

CCLA INVESTMENT FUNDS ICVC
ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the period from
8 April 2022 to 31 December 2022

CCLA

CONTENTS

Report of the Authorised Corporate Director	03
Responsibilities of and certification of the Financial Statements by the Authorised Corporate Director	04
Statement of the Depositary’s Responsibilities and Depositary’s Report	06
Independent Auditor’s Report	07
Accounting Policies	12
CCLA Better World Global Equity Fund	
Sub-Fund Information	14
Report of the Investment Manager*	18
Risk and reward profile	22
Comparative table	23
Operating charges analysis	29
Portfolio analysis	31
Portfolio statement*	32
Statement of total return**	37
Statement of change in net assets attributable to Shareholders**	37
Balance sheet**	38
Notes to the financial statements**	39
Distribution tables**	52
Directory*	54

*Collectively, these comprise the Authorised Corporate Director’s Report.

**Audited.

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

Disability Discrimination Act 1995

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

REPORT OF THE AUTHORISED CORPORATE DIRECTOR
for the period from 8 April 2022 to 31 December 2022

The Financial Statements

We are pleased to present the Annual Report and Financial Statements for the CCLA Investment Funds ICVC (the company) and its sub-fund, the CCLA Better World Global Equity Fund for the period from fund launch on 8 April 2022 to 31 December 2022. The Fund launched with £225 million of seed capital from the CBF Global Equity Fund.

The Company

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC065193 and authorised by the Financial Conduct Authority with effect from 2 February 2021 under product reference number (PRN) 9691864.

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the Authorised Corporate Director with the approval of the FCA. The Company is a UK UCITS for the purposes of the OEIC Regulations and FCA Handbook of Rules and Guidance (including the COLL Sourcebook) and the UCITS Directive.

Sub-Funds

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. Investment of the assets of each of the sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant sub-fund.

The investment objective and policy of each sub-fund will be formulated by the ACD at the time of creation of the relevant Sub-Fund, which may be varied from time to time subject to the requirements regarding Shareholder approval and FCA consent as set out in the Regulations.

CCLA Investment Management Limited
Authorised Corporate Director
25 April 2023

**RESPONSIBILITIES OF AND CERTIFICATION OF THE FINANCIAL STATEMENTS
BY THE AUTHORISED CORPORATE DIRECTOR**
for the period from 8 April 2022 to 31 December 2022

Statement of the ACD's Responsibilities

The Authorised Corporate Director ("ACD") of CCLA Investment Funds ICVC ("Company") is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Services Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by the Investment Association in May 2014 (and amended in June 2017); and
- give a true and fair view of the financial position of the Company (and each of its sub-funds) as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company (and each of its sub-funds) for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RESPONSIBILITIES OF AND CERTIFICATION OF THE FINANCIAL STATEMENTS
BY THE AUTHORISED CORPORATE DIRECTOR**
for the period from 8 April 2022 to 31 December 2022

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 25 April 2023.

ACD's Statement

We hereby approve the Annual Report and Financial Statements of the CCLA Investment Funds ICVC for the period ended 31 December 2022 on behalf of CCLA Investment Funds ICVC in accordance with the requirements of the Collective Investment Schemes sourcebook of the Financial Conduct Authority.

P Hugh Smith
Director of the ACD
25 April 2023

E Sheldon
Director of the ACD
25 April 2023

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND DEPOSITARY'S REPORT

Statement of the Depositary's responsibilities

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL"), the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Company's Instrument of Incorporation and Prospectus in relation to the pricing of, and dealings in, shares in the Company; the application of the revenue of the Company; and the investment and borrowing powers and restrictions applicable to the Company.

Report of the Depositary to the Shareholders of the Company

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Company, it is our opinion based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

The report is given on the basis that no breaches are subsequently advised to us before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
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
25 April 2023

INDEPENDENT AUDITOR'S REPORT

for the period from 8 April 2022 to 31 December 2022

Report on the audit of the financial statements*Opinion*

In our opinion the financial statements of CCLA Investment Fund ICVC (the 'Company'):

- give a true and fair view of the financial position of the Company and its sub fund as at 31 December 2022 and of the net revenue and the net capital losses on the property of the Company and its sub fund for the year ended 31 December 2022; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", and the rules in the Collective Investment Schemes Sourcebook.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the summary of significant accounting policies, risk management policies and consolidated individual notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 as amended in June 2017, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

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

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

INDEPENDENT AUDITOR'S REPORT**for the period from 8 April 2022 to 31 December 2022***Conclusions relating to going concern*

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

for the period from 8 April 2022 to 31 December 2022

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included Open-Ended Investment Companies Regulations 2001.

INDEPENDENT AUDITOR'S REPORT**for the period from 8 April 2022 to 31 December 2022**

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

for the period from 8 April 2022 to 31 December 2022

Report on other legal and regulatory requirements*Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook*

In our opinion:

- proper accounting records for the Company and its sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the ACD's report for the year ended 31 December 2022 is consistent with the financial statements.

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
25 April 2023

ACCOUNTING POLICIES

for the period from 8 April 2022 to 31 December 2022

The following accounting policies apply to all Sub-Funds, where applicable.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice: “Financial Statements of Authorised Funds” issued by the Investment Management Association (“IMA SORP”) in May 2014 (and amended in June 2017) OEIC Regulations and FCA Handbook of Rules and Guidance (including the COLL Sourcebook). The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

As stated in the Statement of the ACD’s responsibilities in relation to the report and financial statements of the Company on page 4, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Sub-Fund.

