

THE CBF CHURCH OF ENGLAND FIXED INTEREST  
SECURITIES FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2023

**CCLA**

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

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 Interim Report and Unaudited Financial Statements are available in large print and audio formats.

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2023 (unaudited)**

On behalf of the Trustee, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of The CBF Church of England Fixed Interest Securities 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 1977. 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 Measure.

**Investment objective**

The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period.

There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2023 (unaudited)****Investment policy**

The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature.

The Fund is actively managed which means the Manager/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective.

The Fund will invest in instruments issued in a range of currencies and will hedge the non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%-105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations.

The Fund may invest in instruments that are either investment grade (credit rating of BBB- or above) or non-investment grade (credit rating less than BBB-) as rated by one of S&P Global Ratings or Fitch Rating Services, or instruments with a credit rating of Baa3 or above (investment grade) or a credit rating of less than Baa3 (non-investment grade), as determined by Moody's Investors Service. Where an instrument does not have an explicit rating from one of these agencies Unrated Securities the Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest of S&P Global Ratings', Fitch Ratings' and Moody's Investor Service long-term ratings.
- The maximum exposure to securities rated less than BB- is 5% of the Net Asset Value of the Scheme Property.

**REPORT OF THE TRUSTEE**

for the half year ended 30 June 2023 (unaudited)

- The maximum exposure to Unrated Securities (including securities that the Manager and/or SubInvestment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property.
- The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds.

The Fund may use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

The Fund is managed in accordance with the policies of the Church of England National Investing Bodies: The CBF Church of England Funds, the Church Commissioners for England and the Church of England Pensions Board.

The Fund is also managed in accordance with our ethical investment exclusions policy which is set out in further detail at [www.ccla.co.uk](http://www.ccla.co.uk).

**Target benchmark**

The target benchmark for the Fund is SONIA plus 1.75% per annum after fees and expenses. The target benchmark sets a standard against which the performance of the Fund can be assessed.

**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 three 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).

**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 the Manager under the investment management

## REPORT OF THE TRUSTEE

for the half year ended 30 June 2023 (unaudited)

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 Measure and with the investment management agreement.

### Ethical investment

The Fund is managed in accordance with an ethical investment policy based on the advice of the Church's Ethical Investment Advisory Group (EIAG). More information about the EIAG is available at [www.churchofengland.org/eiag](http://www.churchofengland.org/eiag). The Trustee is represented on the EIAG by C Chan, a director of the Trustee.

The EIAG advises the Church's three National Investing Bodies (the Church Commissioners and Church of England Pensions Board being the other two) on ethical investment issues. Responsibility for accepting EIAG recommendations rests with the Trustee.

CCLA collaborates with the other Church National Investing Bodies to engage with investee companies on issues of particular concern to the Church of England.

### Responsible investment and stewardship

The Fund also implements CCLA's responsible investment policy, which we believe will improve long-term Shareholder returns. This includes policies to integrate Environmental, Social and Governance (ESG) factors into the investment decision making process and stewardship activities associated with the Fund's holdings. The Manager is a signatory to the United Nations Principles for Responsible Investment (PRI) and is a member of CDP (formerly the Carbon Disclosure Project), the Institutional Investors Group on Climate Change (IIGCC) and UK Sustainable Investment and Finance Association (UKSIF).

### 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.

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2023 (unaudited)**

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.

A Brookes, Chair  
CBF Funds Trustee Limited  
4 September 2023

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2023 (unaudited)

### Strategy

The Fund uses a wide range of fixed interest securities (bonds) to pursue a target return of cash plus 1.75% p.a. (net of fees and expenses) over a rolling 3-year period. There is a focus on generating returns from credit risk, with limited appetite for interest rate risk. The portfolio includes fixed and floating rate debt and debt-related instruments issued by corporate borrowers and governments including loans, inflation-linked securities, money market instruments and asset backed or other securitised products. Derivatives may be used, principally for hedging purposes, and any non-sterling exposure is hedged back to sterling.

This represents a change from the strategy in place prior to the period under review, which offered

exposure to a more limited range of securities – UK government bonds and investment-grade, sterling denominated non-government bonds only – and carried significantly higher interest rate risk. The change of strategy was effected on 27 July 2022. At the same time Federated Hermes was appointed as sub-manager of the Fund to implement the new investment strategy.

As at 30 June 2023 52.5% of the portfolio was in corporate bonds, predominantly investment grade but with a smaller allocation to high yield bonds, while 43.5% was in overseas government bonds (principally US treasuries) and 1.2% in UK government bonds; the remainder was in cash and derivatives. The portfolio duration, a measure of exposure to interest rate risk, was 1.8 years.

### Annualised total capital and income return

To 30 June 2023	Six months %	1 year %	5 years % p.a.	10 years % p.a.
<b>Performance against market indices (after expenses)</b>				
<b>CBF Church of England Fixed Interest Securities Fund</b>				
Income shares*	2.49	2.36	-0.18	2.41
Accumulation shares*	2.49	2.36	-0.17	2.41
Comparator benchmark#	2.88	6.39	0.66	3.02
iBoxx £ Gilts	-3.78	-15.39	-4.38	0.30
iBoxx £ Non Gilts	-1.08	-6.93	-1.51	1.98
SONIA	2.05	3.14	0.88	0.59
Consumer Price Index (CPI)	3.38	7.96	4.45	2.95

# Comparator benchmark – Composite: From 01.01.16 iBoxx £ Gilt 50% & iBoxx £ Non Gilt 50%. To 31.12.15 Barcap £ Gilt 50% & £ Agg 100mm Non Gilt 50%. To 31.12.12 BarCap £ Gilt 80% & £ Agg 100mm Non Gilt 20%.

\* Mid to mid plus income re-invested.

Source: CCLA.



## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2023 (unaudited)

### Performance

Over the six-month period under review the Fund achieved a return after expenses of 2.49% on the income shares and 2.49% on the accumulation shares. This compares with a return of 2.88% on the benchmark. The Fund is actively managed and it is common for performance to be either above or below that of the benchmark over any given reporting period. At year end the running yield on the portfolio was 4.8% while the gross redemption yield (yield to maturity) was 5.7%. The distribution yield, meanwhile, was 2.3%.

