THE CBF CHURCH OF ENGLAND PROPERTY FUND
INTERIM REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2026

CCLA

CONTENTS

*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 2026 (unaudited)

On behalf of the Trustee, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of The CBF Church of England Property Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the Manager) as Manager of the Fund.

Structure and management
The Fund is 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) 2010, and the Church Funds Investment Measure 2025 together (the Measure) and the Trustee Act 2000. The Fund was formed on 1 March 1999. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (FSMA).

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

CBFFT has delegated to the Manager, which is authorised and regulated by the Financial Conduct Authority, the investment management, administration, registrar, secretarial and company functions of the Fund under an Investment Management Agreement dated September 2008.

Under the provisions of the FSMA, CBFFT is not considered to be operating the Fund by way of business. In consequence, it is not required to be authorised and regulated by the Financial Conduct Authority and the trustee directors of CBFFT are not required to be approved by the Financial Conduct Authority for this purpose.

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

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

Investment objective
The Fund aims to provide investors with a high level of income and long-term capital appreciation.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2026 (unaudited)

Investment policy
The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets, which may be either liquid or illiquid in nature. It will gain this exposure by investing primarily in the COIF Charities Property Fund.

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.

Approach to Property Investment
The Fund is managed in line with CCLA's approach to property investment which is available at www.ccla.co.uk/about-us/policies-and-reports/policies/approach-property-investment. This approach outlines our property investment process, from pre-purchase due diligence to the ongoing management and sale of properties.

Comparator Benchmark
The comparator benchmark for the Fund is MSCI/AREF UK Other Balanced Open Ended Quarterly Property Fund Index.

Target investors
The Fund is intended for eligible charity investors, with at least a basic knowledge of property related investments, 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. The Fund has indirect holdings in direct property, which is inherently illiquid, and investors should take particular note of the risk sections of the Scheme Information, and the actions the Manager may have to take in stressed market conditions, such as suspending or delaying Fund dealings. The Fund also has a minimum redemption notice period of 180 days.

The Fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments. 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).

Responsibilities of the Trustee
CBFFT receives and reviews a report on the published Financial Statements prepared on its behalf by the Manager twice a year. CBFFT is wholly responsible for the Fund.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2026 (unaudited)

CBFFT reviews the property and cash management, administration, registrar, secretarial and company secretarial services provided by the Manager under the Investment Management Agreement. It meets quarterly with the Manager to monitor investment strategy, distribution policy, investment diversification, risk and to review the Fund's performance.

In addition, CBFFT reviews the objectives of the Fund annually and is responsible for appointing an Audit Committee, the Auditor and the Custodian.

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

Energy Performance Certificates (EPCs) are an important focus with an aim to achieve asset level improvements in performance and ensure compliance with the Minimum Energy Efficiency Standards (MEES) regulations. As part of the Fund's approach, costings are being obtained to improve the sustainability credentials and EPC rating of the poorer rated properties and, where lease events provide opportunity, for greater engagement in this area with assets and tenants. Our standard lease terms feature green lease clauses which are designed to support our access to data across a range of metrics such as tenants' energy and water consumption, and waste and recycling regimes.

Over the period under review, work has continued with the Fund's approach and improving management systems. To enhance our capabilities in this area Evora Global have been appointed to advise the Fund and provide specialist support in developing policies and asset level plans.

In addition to these asset level initiatives CCLA has used its influence as an investment manager to address systemic risks that have not had the attention that they require. Within property we have sought to work with BNP Property Management to ensure that our work on tackling modern slavery has been addressed within its own operations including construction, refurbishment, and support service provision.

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).

Sustainable Investment Label
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.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2026 (unaudited)

Approach to Sustainability
Sustainability approach (including faith-consistent investment policy) The Fund invests in the COIF Charities Property Fund, which is compliant with the faith-consistent investment policy of the fund, developed by CCLA and implemented by other CBF Church of England Funds, 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. The restrictions that apply to the fund are set out in the scheme information.

We continue to apply these values-based screens post investment. Where possible we review new tenants against criteria and seek to avoid entering into leases with businesses that conduct activities that are proscribed by the values-based screens. However, as per standard practice in property investment management, we do not include restrictive clauses within the leases that are granted to tenants as they significantly impact upon the economic value of the asset. This means that existing tenants can pass on their lease to another business without our approval. For this reason, it is possible that, a property can move into a position where it is no longer in compliance with the values-based screens.