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate, distributions received on collective investment schemes, preference shares and unit trusts are accrued to revenue on the dates when the investments are first quoted ex-dividend, or otherwise on receipt of cash. Interest on bank deposits are accrued on a daily basis and interest on deposits in the CCLA Public Sector Deposit Fund are credited to revenue on receipt of cash.

(c) Stock dividends

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

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

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

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

ACCOUNTING POLICIES

for the period from 8 April 2022 to 31 December 2022

(e) Cash equivalents

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

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

(f) Expenses

Please refer to the accounting policies section of each Sub-Fund.

(g) Distributions

Please refer to the accounting policies section for each Sub-Fund.

(h) Basis of valuation

Quoted investments are valued at bid market values, at 12:00pm London time, on the last business day of the accounting period. The Manager is satisfied that the resultant portfolio valuation is not materially different from a valuation carried out at close of business on the balance sheet date.

(i) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over allowable expenses with relief for overseas taxation where appropriate.

Deferred tax is provided at current rates of corporation tax on all timing differences which have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

(j) Foreign Exchange

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Sub-Fund), at the rates of exchange ruling on the transaction date.

Amounts held in foreign currencies have been translated at the rate of exchange ruling at 12:00pm London time, 30 December 2022, the last valuation point in the accounting period.

**CCLA BETTER WORLD GLOBAL EQUITY FUND
SUB-FUND INFORMATION**

for the period from 8 April 2022 to 31 December 2022

Investment Objective

The sub-fund aims to provide a total return (the combination of capital growth and income) over the long-term (defined as any rolling period of 5 years) and is managed in line with CCLA's approach to investing for a better world as outlined in CCLA's Better World Policy.

Benchmarks

The ACD believes that this is an appropriate comparator benchmark as the sub-fund is a globally diversified portfolio of equities and we consider the MSCI World Index as an appropriate representation of the returns from global equities. The sub-fund does not seek to replicate an index.

Investment Policy

The sub-fund aims to achieve its investment objective by investing typically at least 80% of its assets (directly or indirectly) in shares of companies (also known as equities) from around the world. The sub-fund will typically generally invest directly in such shares. The sub-fund will normally have significant allocations to developed markets but may also invest in emerging markets (as defined by MSCI for the purposes of its Developed and Emerging Markets Indices).

Dependent on market conditions (such as political unrest, economic instability, war, the failure of large financial institutions or the closure of certain markets) and the Investment Manager's view of the market, exposure to shares may be higher or lower for limited periods.

The sub-fund may also invest up to 20% in a range of other investments including: fixed/floating interest securities (also known as bonds) issued by governments and their agencies and by companies and other issuing bodies, infrastructure related assets (indirectly), money-market instruments, cash, near cash investments and emerging markets. The sub-fund's typical exposure to emerging markets will be 5% but may be up to 20%.

Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the ACD and its Associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds.

CCLA BETTER WORLD GLOBAL EQUITY FUND SUB-FUND INFORMATION

for the period from 8 April 2022 to 31 December 2022

CCLA's Better World Policy

Investing for a Better World: The sub-fund is managed in line with CCLA's approach to investing for a better world. This includes:

1. Acting as an agent for 'change'

Acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them. This is done by:

- Using the sub-fund's ownership rights to help improve the sustainability of the assets in which it invests. The Investment Manager's approach is set out in its Engagement Policy and Proxy Voting Guidelines, both of which are available on CCLA's website.
- Bringing investors together to address systemic issues that have not had the attention that they require. The Investment Manager prioritises selected themes based upon an assessment of the issue and the level of response by the investment community. Initially this will focus on climate change, addressing modern slavery in company supply chains and addressing poor corporate practices for protecting employees' mental health. The Investment Manager's current priorities will be regularly disclosed on CCLA's website.

- Seeking to be a catalyst for change in the investment industry. Examples of how this is delivered may include the provision of training and the development of publicly available resources. Current priorities are disclosed on CCLA's website.

2. Assessing companies' environmental, social and governance criteria

Assessing companies' environmental, social and governance criteria because the Investment Manager believes that a combination of legislation, regulation and changing societal preference will impact negatively on unsustainable business models. For this reason, the sub-fund will avoid investing in companies that have:

- Poor management and weak corporate governance. As defined by the Investment Manager and informed by tools such as CCLA's proprietary corporate governance ranking.
- An unacceptable social and environmental impact, as defined by the Investment Manager. Initially this will be defined as companies identified by CCLA, using data providers of their choice, as:
 - producing landmines, cluster bombs, chemical/biological and/or nuclear (including fissile materials) weapons systems or substantial components thereof.

