THE CBF CHURCH OF ENGLAND SHORT DURATION BOND 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 Short Duration Bond 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, and the Church Funds Investment Measure 2025 (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 Church Funds Investment Measure 1958.

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
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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 will be managed to ensure that the Fund's duration is less than 3.5 years, with the aim of reducing the effect of changes in interest rates on the Fund's value. The Fund's duration measures the sensitivity of the value of the Fund to a change in interest rates; the lower the duration the less impact a change in interest rates will have on the Fund's value.

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.

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 or non-investment grade as rated by a recognised credit rating agency. Where an instrument does not have an explicit rating from a recognised credit rating agency ("Unrated Securities"), the Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

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for the half year ended 30 June 2026 (unaudited)

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 long-term ratings of the recognised credit rating agencies used.
- The maximum exposure to non-investment grade securities with a rating assessed as being less than 'speculative' status is 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that the Manager and/or Sub-Investment 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 uses 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 Sub-Investment Manager
Hermes Investment Management Limited has been appointed by CCLA as the Sub-Investment Manager of the Fund.

The Sub-Investment Manager is a limited liability company incorporated in England and Wales with company registration number 02466043 whose address and details are shown in the directory.

The Sub-Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 150000.

The Sub-Investment Manager provides portfolio management services to the Fund.

CCLA is responsible for any fees payable to the Sub-Investment Manager.

Target benchmark
The target benchmark for the Fund is SONIA plus 1.75% per annum. 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

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

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 by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund. The Trustee has appointed the custodian to hold the securities of the Fund in specially designated accounts in safe custody.

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

Controls and risk management
The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required. The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Shareholders.

The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

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

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;

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

- 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.

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 Short Duration Bond Fund would cease operations and be wound up, with the investors' existing holdings in the CBF Church of England Short Duration Bond 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.

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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

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

Strategy
The Fund aims to generate a total return (income plus capital growth) of cash, represented by the Sterling Overnight Index Average (SONIA) plus 1.75% per year, after fees and expenses, measured over a rolling three-year period.

The Fund will invest in a range of fixed interest and variable-rate debt securities (also known as bonds) and other debt-related instruments issued in a range of currencies by companies (known as corporate bonds) and governments, including loans, inflation-linked securities, money-market instruments, and asset-backed or other securitised products (financial instruments backed by assets that generate an income, for example, mortgages or student loans).

The Fund focuses on generating returns from credit risk, meaning that the manager aims to identify individual bonds that will deliver high returns, relative to the level of risk associated with a particular borrower at the corporate level. Conversely, the Fund has limited appetite for interest rate risk ('duration'), which describes how a bond's returns are likely to be affected by general changes in interest rates. For that reason, we manage the fund so that its duration is less than 3.5 years. The Fund minimises currency risk.

The Fund may invest in instruments that are either investment grade or non-investment grade (the latter up to a maximum of 20% of the fund) as rated by a recognised credit rating agency that the investment manager or sub-investment manager has determined meets appropriate regulatory standards.

Annualised total capital and income return

To 30 June 2026	6 months %	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)				
The CBF Church of England Short Duration Fund				
Income Shares*	1.89%	4.88%	1.71%	2.12%
Accumulation Shares*	1.90%	4.89%	1.71%	2.12%
Target benchmark#	2.75%	5.76%	2.11%	2.60%
Consumer Price Index (CPI)	1.71%	2.59%	5.07%	3.54%

Target Benchmark – Composite: From 27.07.22 SONIA + 1.75%. From 01.01.16 iBoxx £ Gilt 50% & iBoxx £ Non Gilt 50%.
* NAV to NAV plus income re-invested.
Past performance is not a reliable indicator of future results.
Source: CCLA, Bloomberg & HSBC.

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

The Fund uses derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management (for example, hedging to reduce currency risk). The Fund follows a set of client-driven, values-based investment restrictions.

As of 30 June 2026, 65% of the Fund's portfolio was invested in corporate bonds, predominantly investment grade bonds but also, to a lesser degree, in high-yield bonds. 26% of the Fund's portfolio was invested in government bonds, primarily in US Treasuries but also in UK and other government bonds. The remainder of the Fund's portfolio was held in cash, derivatives, mortgage-backed or otherwise securitised bonds. The portfolio's modified duration, a measure of its exposure to interest rate risk, was 2.00.

As of 30 June 2026, the weighted average gross redemption yield (yield to maturity) of the securities in the Fund was 5.11%. The gross redemption yield indicates what the total return would be if the Fund's investments were held to maturity, i.e. the aggregate of gross interest received and capital gain or loss at redemption, annualised.

Performance
Over the six months under review, the Fund returned 1.89%, net of expenses, compared with its target benchmark's return of 2.75%. The Fund is actively managed, so it is common for performance to be either above or below that of the benchmark over any given reporting period.

Those six months presented investors in bonds with significant challenges. The war in the Middle East weighed on bond prices, especially for European and Latin American issuers. And despite mostly solid corporate fundamentals, some weak first-quarter updates, for example by Deutsche Bank, weighed on returns.

By contrast, the bonds of memory chip producers such as Western Digital contributed positively to returns, helped by demand for AI hardware. And after the US-Iran ceasefire started in April, a broader recovery took hold, led by the bonds of chemicals concern Huntsman and industrial firms such as packaging group Mondi.

Market review
The year started positively, with modest economic growth and investors expecting that falling inflation would allow central banks to continue to cut interest rates. Bond spreads, the differences between the yields of corporate and government bonds, were low. But many investors considered that companies' solid fundamentals justified those narrow spreads.

Then, in late February, war broke out in the Middle East. As a result, oil prices rose from $61 per barrel at the end of 2025 to $126 at the end of April. Because higher oil prices can lead to higher inflation, investors started to expect that central banks might raise interest rates this year. Bond prices fell as interest rates rose, but bonds held up better than the stock market.