The Fund's exposure to higher yielding bonds, which carry a greater degree of investment risk, is carefully limited. This contributed to the Fund's total return over the period being below that of the performance benchmark, because the riskier end of the market performed relatively well during the six-month period. Meanwhile for much of the period under review the portfolio included a sizeable weighting in the lowest-risk AAA-rated securities, which were comparatively weak over this time. Nevertheless the Fund's returns were favourable relative to the wider bond market.

### Market review

Bond markets began 2023 on a positive note but fell back again in the second quarter of the year. The change in mood was prompted by growing anxiety over the persistence of inflation, prompting policy makers and market participants to price in 'higher for longer' interest rate

expectations. Rising interest rates are generally negative for bonds because prices move inversely to yields. For example, over the six-month period the yield on the 10-year UK government bond or 'gilt' rose from 3.7% to 4.4%; while total returns from the UK government bond market as a whole were -3.8%. At a time when risk assets such as equities were more in favour than fixed interest assets, the only part of the UK bond market to provide positive returns was the riskiest 'high yield' or sub-investment grade sector: the sterling high yield index gained +4.7% over the same period.

### Outlook

Policy makers and market observers have been surprised by the continued resilience in economic activity, with the widespread recession that was expected by many having so far not materialised.

However growth is decidedly subdued and there are reasons to expect that recession will affect individual economies in coming periods, even if such downturns are relatively shallow and short lived and if at the global level growth remains positive. Activity has been supported by consumer demand for services in particular, and it is likely that this in turn has benefited from pandemic-era savings which are now being run down.

The UK has joined the US in having an inverted yield curve, meaning that the yield on long-dated government debt is lower than on short-dated bonds. Historically this has been a very reliable indicator of an impending recession.

**REPORT OF THE INVESTMENT MANAGER**  
**for the half year ended 30 June 2023 (unaudited)**

Economic growth appears set to take some time to recover from the shock of surging inflation and the tighter monetary policy intended to control it. The peak of the interest rate cycle, which currently appears set to be reached in the coming months, could mark the beginning of a more positive trend. Now that we have left behind the ultra-loose monetary conditions and the support that they provided for asset prices, investors can expect markets to be volatile at times; but for bond investors, higher yields across the asset class present opportunities which were lacking prior to the onset of tighter policy.

C Ryland  
Head of Investment  
CCLA Investment Management Limited  
4 September 2023

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2023 (unaudited)

### Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
<b>Purchases:</b>		<b>Sales:</b>	
US Treasury 0.25% 2024	13,806	Elis 2.25% 2029	104
US Treasury 0.25% 2025	13,465	Seagate HDD Cayman 9.625% 2032	127
UK Treasury 0.625% 2025	689	BNP Paribas 4.5% Perpetual	134
Atlas Funding 2021-1 FRN 2058	586	New Zealand Government Bond	
US Treasury 0.75% 2023	540	0.5% 2024	135
Mortimer BTL 2021-1 FRN 2053	383	HSBC Bank FRN Perputual	143
HCA 3.125% 2027	366	Catalent Pharma Solutions 2.375% 2028	157
Together Asset Backed Securitisation		Royal Bank of Scotland 2.359%VRN 2024	161
FRN 2063	293	ABN Amro Bank 2.875% 2028	176
Verallia 1.875% 2031	287	UK Treasury 0.125% 2024	340
Cellnex Telecom 0.75% 2031	285	US Treasury 0.125% 2023	375

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.

### Portfolio asset allocation by credit rating

Rating category	% Fund
AAA	41.85
AA	4.40
A	7.43
BBB	34.89
Non investment grade	11.33
Not rated (Debentures/Preference Shares)	0.10

### 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. They are realisable only on each weekly dealing day.

The gross redemption yield is an estimate of total return over the long-term. The Fund's gross dividend yield and gross redemption yield are not guaranteed and will change over time. When the Fund's distribution yield is higher than the gross redemption yield, some revenue is being paid at the expense of capital.

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

**STATEMENT OF ETHICAL INVESTMENT POLICY****to the Shareholders of The CBF Church of England Fixed Interest Securities Fund****Ethical investment**

The Fund is managed in accordance with ethical investment policies developed by the three National Investing Bodies (the Church Commissioners and Church of England Pensions Board being the other two) based on the advice of the Church's Ethical Investment Advisory Group (EIAG). Responsibility for accepting National Investing Bodies (NIBs) policy and EIAG recommendations rests with the Trustee. The Trustee is represented on the EIAG by C Chan, a director of the Trustee. The Ethical Investment Policy embraces stewardship, engagement and investment exclusions.

**Responsible investment and stewardship**

The Fund also implements CCLA's responsible investment policy, which we believe will improve long-term Shareholder returns. This includes policies to integrate Environmental, Social and Governance (ESG) factors into the investment decision making process and stewardship activities associated with the Fund's holdings, more details can be found at <https://www.ccla.co.uk/sustainability/corporate-governance/approach-esg>.

The Manager is a signatory to both the UK Stewardship Code and the United Nations Principles for Responsible Investment (PRI) and is a member of CDP (formerly the Carbon Disclosure Project), the Institutional Investors Group on Climate Change (IIGCC) and UK Sustainable Investment and Finance Association (UKSIF).

**Engagement**

The NIBs expect companies in which they invest to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice. The NIBs engage with investee companies to seek improvement in ethical standards in these areas. There are specific policies on Executive Remuneration and Business and Engagement. From time to time, policies, papers and reports are also published to inform engagement on individual environmental and social issues.

## STATEMENT OF ETHICAL INVESTMENT POLICY

### to the Shareholders of The CBF Church of England Fixed Interest Securities Fund

#### Investment exclusions

The NIBs do not wish to directly profit from, or provide capital to, activities that are materially inconsistent with Christian values, and are also mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were they to do so. A range of investment exclusions is therefore maintained. The EIAG or the NIBs may, exceptionally, recommend exclusion from investment of any individual company in any line of business on ethical grounds – normally if, after sustained dialogue, the company does not respond positively to concerns about its practices. In such cases the NIBs will determine individually whether to disinvest if they hold securities issued by the company. The EIAG and NIBs expect a recognition of responsibility and a resolve to improve, rather than perfection.