CCLA BETTER WORLD GLOBAL EQUITY FUND SUB-FUND INFORMATION

for the period from 8 April 2022 to 31 December 2022

- producing tobacco products and/or deriving more than 5% of turnover from tobacco.
 - not meeting CCLA's climate change criteria asset out in the 'Investor Climate Action Plan', as available on the CCLA website. This includes: 1) minimum standards against which companies are assessed, 2) a restriction upon investing in fossil fuel producers (defined as a company that derives more than 5% of revenue from the extraction of coal or tar sands and/or a company that derives more than 10% of revenue from the extraction and/or refining of oil and gas) and 3) CCLA's commitment to achieve 'Net Zero' emissions listed equity portfolios no later than 2050. Further information on our Better World Policy is available: <https://www.ccla.co.uk/about-us/policies-and-reports>.
 - being responsible for a significant controversial environmental and/or social incident and, following a period of engagement of no more than three years by the Investment Manager, has not taken appropriate steps to respond to the damage caused. At launch a significant controversial incident will be defined as being assessed by a data provider of the Investment Managers choosing as either:
 - 1) failing an assessment of compliance with the UN Global Compact, 2) failing an assessment of compliance with the UN Guiding Principles for Business and Human Rights and/or 3) another equivalent approach to assessing controversies – such as a Level 0 controversy as defined by MSCI ESG Research.
 - Not demonstrating a willingness to improve through investor engagement.
- 3. Investing in a way that we believe is aligned with our clients**
- At launch this will preclude investment in:
 - (a) companies identified by CCLA, using data providers of their choosing as:
 - Deriving >25% of revenue from alcohol production and/or retail.
 - Deriving >10% of revenue from gambling, civilian firearms, strategic military sales, high interest rate lending and/or the production and/or distribution of cannabis for the retail market.
 - Deriving >3% of revenue from adult entertainment production and/or distribution.

CCLA BETTER WORLD GLOBAL EQUITY FUND SUB-FUND INFORMATION

for the period from 8 April 2022 to 31 December 2022

(b) Fixed Income securities that are issued by a nation identified by CCLA as being amongst the world's most oppressive, using data sources of their choice including, but not limited to, Freedom House's Annual Freedom in the World Publication. The current list of precluded nations is available for inspection on CCLA's website.

(c) Other investment funds that are assessed by CCLA, as per the approach set out in their Values-based Investment policy, as having any exposure to landmines, cluster munitions, chemical or biological weapons or exposures that materially contradict the above approach. At launch, this is defined as having more than 10% of Net Asset Value exposed to other precluded activity including rules related to nuclear weapons. As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within such other investment fund holdings remains below 1% of the capital value of the relevant sub-fund. Due to a lack of data this approach to assessing the eligibility of other investment funds is implemented on a 'best-endeavours' basis.

This will be implemented as per the Manager's Values Based Screening Policy, and may evolve over time. The policy and the current list of exclusions is available at www.ccla.co.uk.

- Reporting on the efficacy of this work to contribute to a 'better world'. This will be published annually on CCLA's website.

4. Implementation of the Better World Policy

Should a portfolio holding cease to comply with the above approach, the Investment Manager will establish a 6 month divestment window for the asset to be sold. This ensures that shareholders are not financially disadvantaged by the sub-fund becoming an immediate forced seller.

The policy will be kept under review, and clients will be notified of any changes on CCLA's website <https://www.ccla.co.uk/about-us/policies-and-reports>.

CCLA BETTER WORLD GLOBAL EQUITY FUND
REPORT OF THE INVESTMENT MANAGER
for the period from 8 April 2022 to 31 December 2022

Fund Strategy

The Fund offers a long-term, sustainable global equity solution which incorporates environmental, social and governance (ESG) considerations developed for individual investors seeking long-term capital growth. The emphasis is on good quality companies with high standards of governance, strong free cash flow generation and growth prospects that are not dependent on trends in the broader economy.

Economic and Market Review

2022 was a difficult year for investors, with all the major asset classes experiencing losses. From the early days of January, central banks began to signal their concerns that inflation was likely to prove less transitory than they had previously anticipated, and that more aggressive monetary policy tightening would be required to address the challenge.

By the time of the Fund's launch market sentiment had weakened further following Russia's invasion of Ukraine, with heightened geopolitical uncertainty being compounded by the war's exacerbating effect on supply chains and inflation affecting a range of key commodities such as oil and gas, aluminium, and food and fertilisers. The implementation of higher interest rates and the expectation of further hikes caused significant damage to equity valuations, as higher yields led investors to discount more heavily the present value of companies' future earnings.

In sterling terms, the total return from the global equity index was -5.5% over the nine-month period ended on 31 December 2022.

To 31 December 2022	3 Months %	6 Months %	9 months %
Performance against market indices (after expenses)			
CCLA Better World Global Equity Fund			
I Income Shares*	0.29	4.74	(5.49)
C Income Shares*	0.26	4.66	(5.59)
I Accumulation Shares*	0.30	4.74	(5.49)
C Accumulation Shares*	0.25	4.66	(5.59)
Comparator	1.86	3.96	(5.53)
Consumer Price Index	2.75	4.43	8.63

Comparator – The MSCI World Index.

* Mid to mid plus income re-invested.

Source: CCLA.

CCLA BETTER WORLD GLOBAL EQUITY FUND
REPORT OF THE INVESTMENT MANAGER
for the period from 8 April 2022 to 31 December 2022

The damage was greatest in those sectors such as information technology which are dominated by ‘growth’ businesses as opposed to ‘value’ stocks whose returns are less dependent on future prospects. The traditional energy sector, whose fortunes move largely in tandem with the volatile prices of oil and gas, was the only industry sector to produce positive returns for the year as a whole.