Sustainability and 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. Additionally, CCLA has committed to reporting, at least annually, against its approach to sustainability. This is accomplished via the publication of a product-level sustainability report for each fund it manages. The content of this report aligns with the requirements of the environmental, social and governance (ESG) sourcebook published by the Financial Conduct Authority (FCA) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The funds Public product-level sustainability report can be found in the individual fund's document section of website www.ccla.co.uk/funds/cbf-church-england-property-fund#fund-documents

Controls and risk management
CBFFT receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required. CBFFT has appointed HSBC Bank plc to monitor 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. This monitoring provides an additional layer of comfort for Shareholders.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2026 (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, CBFFT receives a report from the Chief Risk Officer of the Manager which includes 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 an 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.

Important changes to the assessment of value
On 2 February 2026, Jupiter Fund Management plc acquired CCLA Investment Management Limited and its subsidiary, CCLA Fund Managers Limited (together **CCLA**), and became part of the Jupiter Group.

As part of the integration, we are aligning the assessment of value process with that of the Jupiter Group.

What is changing and why?
Every year, we undertake an assessment that measures whether the fund continues to provide value to investors, taking into account factors such as performance, quality of service, costs and charges, and other applicable criteria.

Currently, the Assessment of Value report for the fund covers the 12-month period to **31 December**. To align with Jupiter, we are changing this date to **31 March**.

When will this change take effect?
The next Assessment of Value report will therefore be for the 15-month period ending 31 March 2027. The results will be published no later than 31 July 2027.

Will this affect my investment?
No. This change relates only to the way we assess and report on the value provided by the CCLA funds. It does not change the investment objectives, investment strategy, risk profile or charges of your investment.

Possible Future Developments
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 Property Fund would cease operations and be wound up,

REPORT OF THE TRUSTEE
for the half year ended 30 June 2026 (unaudited)

with the investors' existing holdings in the CBF Church of England Property 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 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

Acquisition by Jupiter Fund Management
On 2 February 2026, CCLA Investment Management Limited was acquired by the Jupiter Group (a UK-based active investment management company). The transaction followed an extensive strategic review and engagement with key stakeholders and is expected to support the long-term sustainability of the business. CCLA will retain its brand, investment philosophy and client service model, while benefiting from access to the Jupiter Group's broader investment capabilities, resources and infrastructure. Planning for operational and regulatory integration commenced in the latter part of 2025 and continues following completion of the transaction.

CCLA remains committed to serving churches, charities and local authorities.

A Brookes, Chair
CBF Funds Trustee Limited
8 September 2026

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. More information about the EIAG is available at www.churchofengland.org/eiag.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Over the six months under review, capital growth, the more variable part of property returns, stalled and was slightly negative. Total returns, however, remained positive because of the attractive and more dependable rental income that the portfolio produces. Strong fundamentals in property occupiers' market are supporting that income. This is good news for investors.

For this half-year period, the Fund produced total returns of 1.2% and 0.9% in the first and second quarters, respectively, amounting to 2.1% for the six months. The Fund's performance benchmark (the MSCI/AREF UK Other Balanced Open-Ended Property Fund Index) recorded 0.8% and 0.4% for those quarters, respectively, returning 1.2% for the half year.

Over the 12 months to 30 June 2026, the Fund has provided Shareholders with a 5.7% total return, compared to its benchmark's 2.8%. That outperformance, over six and 12 months, is consistent with the Fund's longer-term record.

Despite ongoing challenges in the UK's property investment sector, the CBF Church of England Property Fund continues to meet its performance objectives, outperforming its MSCI benchmark in delivering Shareholders a superior income yield and achieving competitive longer-term performance.

The economic and geopolitical backdrop and its impact on conditions and valuations in the property market weighed on the Fund's Share price, which slipped 0.6% over the six months under review, from 125.84p per unit to 125.13p. However, the Fund's 2.8% income return underpinned its positive total returns.

Over the 12 months to 30 June 2026, that income return amounted to 5.4%, producing one of the strongest annual total returns and the highest distribution yield of the funds that make up the Fund's MSCI benchmark.

The investment environment remained challenging in the six months under review.