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

It soon became clear, however, that the US and Iran wanted to de-escalate the conflict. So, from April, bond yields mostly fell, although they stayed above their levels at the start of the war. (Bond yields fall when bond prices rise, and vice versa.) And after the US and Iran signed their 'Islamabad Memorandum' in June, the oil price fell back to $73 by the end of the six months under review.

Outlook

Expectations for the near-term path of interest rates changed significantly during the six months under review. Now, in the second half of 2026, the range of possible outcomes for interest rates and bond yields looks broader than it has been for some time. As a result, we continue to aim to position the Fund so that its returns don't vary too much with changes in interest rates.

To achieve this goal, we remain focused on raising coupon income and selectively adding bonds to the fund, rather than following the broader market. This may include, for example, buying newly issued bonds, where attractive prices have historically allowed us to find higher yields without compromising credit quality.

The fundamentals of bond issuers of the highest quality, with so-called investment-grade credit ratings, appear stable. In our analysis, these firms' credit ratings are supported by their resilient revenues and cash flows that are comfortably high enough to cover interest payments. At current prices, however, we no longer find most of their bonds' valuations compelling.

We are even more cautious on lower-quality bonds, of so-called high-yield issuers. Prices for these bonds are high as well, even if these companies' earnings momentum has been less good than that of investment-grade companies.

We expect the volatility triggered by the Middle East conflict and other events to continue to play a heightened role in financial markets for some time to come. That may allow us to take advantage of market dislocations, rotating – for example – from one geography to another where valuations look more attractive on a relative basis.

CCLA Investment Management Limited
8 September 2026

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

Top ten changes in portfolio composition

	Cost £'000
Purchases:	
US Treasury 0% 2027	9,951
US Treasury 0% 2026	9,492
Citigroup 4.296% VRN 2036	429
Silgan Holdings Inc 4.25% 2031	380
Citigroup 4.542% 2030	368
UniCredit 4.231% 2036	348
AXA 4.375% 2055	346
Castell 2026-1 FRN 2062	303
BT Finance 3.875% 2034	302
BBVA Consumer Auto 2026-1 FRN 2042	259

	Proceeds £'000
Sales:	
US Treasury 0% 2026*	11,164
US Treasury 0% 2026*	5,005
Santander UK 5.75% 2026	690
Citigroup 5.15% 2026	500
Marks Spencer 3.25% 2027	446
Sealed Air Corporation 4% 2027	394
UniCredit 2.731% VRN 2032	366
Micron Technology Inc 5.8% 2035	363
ING Groep NV 3% 2026	300
Marks Spencer 3.75% 2026	300

* These two securities are different with respect to maturity dates and hence disclosed separately.

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

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

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

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.

SUSTAINABILITY APPROACH
to the Shareholders of The CBF Church of England Short Duration Bond Fund

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.

Approach to Sustainability
The fund is managed in line with a faith-consistent investment policy, developed by CCLA, to meet shareholders' desire to investment 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 includes the application of values-based investment restrictions as part of the fund's wider sustainability approach. The restrictions that apply to the fund are set out in the scheme information.

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-short-duration-bond-fund#fund-documents.

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.

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 Short Duration Bond Fund as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level and poor market conditions are very 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 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 daily basis. The Fund does not include any protection from future market performance, so you could lose some or all of your investment.

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

COMPARATIVE TABLE

Change in net assets per Share

	Income Shares			
	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	**152.54**	148.74	144.23	136.68
Return before operating charges*	**3.27**	9.64	8.91	11.10
Operating charges**	**(0.24)**	(0.50)	(0.49)	(0.45)
Return after operating charges*	**3.03**	9.14	8.42	10.65
Distributions on Income Shares	**(2.04)**	(5.34)	(3.91)	(3.10)
Closing net asset value per Share	**153.53**	152.54	148.74	144.23
* after direct transaction costs of:	**0.01**	0.03	0.02	–
Performance				
Return after charges	**1.99%**	6.14%	5.84%	7.79%
Other information				
Closing net asset value (£'000)	**75,053**	71,372	69,543	68,114
Closing number of Shares	**48,884,707**	46,787,402	46,752,958	47,224,854
Operating charges**	**0.31%**	0.32%	0.34%	0.32%
Direct transaction costs	**0.01%**	0.02%	0.02%	–
Prices (pence per Share)				
Highest Share price (offer)	**154.57**	153.88	150.32	145.50
Lowest Share price (bid)	**151.51**	148.39	144.19	136.86

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 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.

COMPARATIVE TABLE

Change in net assets per Share

	Accumulation 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	**649.30**	611.24	577.21	535.09
Return before operating charges*	**14.01**	40.13	36.02	43.91
Operating charges**	**(1.03)**	(2.07)	(1.99)	(1.79)
Return after operating charges*	**12.98**	38.06	34.03	42.12
Distributions on Accumulation Shares	**(8.59)**	(21.94)	(15.76)	(12.15)
Retained distributions on Accumulation Share	**8.59**	21.94	15.76	12.15
Closing net asset value per Share	**662.28**	649.30	611.24	577.21
* after direct transaction costs of:	**0.05**	0.14	0.09	0.02
Performance				
Return after charges	**2.00%**	6.23%	5.90%	7.87%
Other information				
Closing net asset value (£'000)	**4,151**	2,821	2,319	1,743
Closing number of Shares	**626,792**	434,503	379,465	301,990
Operating charges**	**0.31%**	0.32%	0.34%	0.32%
Direct transaction costs	**0.01%**	0.02%	0.02%	–
Prices (pence per Share)				
Highest Share price (offer)	**662.60**	650.26	613.63	579.27
Lowest Share price (bid)	**648.62**	611.60	577.03	535.82

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.