**Direct investments in equities and corporate debt:** The NIBs do not invest in any company involved in indiscriminate weaponry. Moreover, they do not invest in companies involved in conventional weapons if their strategic military supplies exceed 10% of turnover. The NIBs do not invest in any company that derives more than 3% of revenues from the production or distribution of pornography or in any company, a major part of whose business activity or focus (defined as more than 10% of group revenues) is tobacco, gambling, non-military firearms, or high interest rate lending. The National Investing Bodies will exclude from their investments any

company deriving more than 25% of its turnover from the production or licensed sale of alcoholic drinks, except in the case of companies whose sole business is the provision of alcoholic drinks with food.

The climate change policy (2015) does not allow investments in companies that derive more than 10% of revenue from tar sands or thermal coal.

Individual policy documents are published separately – or are under development – setting out the criteria employed in each area to determine whether companies breach the Church's policy and to explain the theology, ethics and reasoning underlying the policies. More information can be found at <https://www.churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group/policies-and-reviews>.

**Direct investments in property:** The NIBs apply the same exclusions to direct property investments as are used for equities and corporate debt investments. To implement this policy, we seek to screen properties prior to investing in them. We do this by assessing the activities undertaken by the underlying tenants. Full details on how the policy is applied can be found in our values based screening policy which can be accessed at <https://www.ccla.co.uk/about-us/policies-and-reports/policies/values-based-screening-policy>.

**STATEMENT OF ETHICAL INVESTMENT POLICY****to the Shareholders of The CBF Church of England Fixed Interest Securities Fund****Indirect investments via pooled funds:**

The NIBs are only able to invest in some assets, asset classes and investment strategies through pooled funds. Pooled funds are funds in which a number of different investors invest. Because the ethical investment policies of the EIAG and NIBs cannot be applied fully, or at all, in these investments, the Pooled Funds Policy gives detailed guidance on how the NIBs should ensure that their use of pooled funds is consistent with ethical investment. Full details on how the policy is applied can be found in our values based screening policy which can be accessed at <https://www.ccla.co.uk/about-us/policies-and-reports/policies/values-based-screening-policy>.

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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](http://www.churchofengland.org/eiag).

## 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 (RHP).



The Manager has classified The CBF Church of England Fixed Interest Securities Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to 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 RHP of three 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 weekly 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

	Half year to 30.06.2023 pence per Share	Income Shares		Year to 31.12.2020 pence per Share
		Year to 31.12.2022 pence per Share	Year to 31.12.2021 pence per Share	
Opening net asset value per Share	136.68	157.99	169.10	163.45
Return before operating charges*	3.83	(17.05)	(6.32)	11.46
Operating charges	(0.23)	(0.53)	(0.59)	(0.61)
Return after operating charges*	3.60	(17.58)	(6.91)	10.85
Distributions on Income Shares	(1.50)	(3.73)	(4.20)	(5.20)
Closing net asset value per Share	138.78	136.68	157.99	169.10
* after direct transaction costs of:	–	–	–	–

## Performance

Return after charges	2.63%	(11.13%)	(4.09%)	6.64%
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## Other information

Closing net asset value (£'000)	65,926	25,717	32,070	36,747
Closing number of Shares	47,503,765	18,816,312	20,298,701	21,730,616
Operating charges**	0.32%	0.37%	0.36%	0.36%
Direct transaction costs	–	–	–	–

## Prices (pence per Share)

Highest Share price (offer)	141.13	157.65	170.31	171.57
Lowest Share price (bid)	136.86	132.51	156.28	157.71

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. Operating charges exclude any management fee rebates on investments in CCLA funds and other securities. Management fee rebates fully or partially offset charges incurred within the valuation of each of these underlying, investments. The percentages above reflect these charges divided by average net assets for the period/year.



## COMPARATIVE TABLE

## Change in net assets per Share

	Accumulation Shares			
	Half year to 30.06.2023 pence per Share	Year to 31.12.2022 pence per Share	Year to 31.12.2021 pence per Share	Year to 31.12.2020 pence per Share
Opening net asset value per Share	535.09	602.32	628.00	588.51
Return before operating charges*	15.03	(65.21)	(23.45)	41.70
Operating charges	(0.91)	(2.02)	(2.23)	(2.21)
Return after operating charges*	14.12	(67.23)	(25.68)	39.49
Distributions on Accumulation Shares	(5.82)	(15.02)	(16.35)	(17.70)
Retained distributions on Accumulation Shares	5.82	15.02	16.35	17.70
Closing net asset value per Share	549.21	535.09	602.32	628.00
* after direct transaction costs of:	0.01	0.01	–	–
<b>Performance</b>				
Return after charges	2.64%	(11.16%)	(4.09%)	6.71%
<b>Other information</b>				
Closing net asset value (£'000)	1,681	1,556	1,500	1,661
Closing number of Shares	306,058	290,790	248,981	264,499
Operating charges**	0.33%	0.37%	0.36%	0.36%
Direct transaction costs	–	–	–	–
<b>Prices (pence per Share)</b>				
Highest Share price (offer)	601.02	601.02	632.51	631.87
Lowest Share price (bid)	525.92	515.64	591.86	567.83