Annualised total capital and income return

To 30 June 2026	6 months %	1 year %	5 years % p.a.	10 years % p.a.
Performance against benchmark (after expenses)				
The CBF Church of England Property Fund*	**2.09**	**5.74**	**3.49**	**4.84**
Comparator benchmark#	1.22	2.84	2.14	3.61
Consumer Price Index (CPI)	1.71	2.59	5.07	3.54

Comparator Benchmark – AREF/MSCI™ Other Balanced Property Fund Index.
* NAV to NAV plus income re-invested for income units.
Past performance is not a reliable indicator of future results.
Source: CCLA, Bloomberg & HSBC.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Property prices remained under pressure, given the inflationary risks and higher-for-longer interest rates. However, healthy occupier demand and rising rents continued to support property values.

Property prices disappointed in the first half of 2026 as markets weakened, but the decline was limited. Some office properties fell in value as valuers remain cautious. By contrast, industrial and retail warehouse properties proved more resilient because they continued to benefit from stronger market fundamentals. In addition, industrial properties continued to lead the market in rental growth.

This differentiation helped the Fund. Its higher-than-benchmark exposure to warehouses continued to support performance and contributed to its strong long-term track record. Most property values across the portfolio were unchanged during the review period.

Risk remained high at the level of individual buildings. This left some assets more vulnerable in weaker market conditions. At the same time, the Fund's focus on income and active asset management in the portfolio created opportunities. By improving properties, securing new leases and growing rental income, value can be added and supports future returns.

For now, retail properties are producing the strongest total returns. They offer high income yields and stable capital values. However, shops currently make up only a small part of MSCI property portfolios, which limits their overall impact on performance.

The current environment also creates challenges for income generation. Key issues include:

- Retaining tenants when leases expire.
- Managing higher vacancy rates across portfolios.
- Dealing with rising property and management costs.

The Fund has offset some of these pressures by capturing rental growth through active management and diversification in the portfolio with an overweight allocation to industrial warehouse property.

To support a smooth pattern of quarterly payments, it has paid 1.66p per Share for each of the first two quarters of 2026. Based on Share prices on 30 June 2026, these distributions represent an annual income yield of 5.3%, well ahead of the yield of 3.2% on the Fund's benchmark.

Investors generally remain cautious towards property investment. Ongoing uncertainty around yields, rents and inflation means many investors prefer to keep their money in more liquid assets and delaying longer term commitment to property investments.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

As a result, the Fund continued to receive redemption requests during the half-year, and a net outflow of £0.68 million was recorded. The size of the Fund ended the half-year at £131.8 million by 30 June 2026, compared with £131.2 million at the start of the financial year, on 1 January 2026.

At the half-year end, outstanding redemption requests totalled £1 million, subject to the Fund's six-month notice period. Liquidity is managed via the CBF Property Fund's holding in the COIF Property Fund, where managing investor liquidity needs remains a key focus. As of 30 June 2026, that fund held £1.4 million in cash, or 1 % of total assets. The COIF Property Fund remains engaged with the property markets and expects to sell several assets over the period ahead. These sales will further supported investor liquidity and help deliver strategic objectives.

Strategy
The UK's economic, financial and political environment continues to create challenges for property investors. Ongoing uncertainty around the economy and global events have added to those risks.

UK property has also gone through major structural change in recent years. Some property sectors and individual properties have benefited, while others have struggled. These changes continue to affect performance and create management challenges for property owners.

To help manage and control these risks, and achieve strategic objectives, the CBF Property Fund invests via a holding in the larger COIF Charities Property Fund. This fund provides exposure to an allocation across the main property sectors and regions of the UK, creating a diversified portfolio that helps reduce reliance on any one area, with a focus on strong property fundamentals and a high level of income, which remain the main driver of returns.

We also avoid concentrating the Fund too heavily in any single type of property or asset feature. We seek a balance between quality of the property in which we invest and shorter lease terms, which can help us raise yields soon after acquiring a property and create opportunities to improve assets through active management.

At the same time, we aim to invest more in sectors and assets that, we believe, will benefit from long-term structural change. We focus on areas where market fundamentals are strongest and where there is the greatest potential to improve performance.

Property is not a perfect asset class, property markets can be inefficient, and the performance of individual buildings can vary significantly. This means that selecting the right properties and managing them actively is essential. It is also important to monitor individual asset positions, market liquidity, concentrations in the Fund, and its lease, income and security characteristics.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Property is illiquid as well. Assets can take time to sell, and transaction costs are relatively high. For this reason, property investment is best suited to investors with a long-term outlook.