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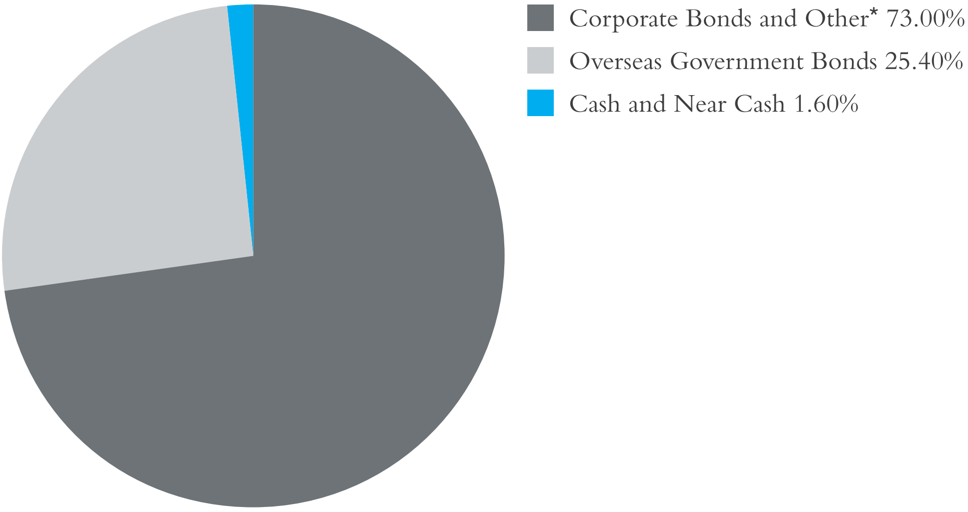
PORTFOLIO ANALYSIS
for the half year ended 30 June 2026 (unaudited)

Portfolio Allocation



By term to maturity

Period	Fund
0-5 years	73.80%
5-10 years	20.85%
10-15 years	1.01%
Over 15 years	4.34%
Duration (modified)	2.00 yrs
Average term to maturity	6.83 yrs

The portfolio analysis above differ from the following portfolio statement because prices used here are as at the 12pm valuation point rather than close of business.

* Includes investments in derivatives.

PORTFOLIO STATEMENT
at 30 June 2026 (unaudited)

	Holding	Fair value £'000	% of total net assets
Government Bonds 25.16% (31.12.2025 – 21.87%)			
US Treasury 0% 2026	$13,075,000	9,816	12.39
US Treasury 0% 2027	$13,800,000	10,116	12.77
Non-Government Bonds 71.95% (31.12.2025 – 73.72%)			
AbbVie 4.55% 2035	$560,000	410	0.52
ABN AMRO Bank 4.75% VRN Perpetual	€200,000	174	0.22
AerCap Ireland Capital DAC Aer 5.375% 2031	$350,000	268	0.34
AIB Group 6% VRN Perp	€200,000	179	0.23
Air Lease 3.7% 2030	€405,000	349	0.44
Alcoa Nederland Holding 4.125% 2029	$200,000	147	0.19
Alcon Finance Corp 2.6% 2030	$200,000	139	0.18
Allianz Finance II 0.5% 2031	€200,000	155	0.20
Ally Financial 4.7% VRN perpetual	$120,000	88	0.11
Alpek SAB de CV 3.25% 2031	$210,000	139	0.18
Alpha Bank 2.5% VRN 2028	€150,000	129	0.16
Alstom 0.5% 2030	€200,000	154	0.19
Alstom SA 5.25% VRN Perpetual	€100,000	88	0.11
América Móvil 5% 2026	£290,000	291	0.37
American Express 5.625% VRN 2034	$127,000	98	0.12
American Medical Systems Europe 1.875% 2034	€340,000	259	0.33
American Tower Corp 4.05% 2032	$150,000	108	0.14
Amrize Finance US LLC 5.4% 2035	$130,000	99	0.12
Anglo American Capital 2.875% 2031	$360,000	249	0.31
Apple 2.65% 2051	$620,000	284	0.36
Aptiv 3.1% 2051	$275,000	128	0.16
Ardagh Metal Packaging Finance 3% 2029	€100,000	83	0.10
Ashland 3.375% 2031	$150,000	105	0.13
Ashtead Capital Inc 4.25% 2029	$200,000	148	0.19
ASML Holding 0.25% 2030	€250,000	196	0.25
Asmodee Group AB 4.25% 2031	€100,000	87	0.11
Assicurazioni Generali 1.713% 2032	€200,000	155	0.20
AstraZeneca 2.125% 2050	$180,000	76	0.10
Atlas Funding FRN 2068	£100,000	100	0.13
Australia New Zealand Bank 5.101% VRN 2033	€100,000	88	0.11
Auto ABS Italian Stella Loans FRN 2039	€283,000	131	0.17
Auto ABS Italian Stella Loans FRN 2039	€100,000	47	0.06
AutoFlorence 3 FRN 2046	€200,000	61	0.08
AutoNoria Spain 2025-1 FT FRN 2043	€183,665	158	0.20