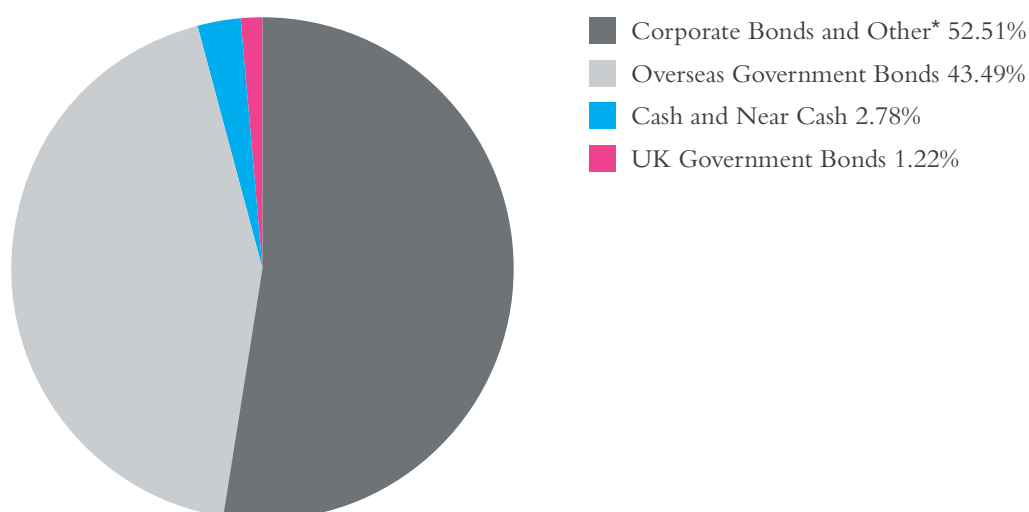
The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment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

\*\* Operating charges comprise the Manager's annual management charge and other expenses, including VAT. Operating charges exclude any management fee rebates on investments in CCLA funds and other securities. Management fee rebates fully or partially offset charges incurred within the valuation of each of these underlying, investments. The percentages above reflect these charges divided by average net assets for the period/year.

## PORTFOLIO ANALYSIS

for the half year ended 30 June 2023 (unaudited)

## Portfolio Allocation



\* Includes investments in derivatives.

## By term to maturity

Period	Fund
0-5 years	67.69%
5-10 years	23.80%
10-15 years	1.60%
Over 15 years	6.91%
Duration (modified)	1.84 yrs
Average term to maturity	10.04 yrs

The portfolio analysis above differs from the following portfolio statement because prices used here are mid-market rather than bid.

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
<b>Government Bonds 44.28% (31.12.2022 – 13.13%)</b>			
New Zealand Government Bond 2.75% 2025	£280,000	129	0.19
UK Treasury 0.625% 2025	£750,000	687	1.02
US Treasury 0.25% 2024	\$20,725,100	15,726	23.26
US Treasury 0.25% 2025	\$18,000,000	12,845	19.00
US Treasury 0.75% 2023	\$710,000	546	0.81
<b>Non-Government Bonds 50.98% (31.12.2022 – 81.72%)</b>			
AbbVie 4.55% 2035	\$560,000	420	0.62
ABN Amro Bank 4.75% VRN Perpetual	€ 200,000	145	0.22
Alcoa Nederland Holding 4.125% 2029	\$200,000	141	0.21
Allianz Finance II 0.5% 2031	€ 100,000	70	0.10
Alpha Bank 7.5% VRN 2027	€ 150,000	132	0.20
Altice Financing 2.25% 2025	€ 100,000	80	0.12
Altice France Holding 4% 2028	€ 100,000	42	0.06
América Móvil 5% 2026	£290,000	277	0.41
Apple 2.65% 2051	\$620,000	338	0.50
Aptiv 3.1% 2051	\$275,000	136	0.20
Arcelik 3% 2026	€ 200,000	157	0.23
Ardagh Metal Packaging Finance 3% 2029	€ 200,000	127	0.19
Ardagh Packaging Finance 4.75% 2027	£200,000	158	0.23
Argentum Netherlands 4.625% VRN Perpetual	\$330,000	225	0.33
Ashland 3.375% 2031	\$100,000	63	0.09
Assicurazioni Generali 1.713% 2032	€ 200,000	131	0.19
AstraZeneca 2.125% 2050	\$180,000	88	0.13
Atlas Funding 2021-1 FRN 2058	£748,000	743	1.10
Australia & New Zealand Banking 0.75% 2026	€ 225,000	174	0.26
AutoFlorence 3 FRN 2046	€ 100,000	86	0.13
AXA 3.625% 2033	€ 180,000	155	0.23
Ball Corporation 0.875% 2024	€ 170,000	142	0.21
Ball Corporation 2.875% 2030	\$300,000	196	0.29
Banco 1.625% 2025	€ 250,000	202	0.30
Banco BTG Pactual SACayman Islan 2.75% 2026	\$200,000	143	0.21
Banco Mercantil del Norte 6.625% VRN Perpetual	\$200,000	122	0.18
Banco Santander 1.722% VRN 2027	\$200,000	137	0.20
Bank of Ireland Group 1% VRN 2025	€ 125,000	102	0.15
Barclays 4.375% VRN Perpetual	\$200,000	107	0.16
Barclays Bank 3.75% VRN 2030	£180,000	161	0.24

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Bath & Body Works 6.875% 2035	\$100,000	72	0.11
BAWAG Group 2.375% VRN 2029	€ 200,000	158	0.23
Berry Global 1% 2025	€ 360,000	293	0.43
Berry Global 1.5% 2027	€ 100,000	77	0.11
Bharti Airtel 4.375% 2025	\$200,000	153	0.23
BNP Paribas 2% VRN 2031	£100,000	84	0.12
BNP Paribas 4.625% VRN Perpetual	\$200,000	112	0.17
Caisse Nationale de Reassurance 0.75% 2028	€ 200,000	141	0.21
Caixa Bank 8.25% VRN Perpetual	€ 200,000	165	0.24
Caixa Geral de Depositos 0.375% VRN 2027	€ 200,000	149	0.22
CaixaBank 3.625% VRN Perpetual	€ 200,000	116	0.17
CANPACK SA Eastern PA Land 2.375% 2027	€ 100,000	71	0.11
CCO Holdings 4.25% 2031	\$213,000	136	0.20
Cellnex Telecom 0.75% 2031	€ 600,000	411	0.61
Cemex 3.125% 2026	€ 200,000	165	0.24
CF Industries 4.5% 01/12/2026	\$50,000	38	0.06
CF Industries 4.95% 2043	\$200,000	136	0.20
Charter Communications 4.5% 2024	\$125,000	97	0.14
Cigna Corp 2.375% 2031	\$360,000	238	0.35
Cisco Systems 2.5% 2026	\$550,000	405	0.60
Citigroup 4.125% 2028	\$110,000	81	0.12
Citigroup 5.15% 2026	£500,000	483	0.71
Comcast Corporation 1.5% 2031	\$400,000	250	0.37
Commerzbank 1.375% VRN 2031	€ 200,000	141	0.21
Commerzbank 1.75% 2025	£100,000	92	0.14
Cooperatieve Rabobank 3.25% VRN Perpetual	€ 400,000	284	0.42
Credit Agricole 5.75% VRN 2027	£200,000	192	0.28
Crown Americas 4.25% 2026	\$22,000	16	0.02
Crown European Holdings 2.875% 2026	€ 360,000	297	0.44
Deutsche Bank 4.5% VRN Perpetual	€ 200,000	121	0.18
Deutsche Postbank Funding Trust FRN Perpetual	€ 170,000	101	0.15
DNB Bank 4.875% VRN Perpetual	\$200,000	148	0.22
Dow Chemical 1.875% 2040	€ 175,000	104	0.15
Dowson 2021-2 FRN 2028	£135,000	132	0.20
Electricite de France 3.625% 2025	\$100,000	75	0.11
Électricité de France 6% VRN Perpetual	£300,000	272	0.40
Elis 1.625% 2028	€ 100,000	75	0.11
Eurofins Scientific 0.875% 2031	€ 200,000	130	0.19