Throughout the remainder of the year markets continued to respond to emerging economic data and to the actions and words of central banks. Weaker economic and jobs news, or signs that inflation could be peaking, were often met with an easing in the market mood as investors anticipated that monetary policy tightening might be moderated sooner rather than later. The messaging from policy makers was typically more cautious, with the major central banks led by the US Federal Reserve emphasising that they were resolute in the fight against inflation and that they would persist with policy tightening until a return to target inflation levels was more clearly in sight.

On the whole, new data releases for the US in particular revealed generally resilient levels of economic activity, though there was a marked slowdown in housing activity. Meanwhile corporate earnings also held up relatively well, with quarterly results in the summer, and again in the autumn, bringing positive surprises and prompting partial, and usually short-lived, recovery in the equity markets.

Portfolio activity

The portfolio has no predetermined allocations to any sector or geographic area; instead stocks are selected in a ‘bottom up’ approach by which holdings are assessed on their individual merits. We look for robust companies with strong free cash flows with which to support future growth and reward shareholders. This has resulted in a relatively high weighting in sectors such as information technology and healthcare. There is little exposure to mainstream banks and no holdings in traditional oil and gas companies.

Throughout the period since inception we remained active in positioning the portfolio to address evolving economic and market conditions. We reduced or exited positions in assets which we viewed as overvalued and/or less well placed to prosper in a lower growth/higher inflation environment, while taking opportunities to initiate or increase positions in businesses where we perceived greater potential to add value. Over the course of the period the equities portfolio shifted to a more defensive slant, with less reliance on sectors such as consumer discretionary and higher allocations to healthcare and other areas where company fortunes are relatively independent of broader economic prosperity.

Performance

Over the period the Fund achieved a total return after expenses of -5.59% on the Income Units and -5.58% on the Accumulation Units. (For the Institutional Unit Class, the return for the period was -5.49%.) This compares with a return of -5.53% on the comparator.

CCLA BETTER WORLD GLOBAL EQUITY FUND
REPORT OF THE INVESTMENT MANAGER
for the period from 8 April 2022 to 31 December 2022

Outlook

The outlook for economic growth remains uncertain. The risk of global recession is receding, for example with the world's dominant economy, the US, proving remarkably resilient and with China's relaxing of its draconian Covid restrictions promising a recovery in demand and activity levels. To the extent that individual economies may experience recession, this appears set to be relatively shallow and short lived.

Nevertheless economic growth is likely to remain subdued in the face of inflation, which although expected to fall significantly is likely to remain elevated by the standards of the pre-Covid decade, and the higher interest rates that are intended to bring inflation under control. With higher prices and higher borrowing costs keeping consumer and business demand in check, as well as the increased cost to companies of labour and goods, corporate earnings will remain under pressure there remains a distinct possibility of an earnings recession even if an economic recession can be avoided.

Disappointing news on corporate earnings, then, could prompt further setbacks for equity markets. In any event we believe that with the era of ultra-low inflation and supportive monetary policy behind us and a period of adjustment to the new environment ahead of us, heightened volatility could be a feature of market behaviour for some time.

Nevertheless, following the damage done to valuations in 2022 markets are now looking more reasonably priced relative to earnings; with the notable exception of the US, in fact, equities are looking decidedly cheap by historical standards. In due course, we would expect markets to anticipate the economic recovery that should follow the peak of the monetary policy tightening cycle, and to experience an improvement in sentiment as a result. We expect to continue to focus on good quality companies with secure growth prospects.

J Ayre and C Ryland
Co Heads of Investment
CCLA Investment Management Limited
25 April 2023

CCLA BETTER WORLD GLOBAL EQUITY FUND
REPORT OF THE INVESTMENT MANAGER
for the period from 8 April 2022 to 31 December 2022

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
Microsoft	8,764	The TJX Companies	45
Amazon.com	5,615		
Adobe	4,554		
Alphabet C	4,450		
Intercontinental Exchange Group	4,329		
TransUnion	4,248		
UnitedHealth Group	4,201		
CME Group	4,051		
Edwards Lifesciences	3,888		
S&P Global	3,857		

When a stock has both purchases and sales in the year, 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 CCLA Better World Global Equity 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 CCLA Better World Global Equity Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Units are realisable on each dealing day.

The CCLA Better World Global Equity Fund may invest in emerging market countries which could be subject to political and economic change.

The CCLA Better World Global Equity Fund may invest in collective investment schemes and other assets which may, on occasions, be illiquid.

CCLA BETTER WORLD GLOBAL EQUITY FUND RISK AND REWARD PROFILE

for the period from 8 April 2022 to 31 December 2022

The sub-fund utilises a Synthetic Risk and Reward Indicator (SRRI) to provide investors with a meaningful indication of the overall risk and reward profile of the sub-Fund. The SRRI operates on a scale of 1 (lower risk/reward) to 7 (higher risk/reward).



The sub-fund's SRRI is 6 and is based on a simulation of the volatility of the sub-fund's value (using historical data) and it may change in the future. The sub-fund is in category 6* because it invests in company shares, which can be expected to provide potentially higher rewards for higher risks than other investments, such as bonds or cash.

Please refer to our Key Investor Information Document for further information on the SRRI.