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	Holding	Fair value £'000	% of total net assets
AXA 3.625% 2033	€180,000	158	0.20
AXA 4.375% VRN 2055	€400,000	350	0.44
AXA 6.375% VRN perpetual	€131,000	122	0.15
Ball Corporation 2.875% 2030	$200,000	138	0.17
Ball Corporation 5.5% 2033	$250,000	190	0.24
Banco BPM SpA 4% VRN 2036	€200,000	173	0.22
Banco BPM SpA 6% VRN 2028	€350,000	306	0.39
Banco BPM SpA 6.25% VRN Perp	€200,000	179	0.23
Banco BTG Pactual SACayman Islan 5.75% 2030	$200,000	151	0.19
Banco Mercantil del Norte 6.625% VRN Perpetual	$200,000	144	0.18
Banco Santander 1.722% VRN 2027	$200,000	150	0.19
Banco Santander 5% VRN 2034	€300,000	268	0.34
Banco Santander SA 7% VRN Perp	€200,000	186	0.23
Bank of Cyprus Holdings PLC 4.25% VRN 2036	€100,000	86	0.11
Barclays 4.616% VRN 2037	€200,000	177	0.22
Barclays 8.5% VRN perpetual	£200,000	213	0.27
Bath & Body Works 6.875% 2035	$175,000	135	0.17
BAWAG Group 6.75% VRN 2034	€300,000	277	0.35
BAWAG Group AG 4.125% VRN 2035	€300,000	259	0.33
BBVA Consumer Auto 2026-1 FRN 2042	€300,000	259	0.33
BC ULC New Red Finance 5.625% 2029	$100,000	76	0.10
Bharti Airtel Ltd 3.25% 2031	$300,000	210	0.27
BM European Value Retail 6.5% 2031	£280,000	276	0.35
BNP Paribas 4.625% VRN Perpetual	$200,000	139	0.18
BT Finance 3.875% 2034	€350,000	304	0.38
Caisse Nationale de Reassurance 0.75% 2028	€200,000	164	0.21
Caisse Nationale de Reassurance 6.5% VRN Perpetual	€200,000	181	0.23
CaixaBank 4.375% VRN 2036	€100,000	88	0.11
CaixaBank 5.875% VRN Perpetual	€200,000	176	0.22
Canpack Group Inc 4.875% 2032	€100,000	88	0.11
Carrier Global Corp 2.7% 2031	$160,000	111	0.14
Castell 2026-1 FRN 2062	£303,000	304	0.38
CCO Holdings 4.25% 2031	$263,000	179	0.23
Cellnex Telecom 0.75% 2031	€700,000	548	0.69
Cemex SAB de CV 3.875% 2031	$200,000	142	0.18
Centene 2.5% 2031	$560,000	369	0.47
Centene Corporation 2.625% 2031	$50,000	33	0.04
CF Industries 4.95% 2043	$200,000	136	0.17
Cigna Corp 2.375% 2031	$360,000	244	0.31

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	Holding	Fair value £'000	% of total net assets
Cisco Systems 2.5% 2026	$550,000	413	0.52
Citigroup 4.125% 2028	$110,000	82	0.10
Citigroup 4.296% VRN 2036	€500,000	436	0.55
Citigroup 4.542% VRN 2030	$500,000	374	0.47
Clarios Global LP Clarios US Fi 4.75% 2031	€100,000	87	0.11
ClevelandCliffs 4.625% 2029	$88,000	64	0.08
ClevelandCliffs 7.375% 2033	$12,000	9	0.01
CNH Industrial 3.85% 2027	$610,000	455	0.57
Comcast Corporation 1.5% 2031	$400,000	260	0.33
Commerzbank 1.375% VRN 2031	€400,000	343	0.43
Cooperatieve Rabobank UA 1.875% VRN 2028	£400,000	389	0.49
Cooperatieve Rabobank UA 5.5% VRN Perpetual	€200,000	175	0.22
Costco Wholesale Corporation 1.75% 2032	$100,000	65	0.08
Crown Americas 4.25% 2026	$195,000	147	0.19
Crown Castle Inc 2.5% 2031	$100,000	67	0.08
Crown European Holdings 4.5% 2030	€162,000	143	0.18
Dell International 4.35% 2030	$415,000	309	0.39
Dell International 5.4% 2034	$365,000	279	0.35
Deutsche Bank AG 7.125% VRN Perpetual	€200,000	184	0.23
Dow Chemical 1.875% 2040	€175,000	110	0.14
Dow Chemical 5.15% 2034	$44,000	33	0.04
Dowson 2026-1 FRN 2033	£166,000	166	0.21
DS Smith 2.875% 2029	£336,000	317	0.40
Dutch Property Finance 2022-1 FRN 2059	€300,000	259	0.33
E-CARAT DE Lease 2025-1 FRN 2034	€500,000	431	0.54
Elis SA 3.375% 2031	€300,000	256	0.32
Enel Finance International 0.875% 2034	€225,000	156	0.20
Enel SpA 1.875% VRN Perp	€100,000	79	0.10
Engie 3.875% 2036	€100,000	87	0.11
Engie 5.625% 2034	$200,000	156	0.20
Erste Group Bank AG 6.375% VRN Perp	€200,000	182	0.23
Eurofins Scientific 0.875% 2031	€300,000	229	0.29
Evonik Industries AG 3.25% 2030	€150,000	130	0.16
ExportImport Bank of India 2.25% 2031	$200,000	134	0.17
Falabella 3.375% 2032	$200,000	137	0.17
FCT Noria 2021 FRN 2049	€200,000	26	0.03
Fibercop SpA 5.375% 2031	€100,000	89	0.11
FIBRA Prologis 5.625% 2038	$200,000	146	0.18
Fidelity National Information Ser 4.8% 2031	$100,000	75	0.09