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Eurofins Scientific 2.125% 2024	€ 180,000	151	0.22
Falabella 3.375% 2032	\$200,000	123	0.18
First Citizens BancShares 5.8009% VRN Perpetual	\$300,000	226	0.33
Ford Motor Credit 4.535% 2025	£100,000	95	0.14
Ford Motor Credit 6.86% 2026	£270,000	263	0.39
Fresenius 0% 31/01/2024	€ 200,000	167	0.25
Fresenius Medical Care 3.875% 2027	€ 25,000	21	0.03
Friary No 6 FRN 2067	£150,000	67	0.10
Gemgarto 2021-1 FRN 2067	£310,000	301	0.45
General Accident 7.875% Preference Shares	£185,000	189	0.28
GlaxoSmithKline Capital 1.625% 2035	£310,000	209	0.31
Goldman Sachs 3.102% VRN 2033	\$180,000	120	0.18
Goodyear Europe 2.75% 2028	€ 100,000	72	0.11
Graphic Packaging International 2.625% 01/02/2029	€ 340,000	256	0.38
Greenko Power II 4.3% 2028	\$200,000	127	0.19
Grifols Escrow Issuer 3.875% 2028	€ 220,000	161	0.24
GUSAP III LP 4.25% 2030	\$200,000	146	0.22
Hanesbrands 4.875% 2026	\$110,000	81	0.12
HCA 3.125% 2027	\$490,000	354	0.52
HCA 3.5% 2051	\$150,000	81	0.12
Hill FL 2023-1 FRN 2031	€ 100,000	86	0.13
Hops Hill No 1 FRN 2054	£250,000	245	0.36
Huntsman International 4.25% 2025	€ 250,000	212	0.31
Ibercaja Banco 2.75% VRN 2030	€ 100,000	76	0.11
Iliad 1.875% 2028	€ 200,000	146	0.22
Infrastrutture Wireless Italian 1.625% 2028	€ 240,000	180	0.27
Infrastrutture Wireless Italiane 1.75% 2031	€ 200,000	144	0.21
ING Groep 2% 2028	€ 100,000	77	0.11
ING Groep 4.25% VRN Perpetual	\$200,000	105	0.16
International Consolidated Airlines 3.75% 2029	€ 300,000	224	0.33
Intesa Sanpaolo 5.017% 2024	\$200,000	152	0.22
IQVIA 2.25% 2029	€ 480,000	352	0.52
Iron Mountain 4.5% 2031	\$202,000	137	0.20
Iron Mountain 5.25% 2030	\$58,000	41	0.06
Itau Unibanco Holding 4.5% VRN 2029	\$200,000	151	0.22
JPMorgan Chase 4.625% VRN Perpetual	\$110,000	85	0.13
Klabn Austria 3.2% 2031	\$200,000	126	0.19
La Banque Postale 3% VRN Perpetual	£400,000	226	0.33

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Lagardere 1.75% 2027	€ 200,000	167	0.25
Lanebrook Mortgage Transaction FRN 2058	£125,000	118	0.17
Levi Strauss 3.5% 2031	\$220,000	143	0.21
Liberty Mutual Group 4.3% 2061	\$180,000	89	0.13
LKQ Italia Bondco 3.875% 2024	€ 300,000	256	0.38
Lloyds Bank 5.125% 2025	£622,000	610	0.90
Logicor Financing 1.5% 2026	€ 100,000	74	0.11
Lorca Telecom Bondco 4% 2027	€ 200,000	156	0.23
Macquarie Bank 3.052%VRN 2036	\$400,000	239	0.35
Marks Spencer 3.25% 2027	£380,000	335	0.50
Metropolitan Life Global Funding 2.95% 2030	\$250,000	170	0.25
Millicom International Cellular 4.5% 2031	\$200,000	121	0.18
Mondi Finance 1.625% 2026	€ 200,000	160	0.24
Mortimer BTL 2021-1 FRN 2053	£500,000	382	0.57
Mozart Debt Merger 3.875% 2029	\$110,000	75	0.11
Muenchener Rueckversicherun 5.875%VRN 2042	\$200,000	157	0.23
National Grid 0.553% 2029	€ 300,000	208	0.31
Netflix 3.625% 2030	€ 570,000	465	0.69
Network i2i 5.65%VRN Perpetual	\$200,000	152	0.22
Nexans 2.75% 2024	€ 100,000	85	0.13
Nexans 5.5% 2028	€ 200,000	176	0.26
Nexi 1.75% 2024	€ 100,000	83	0.12
Nexi SpA 0% 2028	€ 200,000	129	0.19
Norsk Hydro 1.125% 2025	€ 101,000	82	0.12
Norsk Hydro 2% 2029	€ 175,000	131	0.19
Novelis Corporation 3.875% 2031	\$140,000	91	0.13
Nutrien 2.95% 2030	\$270,000	185	0.27
NXP Funding 2.7% 2025	\$360,000	268	0.40
Ocado Group 0.75% 2027	£100,000	70	0.10
OI European Group 6.25% 2028	€ 100,000	88	0.13
Olympus Water US Holding Corporation 5.375% 2029	€ 150,000	89	0.13
OneMain Finance Corporation 3.875% 2028	\$70,000	45	0.07
Orbia Advance Corporation 1.875% 2026	\$200,000	141	0.21
Orbia Advance Corporation 2.875% 2031	\$200,000	125	0.18
Orsted 1.5%VRN 3021	€ 250,000	157	0.23
Orsted 2.125% 2027	£250,000	216	0.32
Pension Insurance 3.625% 2032	£150,000	108	0.16
Phoenix Group Holdings 5.75%VRN Perpetual	£200,000	156	0.23