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

* With effect from the launch date of the sub-fund (8 April 2022) the sub-fund's SRRI was 5 (calculated in accordance with the calculation methodology under the UCITS KIID regulations). The SRRI should have been increased to 6 with effect from November 2022 but this increase wasn't reflected in the relevant product literature until 13 March 2023. All investors, listed on the register of Shareholders, who purchased Shares between 1 November 2022 and 13 March 2023 have been duly notified in writing.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

Class C Shares – Income
Period ended
31.12.2022
£ per Share**

Initial net asset value per Share	1.50
Return before operating charges*	(0.08)
Operating charges***	(0.01)
Return after operating charges*	(0.09)
Distributions on Income Shares	(0.01)
Closing net asset value per Share	1.40
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (6.00%)

Other information

Closing net asset value (£'000)	131
Closing number of Shares	93,064
Operating charges***	0.60%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.54
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

	Class C Shares – Accumulation Period ended 31.12.2022 £ per Share**
Initial net asset value per Share	1.50
Return before operating charges*	(0.07)
Operating charges***	(0.01)
Return after operating charges*	(0.08)
Distributions on Accumulation Shares	(0.01)
Retained distributions on Accumulation Shares	0.01
Closing net asset value per Share	1.42
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (5.33%)

Other information

Closing net asset value (£'000)	829
Closing number of Shares	585,609
Operating charges***	0.65%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.54
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
 for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

	Class I Shares – Income Period ended 31.12.2022 £ per Share**
Initial net asset value per Share	1.50
Return before operating charges*	(0.08)
Operating charges***	(0.01)
Return after operating charges*	(0.09)
Distributions on Income Shares	(0.01)
Closing net asset value per Share	1.40
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (6.00%)

Other information

Closing net asset value (£'000)	1
Closing number of Shares	671
Operating charges***	0.54%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.54
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

	Class I Shares – Accumulation Period ended 31.12.2022 £ per Share**
Initial net asset value per Share	1.50
Return before operating charges*	(0.07)
Operating charges***	(0.01)
Return after operating charges*	(0.08)
Distributions on Accumulation Shares	(0.01)
Retained distributions on Accumulation Shares	0.01
Closing net asset value per Share	1.42
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (5.33%)

Other information

Closing net asset value (£'000)	1
Closing number of Shares	667
Operating charges***	0.54%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.55
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

	Class X Shares – Income Period ended 31.12.2022 £ per Share**
Initial net asset value per Share	1.50
Return before operating charges*	(0.08)
Operating charges***	–
Return after operating charges*	(0.08)
Distributions on Income Shares	(0.01)
Closing net asset value per Share	1.41
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (5.33%)

Other information

Closing net asset value (£'000)	209,780
Closing number of Shares	148,859,673
Operating charges***	0.03%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.54
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
COMPARATIVE TABLE
for the period from 8 April 2022 to 31 December 2022

Change in net assets per Share

	Class X Shares – Accumulation Period ended 31.12.2022 £ per Share**
Initial net asset value per Share	1.50
Return before operating charges*	(0.08)
Operating charges***	–
Return after operating charges*	(0.08)
Distributions on Accumulation Shares	(0.01)
Retained distributions on Accumulation Shares	0.01
Closing net asset value per Share	1.42
* after direct transaction costs of:	–

** For the period from initial subscription on 8 April 2022 to 31 December 2022.

Performance

Return after charges (5.33%)

Other information

Closing net asset value (£'000)	1,569
Closing number of Shares	1,103,426
Operating charges***	0.03%
Direct transaction costs	0.03%

Prices (£ per Share)

Highest Share price (offer)	1.55
Lowest Share price (bid)	1.30

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 Sub-Fund's performance disclosed in the Report of the Investment Manager.

*** Operating charges comprise the ACD's periodic charge and other expenses, including VAT, but before taking account of rebates (if any), as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period. Operating charges per Share is calculated based on the actual expenses for the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
OPERATING CHARGES ANALYSIS
for the period from 8 April 2022 to 31 December 2022

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

Class C Shares – Income	2022 %
ACD's annual management charge	0.57
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.60

Class C Shares – Accumulation	2022 %
ACD's annual management charge	0.62
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.65

Class I Shares – Income	2022 %
ACD's annual management charge	0.51
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.54

Class I Shares – Accumulation	2022 %
ACD's annual management charge	0.51
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.54

CCLA BETTER WORLD GLOBAL EQUITY FUND
OPERATING CHARGES ANALYSIS
 for the period from 8 April 2022 to 31 December 2022

Class X Shares – Income

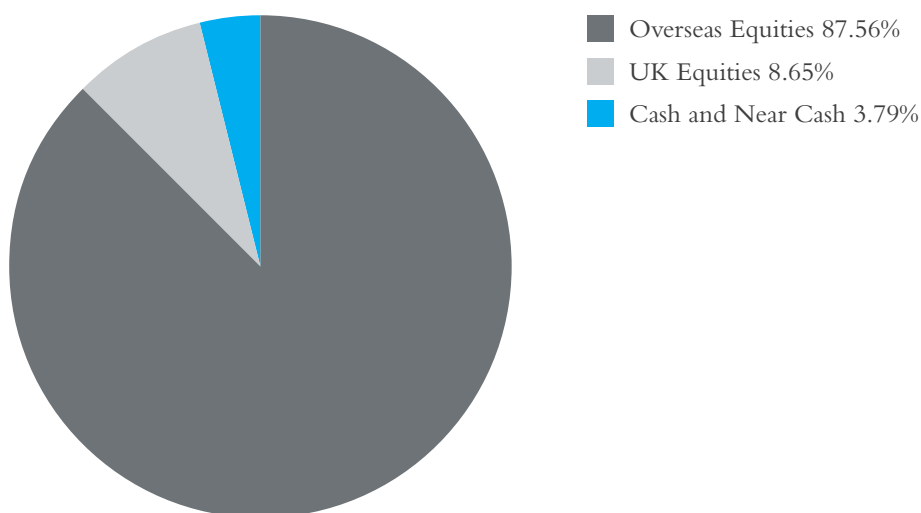
	2022 %
ACD's annual management charge	0.00*
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.03