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	Holding	Fair value £'000	% of total net assets
First Citizens BancShares 5.8009% VRN Perpetual	$213,000	161	0.20
Ford Motor Credit 5.78% 2030	£250,000	251	0.32
Fresenius Medical Care US Finance 2.375% 2031	$375,000	251	0.32
Fresenius SE and Co KGaA 0.375% 2026	€300,000	257	0.32
Froneri Lux FinCo SARL 4.75% 2032	€100,000	84	0.11
GAMMA Sociedade de Titularizacao FRN 2034	€100,000	50	0.06
GAMMA Sociedade de Titularizacao FRN 2036	€100,000	86	0.11
General Motors Financial 2.35% 2031	$500,000	337	0.43
Gilead Sciences 2.6% 2040	$275,000	151	0.19
GlaxoSmithKline Capital 1.625% 2035	£310,000	232	0.29
Global Payments Inc 5.4% 2033	$105,000	78	0.10
Golden Bar Securitisation Srl 202 FRN 2044	€100,000	71	0.09
Goldman Sachs 3.102% VRN 2033	$180,000	123	0.16
Goodyear Europe 2.75% 2028	€100,000	84	0.11
Graphic Packaging International 2.625% 01/02/2029	€140,000	117	0.15
Graphic Packaging International 3.75% 2030	$200,000	142	0.18
Greenko Power II 4.3% 2028	$200,000	103	0.13
Gruenenthal 4.625% 2031	€100,000	87	0.11
Haleon UK Capital 4.625% 2033	£100,000	98	0.12
HCA 2.375% 2031	$565,000	378	0.48
HCA 3.5% 2051	$150,000	77	0.10
Hermitage 2025 FRN 2033	£131,000	117	0.15
Hermitage 2026 FRN 2046	£100,000	100	0.13
Hermitage FRN 2033	£250,000	88	0.11
Hive 2026-1 BV FRN 2046	€146,000	127	0.16
Home Depot IncThe 4.65% 2035	$100,000	73	0.09
Hops Hill No 2 FRN 2054	£200,000	201	0.25
HP 2.65% 2031	$250,000	168	0.21
HP 3% 2027	$600,000	446	0.56
HSBC Holdings 6.364% VRN 2032	€150,000	134	0.17
HSBC Holdings 6.5% VRN Perp	$200,000	152	0.19
HSBC Holdings 6.547% VRN 2034	$200,000	160	0.20
Huntsman International 2.95% 2031	$367,000	249	0.31
Huntsman International 5.7% 2034	$13,000	9	0.01
Huntsman International LLC 4.5% 2029	$250,000	184	0.23
Iberdrola Finanzas 4.871% VRN perpetual	€100,000	89	0.11
Iberdrola Finanzas SA 5.25% 2036	£100,000	98	0.12
IDS Financing 4.5% 2033	€110,000	95	0.12
Iliad 1.875% 2028	€300,000	253	0.32

PORTFOLIO STATEMENT
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	Holding	Fair value £'000	% of total net assets
iliad 4.25% 2032	€100,000	87	0.11
Infineon Technologies AG 2.875% 2030	€400,000	341	0.43
Informa 3.25% 2030	€400,000	342	0.43
Informa 3.75% 2032	€175,000	151	0.19
Infrastrutture Wireless Italian 1.625% 2028	€340,000	281	0.36
Infrastrutture Wireless Italiane 1.75% 2031	€300,000	237	0.30
ING Groep 4.25% VRN Perpetual	$200,000	137	0.17
ING Groep NV 0.875% VRN 2032	€200,000	169	0.21
InPost SA 4% 2031	€175,000	150	0.19
Intesa Sanpaolo SpA 4.271% VRN 2036	€200,000	175	0.22
IQVIA 2.25% 2029	€380,000	318	0.40
Iron Mountain 4.5% 2031	$202,000	146	0.18
Iron Mountain 5.25% 2030	$54,000	40	0.05
Iron Mountain 5.625% 2032	$44,000	33	0.04
J Sainsbury 5.125% 2030	£617,000	626	0.79
John Deere Capital Corp 3.9% 2032	$100,000	73	0.09
JPMorgan Chase 4.625% VRN Perpetual	$110,000	83	0.10
KB Home 4% 2031	$100,000	71	0.09
KB Home 4.8% 2029	$71,000	53	0.07
Klabin Austria 3.2% 2031	$200,000	136	0.17
Koninklijke 3.875% 2036	€500,000	434	0.56
Koninklijke KPN NV 3.375% 2035	€200,000	168	0.21
La Banque Postale 3% VRN Perpetual	€200,000	165	0.21
Lanebrook Mortgage Transaction FRN 2058	£225,000	225	0.28
Levi Strauss 3.5% 2031	$320,000	223	0.28
Liberty Mutual Group 4.3% 2061	$230,000	110	0.14
LKQ 5.75% 2028	$150,000	115	0.15
LKQ Corp 6.25% 2033	$200,000	156	0.20
LKQ Dutch Bond 4.125% 2031	€100,000	87	0.11
Lloyds Banking Group 8.5% VRN perpetual	£200,000	209	0.26
London Cards No 2 FRN 2034	£150,000	152	0.19
Macquarie Bank 3.052% VRN 2036	$200,000	136	0.17
Macquarie Bank Ltd 3.052% 2036	$200,000	136	0.17
Macys Retail Holdings LLC 6.125% 2032	$200,000	152	0.19
Macys Retail Holdings LLC 7.375% 2033	$15,000	12	0.02
Marks Spencer 5.125% 2032	£392,000	387	0.49
Medline Borrower LPMedline 6.25% 2029	$18,000	14	0.02
Medline Borrower LPMedline 5% 2031	$10,000	7	0.01
Meritage Homes 3.875% 2029	$280,000	205	0.26

PORTFOLIO STATEMENT
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	Holding	Fair value £'000	% of total net assets
Metropolitan Life Global Funding 2.95% 2030	$250,000	177	0.22
Micron Technology Inc 2.703% 2032	$375,000	253	0.32
Millicom International Cellular 4.5% 2031	$200,000	141	0.18
Molina Healthcare 6.25% 2033	$92,000	69	0.09
Mondi Finance 3.375% 2031	€100,000	85	0.11
Mondi Finance 3.75% 2032	€192,000	165	0.21
Mondi Finance 3.75% 2033	€398,000	339	0.43
Morgan Stanley 5.297% VRN 2037	$356,000	267	0.34
Morgan Stanley 5.831% VRN 2035	$22,000	17	0.02
Mortimer BTL 2023-1 FRN 2056	£200,000	201	0.25
Mortimer BTL 2023-1 FRN 2056	£300,000	136	0.17
Mozart Debt Merger 3.875% 2029	$110,000	81	0.10
Muenchener Rueckversicherun 5.875% VRN 2042	$200,000	155	0.20
National Australia Bank 5.625% VRN 2037	$250,000	188	0.24
National Bank of Greece 5.875% VRN 2035	€100,000	92	0.12
National Grid 0.553% 2029	€300,000	238	0.30
NatWest Group 1.043% VRN 2032	€100,000	84	0.11
NatWest Group 5.125% VRN Perp	£200,000	199	0.25
Nemak SAB de CV 3.625% 2031	$200,000	131	0.17
Netflix 3.625% 2030	€870,000	762	0.96
NewDay Funding FRN 2033	£199,000	199	0.25
Nexans SA 4.125% 2029	€500,000	439	0.55
Nexi SpA 0% 2028	€100,000	81	0.10
Next 3.625% 2028	£450,000	441	0.56
Next 5% 2031	£200,000	199	0.25
NGG Finance 2.125% VRN 2082	€100,000	85	0.11
Nokia 4.375% 2031	€330,000	297	0.37
Nokia 3.625% 2032	€104,000	90	0.11
Norsk Hydro ASA 3.625% 2032	€375,000	325	0.41
Norsk Hydro ASA 3.75% 2033	€140,000	122	0.15
Novelis Corporation 3.875% 2031	$140,000	96	0.12
Nutrien 2.95% 2030	$470,000	332	0.42
NXP BV NXP Funding LLC NXP USA 2.5% 2031	$375,000	254	0.32
OI European Group 4.75% 2030	$150,000	107	0.14
Olympus Water US Holding Corporation 5.375% 2029	€150,000	127	0.16
OneMain Finance Corporation 3.875% 2028	$70,000	51	0.06
OneMain Finance Corporation 4% 2030	$30,000	21	0.03
Open Text Corp 6.9% 2027	$200,000	154	0.19
Orbia Advance Corp SAB de CV 6.8% 2030	$200,000	150	0.19