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Post Holdings 4.5% 2031	\$140,000	94	0.14
Prudential 2.95% VRN 2033	\$200,000	132	0.20
PVH Corporation 3.625% 2024	€ 300,000	256	0.38
QBE Insurance Group 2.5% VRN 2038	£100,000	76	0.11
Rexel 2.125% 2028	€ 110,000	83	0.12
Rothesay Life 3.375% 2026	£210,000	186	0.28
Santander UK 5.75% 2026	£690,000	684	1.01
Sappi Papier Holding 7.5% 2032	\$25,000	18	0.03
SC Germany SA Compartment Consume FRN 2034	€ 300,000	111	0.16
Seagate HDD Cayman 4.091% 2029	\$283,000	196	0.29
Seagate HDD Cayman 4.125% 2031	\$55,000	35	0.05
Sealed Air Corporation 4% 2027	\$380,000	273	0.40
SIG Combibloc PurchaseCo 2.125% 2025	€ 570,000	471	0.70
Silgan Holdings 2.25% 2028	€ 150,000	111	0.16
Smurfit Kappa Treasury 1% 2033	€ 410,000	261	0.39
Solvay 2.5% VRN Perpetual	€ 200,000	157	0.23
SPCM 3.375% 2030	\$200,000	131	0.19
SSE 4% VRN Perpetual	€ 180,000	142	0.21
Steel Dynamics 2.4% 2025	\$160,000	118	0.17
Stora Enso 7.25% 2036	\$100,000	81	0.12
Summit Digital Infrastructure 2.875% 2031	\$400,000	249	0.37
Suzano Austria 3.125% 2032	\$150,000	94	0.14
Taylor Morrison Communities 5.125% 2030	\$175,000	127	0.19
TDC Net 5.056% 2028	€ 100,000	84	0.12
TDC Net 6.5% 2031	€ 100,000	86	0.13
Telecom Italia Capital 6% 2034	\$70,000	44	0.07
Telefonica Europe 2.376% VRN Perpetual	€ 100,000	67	0.10
Telenet Finance Luxembourg 5.5% 2028	\$200,000	144	0.21
Telia 2.75% VRN 2083	€ 200,000	151	0.22
Tenet Healthcare Corporation 4.375% 2030	\$200,000	142	0.21
Terna Rete Elettrica Nazionale 2.375% VRN Perpetual	€ 150,000	110	0.16
TerraForm Power Operating 4.75% 2030	\$280,000	194	0.29
Thames Water Utilities Finance 2.625% 2032	£350,000	258	0.38
Thermo Fisher Scientific 2% 2031	\$52,000	33	0.05
TMobile USA 2.25% 2031	\$850,000	537	0.79
Together Asset Backed Securitisation FRN 2063	£150,000	144	0.21
Together Asset Backed Securitisation FRN 2063	£500,000	293	0.43
Toll Brothers Finance Corporation 3.8% 2029	\$150,000	106	0.16



## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Trivium Packaging Finance 3.75% 2026	€ 100,000	79	0.12
Turk Telekomunikasyon 4.875% 2024	\$200,000	150	0.22
Twin Bridges 2021-2 FRN 2055	£160,000	148	0.22
UniCredit 2.731%VRN 2032	€ 225,000	168	0.25
Unilever 1.5% 2026	£410,000	363	0.54
UnipolSai Assicurazioni SpA 6.375%VRN Perpetual	€ 200,000	148	0.22
United Utilities Water Finance 0.875% 2029	£250,000	183	0.27
Universal Health Services 2.65% 2030	\$180,000	115	0.17
UPC Broadband Finco 4.875% 2031	\$200,000	129	0.19
Veolia Environnement 2%VRN Perpetual	€ 200,000	143	0.21
Veolia Environnement 2.5%VRN Perpetual	€ 300,000	212	0.31
Verallia 1.875% 2031	€ 400,000	275	0.41
Vmed O2 UK Financing 4.5% 2031	£350,000	265	0.39
VMware 0.6% 2023	\$525,000	410	0.61
Volvo Car 2.125% 2024	€ 350,000	294	0.43
VZ Secured Financing 3.5% 2032	€ 210,000	139	0.21
VZ Vendor Financing II 2.875% 2029	€ 100,000	66	0.10
Western Digital Corporation 2.85% 2029	\$300,000	189	0.28
Western Digital Corporation 4.75% 2026	\$50,000	37	0.05
ZF Finance 2% 2027	€ 100,000	75	0.11
Zurich Finance Ireland Designat 3%VRN 2051	\$300,000	186	0.28
Centene 2.5% 01/03/2031	\$560,000	351	0.52
<b>Derivatives 0.89% (31.12.2022 – 0.11%)</b>			
<b>Credit Default Swaps 1.33% (31.12.2022 – 0.77%)</b>			
Goldman Sachs 1% 20/12/2025	1,230,000	5	0.01
Goldman Sachs 1% 20/12/2028	200,000	(5)	(0.01)
Goldman Sachs 5% 20/12/2028	100,000	6	0.01
JP Morgan 5% 20/12/2028	100,000	8	0.01
Morgan Stanley 1% 20/06/2026	320,000	3	–
Morgan Stanley 1% 20/06/2026	900,000	17	0.03
Morgan Stanley 1% 20/06/2026	920,000	11	0.02
Morgan Stanley 1% 20/06/2026	630,000	7	0.01
Morgan Stanley 1% 20/06/2026	180,000	3	–
Morgan Stanley 1% 20/06/2026	90,000	(2)	–
Morgan Stanley 1% 20/06/2026	200,000	1	–
Morgan Stanley 1% 20/06/2028	190,000	0	–
Morgan Stanley 1% 20/06/2028	150,000	(8)	(0.01)