The property market has experienced a period of significant change. At the same time, investors have faced more frequent periods of uncertainty and market disruption through different stages of the property cycle. As a result, market volatility has increased and asset management has become more challenging.

These challenges have been most severe in the office and retail sectors. Long-term structural changes have put pressure on rental income, increased management challenges and weakened valuations. Many older properties now require significant investment to remain attractive to occupiers.

By contrast, industrial and warehouse properties have benefited strongly from these structural changes. It has therefore been important to position the Fund to capture these opportunities and support long-term returns.

As a result, the Fund achieves a higher allocation to industrial warehouses and retail parks than its benchmark, while reducing exposure to offices and traditional shops.

We believe that these property types offer stronger fundamentals and more defensive characteristics. They have shown greater potential for rental growth, and their long-term outlook remains positive. This helps support both property values and future income.

Diversification remains an important part of the strategy. We aim to continue to reshape the portfolio by reducing exposure to traditional property sectors and increasing investment in alternative sectors and opportunities. We are particularly interested in assets that can provide attractive and sustainable income. This process of diversification and portfolio repositioning remains an important next stage in the Fund's development.

Market Review

The UK commercial property market remained subdued during the six months under review. Uncertainty and risk increased after conflict began in the Middle East. This further slowed activity and performance across the property market.

At the same time, the outlook for inflation, bond yields and interest rates remained unclear. Property yields stayed higher than many investors had expected, while hopes of further interest rate cuts faded. This weakened confidence in property pricing and valuations, leaving many investors and developers reluctant to commit to new transactions.

When the Middle East war started, in late February and March, investors and valuers looked through the immediate market volatility it caused. As time went on, however, weaker sentiment began to affect market activity and performance.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Confidence to complete transactions fell, leading to a further deterioration in market conditions. Deal activity had briefly improved during the final quarter of 2025, but that momentum did not last.

Transaction volumes remained low and investor caution was understandable. Activity slowed in the first quarter of 2026 and weakened to less than £10 billion in the second quarter. This was the level at which activity had been for much of 2025, well below the long-term average.

A small number of large deals dominated transaction volume. These were mainly in the Living segment and other residential property categories, with private equity investors driving much of the activity. By contrast, traditional property sectors and investor groups remained subdued.

The number of transactions also fell. This points to a thin market, with weak investor demand as well as limited supply. Many potential sellers remain unwilling to act while uncertainty remains high.

Despite generally supportive property market fundamentals, investors still lack conviction. Many appear willing to wait until conditions improve and stronger momentum returns.
As a result, the recovery in the property market stalled once again.

This was disappointing because the sector had appeared to be in a stronger position, with risks becoming more balanced. Instead, both returns and future prospects weakened, compared with the more positive expectations at the start of the year.

Liquidity remained available, but highly selectively. Buyers generally offered lower prices and took longer-than-average to complete transactions. The average time needed to complete a deal rose its highest level in four years.

There were, however, positive signs as well. Despite the high level of uncertainty and risk, the UK commercial property market remained resilient. Property values stayed broadly stable, and, in most cases, valuations changed little between valuation dates.

Areas of weakness within portfolios mainly reflect risks linked to specific property sectors or individual buildings. These risks become more visible when market sentiment weakens. As a result, the difference in performance between individual assets has increased. That makes property selection and active management especially important in the current market.

Activity
Property sales have been an important part of the COIF Property Fund's activities and strategy in recent years. They help it to manage liquidity and meet redemption requests, while also supporting its long-term investment goals, shaping the portfolio and maintaining the quality of the properties it holds.

This fund received an increased level of redemption requests during the first half of the year, although these remain subject to the Scheme's notice period.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Despite significant efforts to sell assets, no property sales completed during the period. This reflected difficult market conditions. As the first half of 2026 progressed, growing economic uncertainty caused many investors to pause their activity. This reduced both demand for property investments and the number of transactions taking place.

There has been some progress since the end of the six months under review. One property sale was completed in July, of a retail warehouse in Brownhills, West Midlands. The asset had been improved through active management. This included converting the interest held from leasehold to freehold, agreeing a lease extension with the tenant, and securing a 20-year income stream. These improvements increased the property's value, so that the sale price achieved was higher than the property's most recent valuation. The sale generated net proceeds of £4.35 million, which increased the cash position from its level on 30 June 2026.