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	Holding	Fair value £'000	% of total net assets
Orsted 1.5% VRN 3021	€250,000	190	0.24
Orsted 2.125% 2027	£350,000	342	0.43
OwensBrockway Glass Container I 7.375% 2032	$50,000	36	0.05
Paprec Holding SA 4.5% 2032	€200,000	173	0.22
Pearson Funding 6.375% 2036	£100,000	102	0.13
Pepper Iberia Consumer FRN 2033	€200,000	174	0.22
Phoenix Group Holdings 5.625% 2031	£200,000	200	0.25
Pony Compartment German Auto FRN 2032	€100,000	61	0.08
Pony SA Compartment German Auto FRN 2032	€200,000	121	0.15
Post Holdings 4.5% 2031	$133,000	94	0.12
Post Holdings 6.375% 2033	$7,000	5	0.01
Prudential 2.95% VRN 2033	$200,000	144	0.18
PVH Corporation 3.125% 2027	€122,000	105	0.13
PVH Corporation 5.5% 2030	$278,000	211	0.27
QBE Insurance Group 2.5% VRN 2038	£100,000	95	0.12
Qnity Electronics Inc 5.75% 2032	$110,000	83	0.10
Quikrete Holdings Inc 6.375% 2032	$46,000	35	0.04
Red & Black Auto Germany FRN 2032	€200,000	83	0.10
Red & Black Auto Germany FRN 2035	€100,000	86	0.11
Red & Black Auto Italy FRN 2034	€100,000	36	0.05
Red & Black Auto Italy FRN 2036	€200,000	124	0.16
Ren Finance 0.5% 2029	€200,000	161	0.20
Ren Finance 1.75% 2028	€225,000	190	0.24
RevoCar FRN 2039	€100,000	86	0.11
Rexel 2.125% 2028	€110,000	92	0.12
Roquette Freres 3.774% 2031	€100,000	86	0.11
Roquette Freres SA 6% VRN Perpetual	€100,000	87	0.11
Rothesay Life 3.375% 2026	£710,000	710	0.90
Rothesay Life 7.019% 2034	£200,000	212	0.27
Sally Holdings 6.75% 2032	$187,000	144	0.18
Sappi Papier Holding 7.5% 2032	$80,000	59	0.07
SC Germany Compartment Leasing FRN 2032	€200,000	52	0.07
SC Germany SA Compartment Leasing FRN 2032	€200,000	51	0.06
Schaeffler 4.5% 2030	€100,000	88	0.11
Seagate HDD Cayman 4.091% 2029	$283,000	208	0.26
Seagate HDD Cayman 4.125% 2031	$55,000	39	0.05
Siemens Financieringsmaatschappij 1.7% 2028	$900,000	649	0.82
SIG Combibloc PurchaseCo Sarl 3.75% 2030	€657,000	569	0.72
SIG Combibloc PurchaseCo Sarl 4% 2031	€215,000	187	0.24

PORTFOLIO STATEMENT
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	Holding	Fair value £'000	% of total net assets
Silgan Holdings 4.25% 2031	€450,000	386	0.49
Sixt SE 3.25% 2030	€540,000	464	0.59
SK Hynix 2.375% 2031	$200,000	136	0.17
Smurfit Kappa Treasury 1% 2033	€510,000	368	0.46
Societe Generale SA 3.375% VRN 2030	€300,000	259	0.33
Societe Generale SA 8.125% VRN Perp	$200,000	159	0.20
Sonoco Products Co 5% 2034	$100,000	74	0.09
SPCM 3.375% 2030	$200,000	140	0.18
SSE 4% VRN Perpetual	€180,000	156	0.20
Steel Dynamics Inc 3.25% 2031	$300,000	212	0.27
Stellantis Finance US 2.691% 2031	$400,000	257	0.32
Stora Enso 7.25% 2036	$100,000	81	0.10
Suez SA 1.25% 2035	€500,000	350	0.44
Summit Digitel Infrastructure 2.875% 2031	$600,000	407	0.51
Suzano Austria 3.125% 2032	$400,000	267	0.34
TAGUS-Sociedade de Titularizacao FRN 2042	€100,000	50	0.06
Taylor Morrison Communities 5.125% 2030	$367,000	277	0.35
TDC Net 5.186% 2029	€100,000	90	0.11
TDC Net 4.625% 2033	€300,000	262	0.33
Techem Verwaltungsgesellschaft 4.625% 2032	€173,000	150	0.19
Telefonica Europe 2.376% VRN Perpetual	€200,000	165	0.21
Telenet Finance Luxembourg 5.5% 2028	$200,000	147	0.19
Telia 0.125% 2030	€400,000	302	0.38
Tenet Healthcare Corporation 4.375% 2030	$200,000	146	0.18
Terna Rete Elettrica Nazionale SpA 1% 2028	€150,000	124	0.16
TerraForm Power Operating 4.75% 2030	$280,000	204	0.26
Thermo Fisher Scientific 2% 2031	$52,000	34	0.04
TMobile USA 2.25% 2031	$850,000	563	0.71
TopBuild Corp 5.625% 2034	$29,000	22	0.03
Turk Telekomunikasyon 7.375% 2029	$200,000	154	0.19
UBS Group 4.375% VRN perpetual	$200,000	138	0.17
UniCredit 4.231% 2036	€400,000	348	0.44
Unilever 1.5% 2026	£410,000	409	0.52
Unilever Capital Corp 2.9% 2027	$100,000	75	0.09
UnipolSai Assicurazioni 3.875% 2028	€200,000	174	0.22
UPC Broadband Finco 4.875% 2031	$200,000	143	0.18
US Foods Inc 4.625% 2030	$100,000	74	0.09
Verbund 0.9% 2041	€100,000	58	0.07
Verbund 3.375% 2033	€100,000	86	0.11