Class X Shares – Accumulation

	2022 %
ACD's annual management charge	0.00*
Safe custody fees and depositary fee	0.02
Other expenses	0.01
Total operating charges	0.03

* No ACD annual management charge for class X. Class available only to members of ACD's group.

CCLA BETTER WORLD GLOBAL EQUITY FUND
PORTFOLIO ANALYSIS
 at 31 December 2022



Breakdown of Overseas Equities by Geography

North America	62.31%
Developed Europe	18.45%
Asia Pacific ex Japan	4.45%
Other Countries	1.49%
Japan	0.86%
Total	87.56%

Breakdown of Equities by Sector

Information Technology	25.71%
Health Care	23.04%
Financials	15.38%
Industrials	11.66%
Consumer Staples	7.86%
Consumer Discretionary	7.06%
Communication Services	3.56%
Utilities	1.01%
Real Estate	0.93%
Total	96.21%

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

CCLA BETTER WORLD GLOBAL EQUITY FUND
 PORTFOLIO STATEMENT
 at 31 December 2022

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM 7.63%			
Consumer Discretionary 1.04%			
InterContinental Hotels Group	46,471	2,210	1.04
Consumer Staple 1.46%			
Unilever	74,169	3,107	1.46
Financials 2.14%			
London Stock Exchange Group	43,914	3,156	1.49
Prudential	121,153	1,376	0.65
Health Care 1.52%			
AstraZeneca	28,621	3,218	1.52
Industrials 1.47%			
Relx	135,776	3,119	1.47
OVERSEAS EQUITIES 88.58%			
DEVELOPED EUROPE 23.90%			
Communication Services 1.22%			
Universal Music Group	129,163	2,593	1.22
Consumer Discretionary 1.41%			
LVMH Moet Hennessy Louis Vuitton	4,905	2,998	1.41
Consumer Staples 3.68%			
Kerry Group	36,260	2,722	1.28
L'Oreal	6,816	2,036	0.96
Nestle	31,556	3,059	1.44
Financials 2.04%			
Deutsche Boerse	17,782	2,558	1.20
Partners Group	2,407	1,788	0.84

CCLA BETTER WORLD GLOBAL EQUITY FUND
 PORTFOLIO STATEMENT
 at 31 December 2022

	Holding	Fair value £'000	% of total net assets
Health Care 6.76%			
Essilor International	17,866	2,693	1.27
ICON	20,582	3,393	1.60
Medtronic	25,346	1,638	0.77
Novo Nordisk 'B'	35,665	4,018	1.89
Roche Holdings	9,909	2,610	1.23
Industrials 3.98%			
Assa Abloy B	123,194	2,231	1.05
Experian	76,822	2,175	1.02
Schneider	16,097	1,889	0.89
Wolters Kluwer	24,720	2,164	1.02
Information Technology 4.81%			
Accenture	9,354	2,085	0.98
Amadeus IT Group	44,375	1,917	0.90
ASML Holding	4,971	2,247	1.06
Hexagon	187,897	1,657	0.78
NXP Semiconductors	17,612	2,312	1.09
NORTH AMERICA 57.87%			
Communication Services 1.32%			
Alphabet C	37,863	2,796	1.32
Consumer Discretionary 5.62%			
Amazon.com	38,372	2,681	1.26
McDonald's	9,370	2,069	0.97
Nike B	25,892	2,524	1.19
Starbucks	30,168	2,500	1.18
The Walt Disney Company	29,881	2,164	1.02

CCLA BETTER WORLD GLOBAL EQUITY FUND

PORTFOLIO STATEMENT

at 31 December 2022

	Holding	Fair value £'000	% of total net assets
Consumer Staples 2.72%			
Estee Lauder	10,928	2,268	1.07
Pepsico	23,136	3,496	1.65
Financials 8.84%			
Alexandria Real Estate Equities	16,309	1,967	0.93
Bank of America	55,149	1,518	0.71
CME Group	22,575	3,170	1.49
Intercontinental Exchange Group	44,573	3,853	1.82
JP Morgan Chase & Co	16,033	1,774	0.84
Marsh & McLennan	14,191	1,966	0.93
S&P Global	12,124	3,422	1.61
The Blackstone Group	17,547	1,089	0.51
Health Care 14.77%			
Abbott Laboratories	27,500	2,520	1.19
Agilent Technologies	27,457	3,446	1.62
Danaher	15,565	3,451	1.63
Edwards Lifesciences	44,551	2,783	1.31
Humana	7,319	3,119	1.47
Illumina	9,741	1,631	0.77
Intuitive Surgical	5,852	1,301	0.61
Stryker	14,699	2,997	1.41
Thermo Fisher Scientific	7,753	3,587	1.69
UnitedHealth Group	10,238	4,505	2.12
Zoetis	16,382	2,016	0.95
Industrials 6.20%			
Ametek	17,394	2,027	0.95
IDEX	10,476	2,005	0.94
Ingersoll Rand	44,364	1,945	0.92
TransUnion	60,737	2,904	1.37
Union Pacific	10,271	1,785	0.84
Verisk Analytics	17,001	2,514	1.18