PORTFOLIO STATEMENT  
at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Morgan Stanley 1% 20/06/2028	140,000	(13)	(0.02)
Morgan Stanley 1% 20/06/2028	550,000	(2)	–
Morgan Stanley 1% 20/06/2028	880,000	(5)	(0.01)
Morgan Stanley 1% 20/06/2028	(3,685,000)	138	0.20
Morgan Stanley 1% 20/06/2028	6,050,000	69	0.10
Morgan Stanley 1% 20/12/2025	950,000	4	0.01
Morgan Stanley 1% 20/12/2026	320,000	2	–
Morgan Stanley 1% 20/12/2026	180,000	3	–
Morgan Stanley 1% 20/12/2026	900,000	19	0.03
Morgan Stanley 1% 20/12/2026	630,000	6	0.01
Morgan Stanley 1% 20/12/2026	920,000	11	0.02
Morgan Stanley 1% 20/12/2026	200,000	1	–
Morgan Stanley 1% 20/12/2027	200,000	(20)	(0.03)
Morgan Stanley 1% 20/12/2027	150,000	–	–
Morgan Stanley 1% 20/12/2028	630,000	7	0.01
Morgan Stanley 1% 20/12/2028	350,000	(4)	(0.01)
Morgan Stanley 1% 20/12/2028	190,000	(1)	–
Morgan Stanley 1% 20/12/2028	150,000	(10)	(0.01)
Morgan Stanley 1% 20/12/2028	550,000	(4)	(0.01)
Morgan Stanley 1% 20/12/2028	880,000	(10)	(0.01)
Morgan Stanley 1% 20/12/2028	150,000	(2)	–
Morgan Stanley 5% 20/06/2026	260,000	27	0.04
Morgan Stanley 5% 20/06/2026	180,000	18	0.03
Morgan Stanley 5% 20/06/2028	100,000	11	0.02
Morgan Stanley 5% 20/06/2028	360,000	45	0.07
Morgan Stanley 5% 20/06/2028	140,000	19	0.03
Morgan Stanley 5% 20/06/2028	22,000	0	0.00
Morgan Stanley 5% 20/06/2028	430,000	59	0.09
Morgan Stanley 5% 20/06/2028	260,000	18	0.03
Morgan Stanley 5% 20/06/2028	350,000	38	0.06
Morgan Stanley 5% 20/06/2028	40,000	4	0.01
Morgan Stanley 5% 20/06/2028	(200,000)	(4)	(0.01)
Morgan Stanley 5% 20/06/2028	150,000	11	0.02
Morgan Stanley 5% 20/06/2028	100,000	6	0.01
Morgan Stanley 5% 20/12/2026	260,000	30	0.04
Morgan Stanley 5% 20/12/2026	180,000	20	0.03
Morgan Stanley 5% 20/12/2027	200,000	21	0.03
Morgan Stanley 5% 20/12/2028	250,000	33	0.05

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Morgan Stanley 5% 20/12/2028	80,000	13	0.02
Morgan Stanley 5% 20/12/2028	430,000	62	0.09
Morgan Stanley 5% 20/12/2028	360,000	47	0.07
Morgan Stanley 5% 20/12/2028	100,000	11	0.02
Morgan Stanley 5% 20/12/2028	360,000	52	0.08
Morgan Stanley 5% 20/12/2028	350,000	39	0.06
Morgan Stanley 5% 20/12/2028	(350,000)	(39)	(0.06)
Morgan Stanley 5% 20/12/2028	350,000	39	0.06
Morgan Stanley 5% 20/12/2028	100,000	6	0.01
Morgan Stanley 5% 20/12/2028	200,000	23	0.03
Morgan Stanley 5% 20/12/2028	150,000	12	0.02
Morgan Stanley 5% 20/12/2028	260,000	19	0.03
<b>Futures 0.13% (31.12.2022 – 0.16%)</b>			
OSE Japan 10 Years Bond (OSE) September 2023	3	(5)	(0.01)
CBT US 10 Years Note (CBT) September 2023	73	113	0.17
CBT US Ultra Bond CBT September 2023	6	(6)	(0.01)
EUX Euro-Bund Future September 2023	17	–	–
CBT US 5 Years Note (CBT) September 2023	10	(10)	(0.01)
EUX Euro-OAT Future September 2023	22	(6)	(0.01)
<b>Options 0.01% (31.12.2022 – 0.04%)</b>			
CDX.NA.IG.40 (5y)			
Default-20/06/2028-MLILUK_0.90	3,750,000	1	–
ITRAXX E.C.S.39 (5y)			
Default- 20/06/2028-MLILUK_5.5	3,250,000	2	–
ITRAXX E.C.S. 39 (5y)			
Default 20/06/2028-GSILUK_5.75	6,050,000	4	0.01
<b>Forward Foreign Exchange Contracts ((0.58%)) (31.12.2022 (1.09%))</b>			
GBP Forward Currency Contract 21/09/2023	GBP 13,359,558	(80)	(0.12)
EUR Forward Currency Contract 21/09/2023	EUR (15,600,000)		
GBP Forward Currency Contract 21/09/2023	GBP 145,186	1	–
NZL Forward Currency Contract 21/09/2023	NZL (300,000)		
GBP Forward Currency Contract 21/09/2023	GBP 41,372,796	(309)	(0.46)
USD Forward Currency Contract 21/09/2023	USD (53,000,000)		
GBP Forward Currency Contract 21/09/2023	GBP 1,648,321	(3)	–

## PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
USD Forward Currency Contract 21/09/2023	USD (2,100,000)		
USD Forward Currency Contract 21/09/2023	USD 500,000	1	–
GBP Forward Currency Contract 21/09/2023	GBP (391,691)		
GBP Forward Currency Contract 21/09/2023	GBP 172,340	–	–
EUR Forward Currency Contract 21/09/2023	EUR (200,000)		
USD Forward Currency Contract 21/09/2023	USD300,000	(2)	–
GBP Forward Currency Contract 21/09/2023	GBP (237,965)		
GBP Forward Currency Contract 21/09/2023	GBP 172,248	–	–
EUR Forward Currency Contract 21/09/2023	EUR (200,000)		
<b>INVESTMENT ASSETS</b>		65,001	96.15
<b>NET OTHER ASSETS</b>		2,606	3.85
<b>TOTAL NET ASSETS</b>		67,607	100.00

All investments, except for the Credit Default Swaps and Forward Foreign Exchange Contracts, are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts JPM Chase London, Lloyds, Northern Trust, and State Street.

The counterparties for the Credit Default Swaps are JP Morgan, Goldman Sachs, and Morgan Stanley.

**STATEMENT OF TOTAL RETURN**

for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Period ended 30.06.2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(362)		(3,880)
Revenue	1,356		348	
Expenses	(92)		(52)	
Interest payable and similar charges	(8)		–	
Net revenue before taxation	1,256		296	
Taxation	–		–	
Net revenue after taxation		1,256		296
<b>Total return/(deficit) before distributions</b>		<b>894</b>		<b>(3,584)</b>
Distributions		(593)		(435)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>301</b>		<b>(4,019)</b>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Period ended 30.06.2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		<b>27,273</b>		<b>33,570</b>
Amounts receivable on issue of Shares	40,745		141	
Amounts payable on cancellation of Shares	(729)		(1,807)	
		40,016		(1,666)
Change in net assets attributable to Shareholders from investment activities		301		(4,019)
Retained distributions on Accumulation Shares		17		22
<b>Closing net assets attributable to Shareholders</b>		<b>67,607</b>		<b>27,907</b>

The note on page 30 and the distribution tables on page 31 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2022, whereas the opening net assets for the current accounting period commenced on 1 January 2023.

**BALANCE SHEET**

at 30 June 2023 (unaudited)

	30.06.2023		31.12.2022	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Fixed assets:				
Investments		65,551		26,234
Current assets:				
Debtors	531		276	
Cash and bank balances	3,965		1,893	
Total current assets		4,496		2,169
<b>Total assets</b>		<b>70,047</b>		<b>28,403</b>
<b>LIABILITIES</b>				
Investment liabilities		550		399
Creditors:				
Other creditors	314		24	
Bank overdraft	1,233		549	
Distribution payable on Income Shares	343		158	
Total creditors		1,890		731
<b>Total liabilities</b>		<b>2,440</b>		<b>1,130</b>
<b>Net assets attributable to Shareholders</b>		<b>67,607</b>		<b>27,273</b>

The financial statements on pages 28 to 31 have been approved by the Trustee.

Approved on behalf of the Trustee  
4 September 2023

A Brookes, Chair  
CBF Funds Trustee Limited

The note on page 30 and the distribution tables on page 31 form part of these financial statements.

**NOTE TO THE FINANCIAL STATEMENTS**  
**for the half year ended 30 June 2023 (unaudited)**

**1. Accounting policies**

*Basis of preparation*

The financial statements have been prepared on a going concern basis, in compliance with FRS 102, the Trust Deed, 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 Measures Act 1958 as 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.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those financial statements.

**DISTRIBUTION TABLES**

for the half year ended 30 June 2023 (unaudited)

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2023	2022	2023	2022
<b>Income Shares</b>				
31 March	31 May	31 May	0.80	1.05
30 June	31 August	31 August	0.70	1.05
			1.50	2.10

Period ended	Revenue accumulated pence per Share	
	2023	2022
<b>Accumulation Shares</b>		
31 March	3.04	4.05
30 June	2.78	3.93
	5.82	7.98

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## 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 Measure (as amended from time to time) and 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 Manager in accordance with the measure and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Measure 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 Measure 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 Measure;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective Shares in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.



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## STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

### Preparation of financial statements

The Trustee of the Fund is required, by the Measure, to prepare Financial Statements which give a true and fair view of the financial position of the Fund at each interim 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 Measure. 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;

- make judgements and estimates that are prudent and reasonable; and
- prepares the Financial Statements on the going concern basis, unless it is inappropriate to presume this.

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

### Manager responsibilities

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

**CBF Funds Trustee Limited**  
(Charity Registration No. 1116932)

**DIRECTORY**

**Trustee Directors**

A Brookes (Chair)  
C Chan\*  
P Chandler  
G Dixon\* – resigned on 22 May 2023  
O Home – appointed on 4 September 2023  
C Johnson  
N Lewis\*  
A Milligan – appointed on 4 September 2023  
M Orr – appointed on 4 September 2023  
D Rees\*

\* *Members of the Audit Committee*

**Manager and Registrar**

CCLA Investment Management Limited  
Registered Office  
One Angel Lane  
London  
EC4R 3AB  
Telephone: 0207 489 6000  
Client Service:  
Freephone: 0800 022 3505  
Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://www.ccla.co.uk)  
*Authorised and regulated by the Financial Conduct Authority*

**Sub-Investment Manager**

Hermes Investment Management Limited  
150 Cheapside  
London  
EC2V 6ET

**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 Managers**

J Ayre  
C Ryland

**Company Secretary**

J Fox

**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

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Founded in 1958, CCLA is now the UK's largest charity fund manager. 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 requires us to provide a supportive and stable environment for our staff and deliver trusted, responsibly managed and strongly performing 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](mailto:clientservices@ccla.co.uk)

[www.ccla.co.uk](http://www.ccla.co.uk)

CCLA is the trading name for CCLA Investment Management Limited (Registered in England and Wales No. 2183088) and CCLA Fund Managers Limited (Registered in England and Wales No. 8735639).

Both companies are authorised and regulated by the Financial Conduct Authority. Registered address: One Angel Lane, London EC4R 3AB.

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