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	Holding	Fair value £'000	% of total net assets
Verisure Holding AB 4.125% 2032	€100,000	87	0.11
VF 0.625% 2032	€300,000	213	0.27
Vmed O2 UK Financing 4.5% 2031	£350,000	289	0.37
VMware 1.4% 2026	$625,000	469	0.59
Vontier Corporation 2.95% 2031	$175,000	119	0.15
VZ Secured Financing BV 5% 2032	$210,000	139	0.18
Wabtec Transportation Netherland 1.25% 2027	€150,000	126	0.16
WESCO Distribution Inc 5.5% 2034	$15,000	11	0.01
WESCO Distribution Inc 6.375% 2033	$20,000	15	0.02
Whirlpool Corp 6.5% 2033	$104,000	68	0.09
WPAP Telecom 3.75% 2029	€100,000	86	0.11
XPLR Infrastructure Operating P 8.625% 2033	$84,000	68	0.09
ZF Europe Finance 4.75% 2029	€100,000	87	0.11
ZF Finance 2.25% 2028	€100,000	84	0.11
ZF North America Capital Inc 7.5% 2031	$150,000	114	0.14
Zurich Finance Ireland Designat 3% VRN 2051	$500,000	340	0.43
Derivatives (0.16%) (31.12.2025 – 0.97%)			
Credit Default Swaps 0.41% (31.12.2025 – 0.45%)			
JP Morgan 1% 20/06/2029	920,000	17	0.02
JP Morgan 1% 20/06/2029	630,000	10	0.01
JP Morgan 1% 20/12/2029	320,000	6	0.01
JP Morgan 1% 20/12/2029	125,000	1	0.00
JP Morgan 1% 20/06/2031	70,000	(2)	0.00
JP Morgan 1% 20/06/2031	150,000	(4)	(0.01)
JP Morgan 1% 20/06/2031	70,000	1	0.00
JP Morgan 1% 20/06/2031	2,750,000	53	0.07
JP Morgan 5% 20/06/2031	1,250,000	118	0.15
JP Morgan 5% 20/06/2031	80,000	13	0.02
JP Morgan 5% 20/06/2031	100,000	17	0.02
JP Morgan 5% 20/06/2031	200,000	34	0.04
JP Morgan 5% 20/06/2031	100,000	9	0.01
JP Morgan 5% 20/06/2031	100,000	12	0.02
Morgan Stanley 1% 20/06/2031	205,000	3	0.00
Morgan Stanley 1% 20/06/2031	130,000	(3)	0.00
Morgan Stanley 5% 20/06/2031	155,000	7	0.01
Morgan Stanley 5% 20/06/2031	260,000	30	0.04

PORTFOLIO STATEMENT
at 30 June 2026 (unaudited)

	Holding	Fair value £'000	% of total net assets
Futures (0.11%) (31.12.2025 – 0.09%)			
CBT US 10 Years Note (CBT) September 2026	(37)	(9)	(0.01)
CBT US 2 Years Note (CBT) September 2026	3	(1)	0.00
CBT US 5 Years Note (CBT) September 2026	4	0	0.00
CBT US Ultra Bond CBT September 2026	(13)	(23)	(0.03)
Euro-Bund Future September 2026	(32)	(44)	(0.05)
Euro-Bund Future September 2026	(3)	(4)	(0.01)
Long Gilt Future September 2026	(9)	(8)	(0.01)
Options 0.02% (31.12.2025 – 0.00%)			
CDX North America High Yield 46 (5y) Default 06/20/2031 GSILUK 103.5	(5,000,000)	(4)	(0.01)
CDX North America High Yield 46 (5y) Default 06/20/2031 GSILUK 105	5,000,000	7	0.01
CDX North America Investment Grade 46 (5y) Default 06/20/2031 MSLNUK 0.75	15,000,000	5	0.01
CDX North America Investment Grade 46 (5y) Default 06/20/2031 MSLNUK 0.85	15,000,000	1	0.00
iTraxx Europe Crossover 45 (5y) Default 06/20/2031 MSLNUK 3.75	9,000,000	1	0.00
iTraxx Europe Crossover 45 (5y) Default 06/20/2031 MSLNUK 3.75	9,000,000	5	0.01
iTraxx Europe Crossover 45 (5y) Default 06/20/2031 MSLNUK 4.25	(9,000,000)	0	0.00
Forward Foreign Exchange Contracts (0.48%) (31.12.2025 – 0.43%)			
GBP Forward Currency Contract 13/07/2026	GBP 933,472	(8)	(0.01)
USD Forward Currency Contract 13/07/2026	(USD 1,250,000)		
GBP Forward Currency Contract 16/09/2026	GBP 42,304,177	(490)	(0.62)
USD Forward Currency Contract 16/09/2026	(USD 56,800,000)		
GBP Forward Currency Contract 16/09/2026	GBP 26,607,510	120	0.15
EUR Forward Currency Contract 16/09/2026	(EUR 30,650,000)		
GBP Forward Currency Contract 16/09/2026	GBP 264,138	0	0.00
USD Forward Currency Contract 16/09/2026	(USD 350,000)		
EUR Forward Currency Contract 16/09/2026	EUR 250,000	(1)	0.00
GBP Forward Currency Contract 16/09/2026	(GBP 217,479)		
EUR Forward Currency Contract 16/09/2026	EUR 400,000	(2)	(0.01)
GBP Forward Currency Contract 16/09/2026	(GBP 347,801)		