CCLA BETTER WORLD GLOBAL EQUITY FUND
 PORTFOLIO STATEMENT
 at 31 December 2022

	Holding	Fair value £'000	% of total net assets
Information Technology 17.39%			
Adobe	13,473	3,776	1.78
Ansys	11,693	2,364	1.11
Broadcom	4,210	1,950	0.92
Intuit	10,354	3,359	1.58
Mastercard	11,651	3,369	1.59
Microsoft	37,901	7,585	3.57
Nvidia	7,452	903	0.43
PayPal Holdings	38,300	2,243	1.06
Roper Technologies	7,265	2,636	1.24
ServiceNow	5,729	1,856	0.87
Synopsys	6,531	1,746	0.82
Texas Instruments	12,906	1,769	0.83
Visa A	19,497	3,369	1.59
Utilities 1.01%			
NextEra Energy	30,754	2,147	1.01
JAPAN 0.86%			
Information Technology 0.86%			
Keyence	5,600	1,815	0.86
ASIA PACIFIC EX JAPAN 4.46%			
Financials 3.29%			
AIA Group	372,200	3,443	1.62
HDFC Bank	62,324	3,540	1.67
Information Technology 1.17%			
Taiwan Semiconductor Manufacturing Company	39,221	2,475	1.17
OTHER 1.49%			
Information Technology 1.49%			
Nice	19,602	3,154	1.49

CCLA BETTER WORLD GLOBAL EQUITY FUND
 PORTFOLIO STATEMENT
 at 31 December 2022

	Fair value £'000	% of total net assets
INVESTMENT ASSETS	204,261	96.21
NET OTHER ASSETS	8,050	3.79
TOTAL NET ASSETS	212,311	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

As the Sub-Fund was launched on 8 April 2022, there are no comparatives.

CCLA BETTER WORLD GLOBAL EQUITY FUND
STATEMENT OF TOTAL RETURN
for the period from 8 April 2022 to 31 December 2022

	<i>Note</i>	Period ended 31.12.2022*	
		£'000	£'000
Income			
Net capital losses	2		(13,709)
Revenue	3	2,197	
Expenses	4	(50)	
Net revenue before taxation		2,147	
Taxation	5	(300)	
Net revenue after taxation			1,847
Total deficit before distributions			(11,862)
Distributions	6		(1,851)
Change in net assets attributable to Shareholders from investment activities			(13,713)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTIBLE TO SHAREHOLDERS
for the period from 8 April 2022 to 31 December 2022

	Period ended 31.12.2022*	
	£'000	£'000
Opening net assets attributable to Shareholders		–
Amounts receivable on issue of Shares	5,428	
Amounts payable on cancellation of Shares	(4,603)	
In-specie transactions**	225,181	
		226,006
Change in net assets attributable to Shareholders from investment activities		(13,713)
Retained distributions on Accumulation Shares		18
Closing net assets attributable to Shareholders		212,311

The notes on pages 39 to 51 and the distribution tables on pages 52 and 53 form part of these financial statements.

* As the Sub-Fund was launched on 8 April 2022, there are no comparatives.

** Represents the value of units issued by in-specie transfer of assets from CBF Global Equity Fund on 8 April 2022.

CCLA BETTER WORLD GLOBAL EQUITY FUND
BALANCE SHEET
at 31 December 2022

	<i>Note</i>	31.12.2022*	
		£'000	£'000
ASSETS			
Fixed assets:			
Investments			204,261
Current assets:			
Debtors	7	219	
Cash equivalents	8	7,500	
Cash and bank balances	8	887	
Total current assets			8,606
Total assets			212,867
LIABILITIES			
Creditors:			
Other creditors	9	26	
Distribution payable on Income Shares		530	
Total liabilities			556
Net assets attributable to Shareholders			212,311

*As the Sub-Fund was launched on 8 April 2022, there are no comparatives.

The financial statements on pages 37 to 53 have been approved and authorised for issue by the ACD.

Approved on behalf of the ACD
25 April 2023

P Hugh Smith, Director
CCLA Investment Management Limited

The notes on pages 39 to 51 and the distribution tables on pages 52 and 53 form part of these financial statements.

CCLA BETTER WORLD GLOBAL EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
for the period from 8 April 2022 to 31 December 2022

1. Accounting policies

Please see pages 12 to 13 for accounting basis and policies applicable to all Sub-Funds. Please see below for accounting basis and policies applicable to the CCLA Better World Global Equity Fund only.

(a) Basis of preparation

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

(b) Expenses

During the year, the annual management charge, paid to the ACD, was taken to the capital of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund and was 0.65% in relation to Class C Shares, 0.55% for Class I Shares and 0% in respect of Class X Shares. The annual management charge is calculated by reference to the daily Net Asset Value of the Fund.