Other transactions continue to move forward. Two properties are currently under offer and progressing through the legal process towards exchange of contracts.

Lease management activity is ongoing. During the six-month review period, the most notable achievement was the re-letting of a previously vacant warehouse at Brackmills Industrial Estate in Northampton. This created a new rental income stream of £950,000 p.a. In addition, rent reviews were completed at distribution warehouses in Ashby-de-la-Zouch and Mendlesham, Suffolk. These reviews increased annual rental income by around £400,000. Several smaller leasing transactions took place during the period, particularly at a multi-let office building on College Hill in the City of London.

Lease activity is important because it helps support income at a time when vacancy rates remain high across the property sector and the cost of holding vacant buildings has increased.

However, gains in rental income can be offset when leases expire and space becomes vacant. During the six months under review, one lease expired at the Rutherford Way car showroom in Cheltenham, previously occupied by luxury car group HR Owen.

Even so, the investment vacancy rate reduced from 12.9% at the start of the year to 11.1% by 30 June 2026, with development-related vacancy of 2.6%. For comparison: the MSCI UK Monthly Property Index recorded an investment vacancy rate of 10.5% on 30 June 2026. This mainly reflects plans to redevelop or repurpose an office property at Arlington Square in Bracknell..

(For reference: investment vacancy refers to space that is available to let, while development-related vacancy reflects properties that are temporarily empty because they are being redeveloped or repositioned for future use.)

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

Outlook

Despite ongoing uncertainty, the Fund has continued to deliver above-average returns and a higher level of income than its benchmark. This reflects our investment approach and the opportunities within the portfolio to add value over time.

But the UK property market has changed significantly since interest rates, and property yields, rose sharply after the Covid years. This led to a historic fall in property values at the end of 2022.

Since then, the property market has shown great resilience, despite economic and geopolitical challenges that have slowed its recovery. Property values have remained broadly stable, and the market appears well placed to make further progress when conditions improve. For now, market conditions remain subdued. Transaction volumes are low, many investors remain on the sidelines, and activity is likely to remain limited until the outlook becomes clearer. The conflict in the Middle East added to this uncertainty. It has weakened confidence, slowed the recovery and reduced activity in the market.

So far, valuers have taken a measured approach. They have largely looked beyond short-term market uncertainty and have not made major changes to valuations. However, if current conditions continue and property yields remain high, pressure on valuations is likely to increase. As more market evidence emerges, valuers may need to revise their approach.

We do not expect a major fall in property values. However, hopes of stronger capital growth have been pushed further out and may now not emerge until 2027. This means property values could remain vulnerable to some short-term weakness.

There are also reasons for optimism.

Returns are once again being driven by income rather than growth in property values. That ability, to generate rental income, remains one of the sector's key strengths, supporting returns and helping the market remain resilient. This remains important even when expectations for inflation, interest rates and property yields change.

Rental values continue to rise in parts of the market, helping to support property values. Income is a reliable source of return and continues to underpin overall performance.

Although short-term performance may be subdued, the longer-term outlook remains broadly unchanged.

Choosing the right properties and managing them actively remains important. The difference in performance between individual assets is still significant. This is particularly true for lower-quality office and retail properties. Many face challenges from changing occupier needs, ageing buildings and pressure on rental income. In some cases, substantial investment is needed to modernise or repurpose these assets.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2026 (unaudited)

At the same time, these challenges create opportunities. Investors willing to undertake major refurbishment or redevelopment projects may be able to generate attractive returns. However, uncertainty around inflation and property yields continues to increase the risks involved in these investment activities.

Looking ahead to 2027, there is potential for returns to improve, although this will depend on a range of factors, including capital valuation trends and the interest rate environment. Any favourable market conditions may create opportunities in our asset management activities to enhance portfolio performance and support the Fund's above-average income return.

Paul Hannam
Head of Property
CCLA Investment Management Limited
8 September 2026

Risk warning
Investors should consider the risk factors identified in the Scheme Information. 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 may invest indirectly in property which is an illiquid asset class. The Fund will achieve this indirect exposure by investing primarily in the COIF Charities Property Fund which invests directly in property and property related assets which are valued by an independent external property valuer and as such are open to substantial subjectivity. The performance of the COIF Charities Property Fund may be adversely affected by a downturn in the property market which could impact on the capital and or income value of the Fund.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result, valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties held by COIF Charities Property Fund will reflect the sale price achieved, even where such sale occurs shortly after the fund's valuation point.