PORTFOLIO STATEMENT
at 30 June 2026 (unaudited)

	Holding	Fair value £'000	% of total net assets
USD Forward Currency Contract 16/09/2026	USD 800,000	(2)	0.00
GBP Forward Currency Contract 16/09/2026	(GBP 604,659)		
GBP Forward Currency Contract 16/09/2026	GBP 217,376	1	0.00
EUR Forward Currency Contract 16/09/2026	(EUR 250,000)		
GBP Forward Currency Contract 16/09/2026	GBP 129,906	0	0.00
EUR Forward Currency Contract 16/09/2026	(EUR 150,000)		
USD Forward Currency Contract 16/09/2026	USD 700,000	(2)	0.00
GBP Forward Currency Contract 16/09/2026	(GBP 529,475)		
GBP Forward Currency Contract 16/09/2026	GBP 684,165	6	0.01
USD Forward Currency Contract 16/09/2026	(USD 900,000)		
GBP Forward Currency Contract 16/09/2026	GBP 346,009	0	0.00
EUR Forward Currency Contract 16/09/2026	(EUR 400,000)		
INVESTMENT ASSETS		76,789	96.95
NET OTHER ASSETS		2,415	3.05
TOTAL NET ASSETS		79,204	100.00

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

The counterparties for the Options Contracts are Goldman Sachs and Morgan Stanley.

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are Northern Trust and State Street.

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

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 (losses)/gains		(146)		632
Revenue	1,733		1,853	
Expenses	(120)		(119)	
Net revenue before taxation	1,613		1,734	
Taxation	(2)		(2)	
Net revenue after taxation		1,611		1,732
Total return before distributions		1,465		2,364
Distributions		(1,009)		(1,400)
Change in net assets attributable to Shareholders from investment activities		456		964

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		74,193		71,862
Issue of Shares	4,862		983	
Cancellation of Shares	(355)		(884)	
		4,507		99
Change in net assets attributable to Shareholders from investment activities		456		964
Retained distributions on Accumulation Shares		48		45
Closing net assets attributable to Shareholders		79,204		72,970

The notes on pages 31 to 34 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*	**77,396**	71,682
Amounts receivable		**640**	776
Cash and cash equivalents		**3,544**	3,069
Total assets		**81,580**	75,527
LIABILITIES			
Investment liabilities	*3*	**607**	43
Other payables		**555**	38
Bank overdraft		**720**	725
Distribution payable		**494**	528
Total liabilities		**2,376**	1,334
Net assets attributable to Shareholders		**79,204**	74,193

The financial statements on pages 29 to 34 have been approved by the Trustee.

Approved on behalf of the Trustee
8 September 2026

A Brookes, Chair
CBF Funds Trustee Limited

The notes on pages 31 to 34 form part of these financial statements.

NOTE 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 Short Duration Bond 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 and investment liabilities.

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

The Manager is currently considering the launch of a Charity Authorised Investment Fund ("CAIF"), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and investor approval. Should this be approved, on completion of the transfer, the CBF Church of England Short Duration Bond Fund would cease operations and be wound up, with the investors' existing holdings in the CBF Church of England Short Duration Bond 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.

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

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

Basis of preparation (continued)

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

Basis of valuation

Quoted investments including investments with market observable prices, are valued at mid-market values as at close of business on the last business day of the accounting period.

Derivatives are valued as at close of business on the last business day of the accounting period.

Exchange traded derivatives are priced at fair value, which is deemed to be the mid price.

Over the counter derivatives are priced at fair value using valuation models or data sourced from market data providers.

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 £99,989 for the period ended 30 June 2026 (30.06.2025, £95,108) incurred in respect of this inclusive of annual management charge rebates are included in Expenses. An amount of £18,176 was due to the Manager at 30 June 2026 (31.12.2025, £17,805).

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).

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

2. Related party transactions *(continued)*
At 30 June 2026, CBF Church of England Investment Fund held 55.89% (31.12.2025, 59.41%) of the value of the Fund.

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

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.

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

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

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

For the half year ended 30 June 2026

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	19,951	57,445	–	77,396
Investment liabilities	(93)	(514)	–	(607)
	19,858	56,931	–	76,789

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

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

For the year ended 31 December 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	78	71,604	–	71,682
Investment liabilities	(12)	(31)	–	(43)
	66	71,573	–	71,639

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

For financial instruments for which the Manager uses valuation techniques using non-observable data, the inputs include: valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

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 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.

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 year, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Church Funds Investment Measure 1958. In preparing the financial statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the Financial Statements, as prepared, comply with the above requirements;
- 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 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
Registered Office Address:
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Telephone: 0207 489 6000
Client Service:
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Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

Sub-Investment Manager
Hermes Investment Management Limited
150 Cheapside
London
EC2V 6ET

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

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)
W Mepham (appointed on 2 February 2026)
T Owen (appointed on 2 February 2026)
A Robinson, MBE (Director Market Development)
(resigned on 2 February 2026)
E Sheldon (Chief Operating Officer)
(resigned on 2 February 2026)

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
CCLA Investment Management Limited

Company Secretary
M Mochalska

Chief Risk Officer
J-P Lim

Head of Sustainability
J Corah

Third Party Advisers
Banker
HSBC Bank plc
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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.

CCLA

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