and reasonable; and
- prepares the financial statements on a going concern basis, unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Measure as permitted by the Church Funds Investment Measure 1958.

Manager responsibilities
The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 and take reasonable steps for the prevention and detection of fraud and other irregularities.

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

DIRECTORY

Trustee Directors
A Brookes (Chair)
C Chan*
P Chandler
O Home
C Johnson
A Milligan*
M Orr*
D Rees*
* *Members of the Audit Committee*

Manager and Registrar
CCLA Investment Management Limited
Registered Office Address:
One Angel Lane
London
EC4R 3AB
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

Transfer Agent
FNZ TA Services Limited
7th Floor, 2 Redman Place
London
E20 1JQ

Administrator
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ
HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Executive Directors of the Manager
P Hugh Smith (Chief Executive Officer)
E Sheldon (Chief Operating Officer)
A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager
R Horlick (Chair)
J Jesty
C Johnson
A Roughead
C West
J Hobart

Fund Manager
C Ryland

Company Secretary
M Mochalska
J Fox (retired 31 March 2025)

Chief Risk Officer
J-P Lim

Head of Sustainability
J Corah

Third Party Advisers
Banker
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Custodian
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Independent Auditor
Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

Founded in 1958, CCLA is the largest fund manager for charities in the UK based on the number of charities invested with us. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This means we must provide a supportive and stable environment for our staff, and deliver trusted, responsibly managed products and services to our clients, irrespective of their size.

CCLA

CCLA Investment Management Limited
One Angel Lane, London EC4R 3AB
T: 0800 022 3505 E: clientservices@ccla.co.uk
www.ccla.co.uk

Printed on 100% post consumer waste and is certified by the Forest Stewardship Council (FSC).