The performance of the Fund could be affected adversely by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the COIF Charities Property Fund and the rents paid by these tenants.

Rental revenues and property values are affected by changes in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

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. The Shares are realisable only on each monthly dealing day and whilst investors can request a redemption at any time, all such requests are subject to a minimum notice period of 180 calendar days.

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 Property 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 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.

Property is recognised as an illiquid asset and is thus most suited to long-term investment. Whilst investors can request redemption at any time, all such requests are subject to a minimum notice period of 6 months. The Fund normally deals on the last business day of each month. The Fund does not include any protection from future market performance, so you could lose some or all your investment.

Property can be an illiquid asset class and the Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the Fund to meet redemptions and, in agreement with the Trustee, may suspend the buying and selling of Shares in the Fund due to stressed market conditions. Where an investor makes an application to sell or cancel Shares the Manager may, with the agreement of the Trustee, arrange to transfer scheme property out of the Fund in place of payment in cash for the Shares, but only if it is judged by the Manager not to disadvantage the remaining investors.

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

COMPARATIVE TABLE

Change in net assets per Share

	Income Shares			
	Half year to 30.06.2026 pence per Share	Year to 31.12.2025 pence per Share	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share
Opening net asset value per Share	**123.91**	121.31	120.63	128.50
Return before operating charges*	**4.56**	9.27	7.35	(1.33)
Operating charges**	**(0.01)**	(0.03)	(0.03)	(0.03)
Return after operating charges*	**4.55**	9.24	7.32	(1.36)
Distributions on Income Shares	**(3.32)**	(6.64)	(6.64)	(6.51)
Closing net asset value per Share	**125.14**	123.91	121.31	120.63
* after direct transaction costs of:				
Performance				
Return after charges	**3.67%**	7.62%	6.07%	(1.06%)
Other information				
Closing net asset value (£'000)	**131,835**	131,234	127,312	147,225
Closing number of Shares	**105,354,417**	105,908,198	104,949,018	122,048,098
Operating charges**	**0.75%**	0.74%	0.75%	0.68%
Direct transaction costs	**–**	–	–	–
Prices (pence per Share)				
Highest Share price (offer)	**128.78**	128.35	125.66	132.01
Lowest Share price (offer)	**123.19**	121.39	119.48	120.61

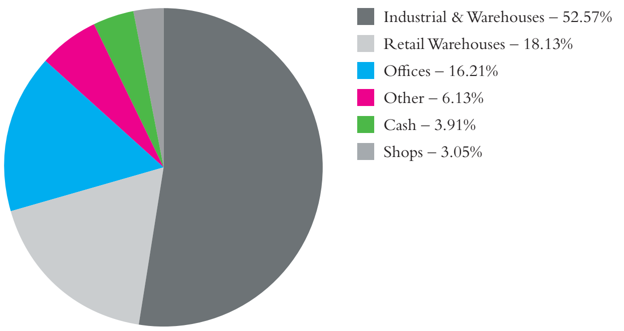
The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager. Net asset values per share prior to June 2026 are stated at bid under the previous SORP; net asset values from June 2026 are stated at mid following adoption of the revised SORP issued in October 2025.

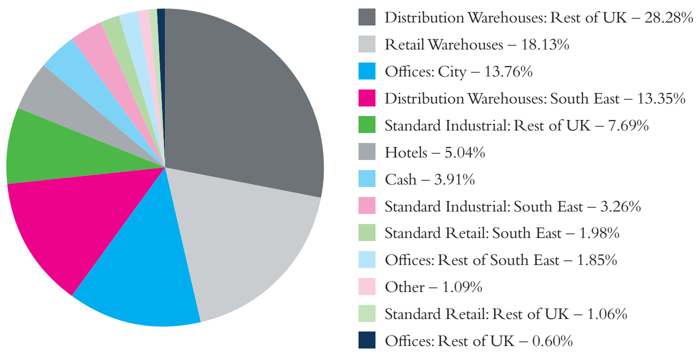
** Operating charges reflect the Manager's annual management charge and other expenses annualised and divided by average net assets for the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a substantial proportion of its assets in other funds. As substantially all of the Fund's assets are held in the COIF Charities Property Fund, the operating charge figure comprises the operating charge figure in the COIF Charities Property Fund (0.76%), less rebates (0.03%) plus expenses in the Fund (0.02%).

PORTFOLIO ANALYSIS
at 30 June 2026 (unaudited)

Top Ten Property Holdings

Property		% of Property Portfolio
London, 80 Cannon Street	Offices/Shops	11.85%
Brighton, Lewes Road	Retail Warehouses	9.65%
Mendlesham, Norwich Road	Industrial	8.19%
Ashby-de-la-Zouch, 15 Coalfield Way,	Industrial	6.70%
Bristol, 1400-1600 Aztec West Business	Industrial	5.31%
Lutterworth, 3320, Hunter Boulevard	Industrial	5.21%
Lutterworth, 3220, Wellington Parkway	Industrial	4.78%
Bath, Rossiter Road	Other	4.70%
Solihull, Solihull Gate Retail Park	Retail Warehouses	4.37%
London, 7 St Andrew's Way	Industrial	3.90%





The portfolio analysis above differs from the following portfolio statement because the analysis shown here is on a 'look through' basis in respect of cross holdings in COIF Charities Property Fund.

Portfolio turnover

	Period to 30.06.2026	Year to 31.12.2025
Portfolio turnover rate	**0.00%**	0.00%

The portfolio turnover rates are calculated by the total sales or purchases (excluding cash), whichever is less, divided by average monthly assets during the year.

PORTFOLIO STATEMENT
at 30 June 2026 (unaudited)

	Holding	Fair value £'000	% of total net assets
COIF Charities Property Fund Income units	122,683,112	130,608	99.07
INVESTMENT ASSETS		130,608	99.07
NET OTHER ASSETS		1,227	0.93
TOTAL NET ASSETS		131,835	100.00

STATEMENT OF TOTAL RETURN
for the half year ended 30 June 2026 (unaudited)

	Period ended 30.06.2026		Period ended 30.06.2025	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		1,742		1,901
Revenue	3,548		3,555	
Expenses	(504)		(495)	
Net revenue before taxation	3,044		3,060	
Taxation	–		–	
Net revenue after taxation		3,044		3,060
Total return before distributions		4,786		4,961
Distributions		(3,507)		(3,506)
Change in net assets attributable to Shareholders from investment activities		1,279		1,455

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the half year ended 30 June 2026 (unaudited)

	Period ended 30.06.2026		Period ended 30.06.2025	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		131,234		127,312
Issue of Shares	283		806	
Cancellation of Shares	(961)		(3,674)	
		(678)		(2,868)
Change in net assets attributable to Shareholders from investment activities		1,279		1,455
Closing net assets attributable to Shareholders		131,835		125,899

The notes on pages 24 to 26 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2025, whereas the opening net assets for the current accounting period commenced on 1 January 2026.

BALANCE SHEET
at 30 June 2026 (unaudited)

	Note	30.06.2026 £'000	31.12.2025 £'000
ASSETS			
Investments	*3*	**130,608**	130,102
Amounts receivable		**1,862**	1,838
Cash and Cash equivalents		**1,439**	1,422
Total assets		**133,909**	133,362
LIABILITIES			
Other payables		**322**	398
Distribution payables		**1,752**	1,730
Total liabilities		**2,074**	2,128
Net assets attributable to Shareholders		**131,835**	131,234

The financial statements on pages 21 to 26 have been approved and authorised for issue by the Trustee.

Approved on behalf of the Trustee
8 September 2026

A Brookes, Chair
CBF Funds Trustee Limited

The notes on pages 24 to 26 form part of these financial statements.

CASH FLOW STATEMENT
for the half year ended 30 June 2026 (unaudited)

	Period ended 30.06.2026		Period ended 30.06.2025	
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities		**3,021**		3,165
Net cash inflow from investment activities				
Payments to acquire investments	**(1)**		(196)	
Proceeds on disposal of investment	**746**		7,011	
Manager's periodic charge rebate	**490**		479	
		1,235		7,294
Net cash outflow from financing activities				
Issue of shares	**283**		637	
Cancellation of shares	**(1,037)**		(7,559)	
Distributions paid	**(3,485)**		(3,610)	
		(4,239)		(10,532)
Increase/(Decrease) in cash		**17**		(73)

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2026 (unaudited)

1. **Accounting policies**

   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 Property Fund into new Charity Authorised Investment Fund ("CAIF") in 2027. 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 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 Property Fund would cease operations and be wound up, with the investors' existing holdings in the CBF Church of England Property 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.

   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 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2026 (unaudited)

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

   Basis of valuation

   Quoted investments are valued at mid-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.

   Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025 and are described in those financial statements.

2. **Related party transactions**

   The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts £490,470 for the period ended 30 June 2026 (30.06.2025, £478,776) incurred in respect of this inclusive of annual management charge rebates are included in Expenses. The Fund received AMC rebates for its holdings in the COIF Charities Property Fund. The fee payable to the Manager is offset against the fee charged by the Manager on the COIF Charities Property Fund.

   An amount of £2,090 was due from the Manager at 30 June 2026 (31.12.2025, £1,879). There were no other transactions entered into with the Manager during the period (30.06.2025, £nil).

   CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 30 June 2026 (31.12.2025, £nil). There were no other transactions entered into with CBFFT during the period (30.06.2025, £nil).

   At 30 June 2026, a cash balance of £848,333 (31.12.2025, £817,029) was held in the CBF Church of England Deposit Fund. During the period, the Fund received interest of £15,787 (30.06.2025, £17,774) from the CBF Church of England Deposit Fund.

   At 30 June 2026 the Fund held 28.51% (31.12.2025: 28.63%) of the value of the COIF Charities Property Fund, a related party to the Fund, as CCLA is the Investment Manager for both funds.

   At 30 June 2026, The CBF Church of England Investment Fund held 37.06% (31.12.2025: 37.44%) of the value of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2026 (unaudited)

3. Fair value of financial assets and financial liabilities

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

The fair values of all investments are derived from valuation techniques using observable data, being the prices provided by the Manager of the COIF Charities Property Fund.

The COIF Charities Property Fund itself derives the fair values of its property investments using unobservable data. Further information is provided in the financial statements of that Fund.

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 half year ended 30 June 2026

Category	**Level 1** £'000	**Level 2** £'000	**Level 3** £'000	**Total** £'000
Investment assets	**–**	**130,608**	**–**	**130,608**
	–	**130,608**	**–**	**130,608**

For the year ended 31 December 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	–	130,102	–	130,102
	–	130,102	–	130,102

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure 1958 (as amended 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 Church Funds Investment Measure 1958 and the 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

- 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 interim and year end valuation date. The net revenue for the period, 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 the 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 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 (resigned on 19 February 2026)
A Milligan*
M Orr*
D Rees* (resigned on 21 January 2026)
* *Members of the Audit Committee*

Manager and Registrar
CCLA Investment Management Limited
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Client Service:
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Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

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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

Transfer Agent
FNZ TA Services Limited
7th Floor, 2 Redman Place
London
E20 1JQ
Authorised and regulated by the Financial Conduct Authority

Executive Directors of the Manager
P Hugh Smith (Chief Executive Officer)
W Mepham (appointed on 2 February 2026)
T Owen (appointed on 2 February 2026)
A Robinson, MBE (Director Market Development)
E Sheldon (Chief Operating Officer)

Non-Executive Directors of the Manager
J Hobart (resigned on 2 February 2026)
R Horlick (Chair)
J Jesty
C Johnson (resigned on 2 February 2026)
A Roughead (resigned on 6 January 2026)
C West (resigned on 2 February 2026)

Fund Manager
P Hannam

Company Secretary
M Mochalska

Chief Risk Officer
J-P Lim

Head of Sustainability
J Corah

Third Party Advisers
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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

CCLA was founded in 1958 with the launch of the Church of England Investment Fund, enabling churches to pool their assets and have them professionally managed. We started managing investments for local authorities in 1961, followed by charities in 1963.

In 1987, with the introduction of new financial regulation, those churches, charities and local authorities founded CCLA Investment Management Limited.

Today, CCLA is one of the UK's largest managers of charity, faith and public sector investments, providing pooled and bespoke portfolios, and championing responsible investment.

We know that charities and not-for-profit organisations measure success not in profits, but in lives improved and futures secured. At CCLA, we are honoured to stand alongside them – helping to manage their investments and invest with purpose – so that their impact endures across generations.

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