The Depositary fee, audit, legal, safe custody fees and insurance fees are charged separately to the revenue of the Fund before distributions.

(c) Distributions

The policy of the CCLA Better World Global Equity Fund is to distribute all available revenue, excluding any items treated as capital and after deduction of expenses chargeable against revenue. Distributions are declared and paid quarterly.

It is the Fund's policy to calculate the distribution based on the revenue on debt securities which is computed on a coupon basis. A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

2. Net capital losses

	31.12.2022 £'000
The net capital losses during the period comprise:	
Realised losses on non-derivative securities	(2,199)
Unrealised losses on non-derivative securities	(11,452)
Realised losses on forward currency contracts	(8)
Currency losses	(50)
	<u>(13,709)</u>

3. Revenue

	31.12.2022 £'000
Overseas dividends	1,876
UK dividends	248
Deposit interest	62
Bank interest	11
	<u>2,197</u>

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

4. Expenses

	31.12.2022 £'000
Payable to the ACD, associates of the ACD and agents of either of them: ACD's periodic charge	2
Payable to the Depositary, associates of the Depositary and agents of either of them: Safe custody fees	11
Depositary fee	25
	36
Other expenses:	
Audit fee	10
Other fees	2
	12
Total expenses	50

The above expenses include VAT where applicable.

Audit fee net of VAT is £8,320.

5. Taxation

	31.12.2022 £'000
a) Analysis of charge in the period	
Corporate tax	13
Double tax relief	(6)
Overseas withholding tax	233
Reclaimable tax written off	60
Total tax charge (note 5b)	300

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

5. Taxation *(continued)*

b) Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%). The differences are explained below:

	31.12.2022 £'000
Net revenue before taxation	2,147
Corporation tax at 20%	429
Effects of:	
Revenue not subject to taxation	(416)
Double tax relief	(6)
Overseas withholding tax	233
Reclaimable tax written off	60
Total tax charge for the period (note 5a)	300

Authorised Open Ended Investment Companies are exempt from tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

c) Provision for deferred tax

At 31 December 2022, there is no potential deferred tax asset in relation to surplus management expenses.

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

6. Distributions

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

	31.12.2022 £'000
30 June – interim distribution	814
30 September – interim distribution	496
31 December – final distribution	537
	<u>1,847</u>
Add: revenue deducted on cancellation of Shares	8
Deduct: revenue received on issue of Shares	(4)
Net distribution for the period	<u>1,851</u>
Net revenue after taxation for the period	1,847
ACD's periodic charge	2
Other professional fees	2
Net distribution for the period	<u>1,851</u>

Details of the distribution per Shares are set out in the distribution tables on pages 52 and 53.

The ACD's periodic charge and other professional fees are charged to capital, so these amounts above are added back in the table above to the net distribution for the period and deducted from capital.

There were no unclaimed distributions as at 31 December 2022.

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

7. Debtors

	31.12.2022 £'000
Accrued revenue	219
	219

8. Cash equivalents, cash and bank balances

	31.12.2022 £'000
Cash equivalents: cash in the CCLA Public Sector Deposit Fund	7,500
Cash and bank balances: cash at bank	887
	887

9. Other creditors

	31.12.2022 £'000
Accrued expenses	19
Corporation tax payable	7
	26

10. Financial instruments

Fair value

Securities held by the Sub-Fund are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to Shareholders should they wish to sell their Shares. Other financial assets and liabilities of the Shares are included in the balance sheet at their fair value.

The main risks arising from the Sub-Fund's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied consistently throughout the period.

CCLA BETTER WORLD GLOBAL EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
for the period from 8 April 2022 to 31 December 2022

10. Financial instruments (*continued*)

Market price risk

This is an actively managed Sub-Fund which invests mainly in UK and overseas equities. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Sub-Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the Share price from time to time, although there will generally be a positive correlation in the movement of the Share price to the markets the Sub-Fund is invested in. The Sub-Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Sub-Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the ACD on a regular basis.

At 31 December 2022, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would increase or decrease respectively by approximately £10,213,000.

Credit risk

The Sub-Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase, the cash for a sale or the settlement amounts for forward currency contracts. To minimise this, the Sub-Fund only deals with an approved list of brokers maintained by the ACD. Depending on the counterparty, the Sub-Fund may employ collateral arrangements for forward currency contracts.

Liquidity risk

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

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

10. Financial instruments (continued)

Currency risk

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

At 31 December 2022, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would decrease or increase respectively by approximately £1,861,000.

The total foreign currency exposure at 31 December was:

Currency	31.12.2022		Total £'000
	Monetary exposures £'000	Non- monetary exposures £'000	
Danish krona	–	4,018	4,018
Euro	–	23,818	23,818
Hong Kong dollar	–	3,443	3,443
Japanese yen	–	1,815	1,815
Swedish krona	–	3,887	3,887
Swiss franc	–	7,457	7,457
US dollar	218	141,462	141,680
Total	218	185,900	186,118

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

10. Financial instruments (continued)

Interest rate risk

The majority of the Sub-Fund's financial assets are equities which neither receive interest nor have maturity dates. The Sub-Fund also invests in cash deposits, the revenue of which may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

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

The total exposure at 31 December 2022 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	8,387	–	18,362	26,749
Euro	–	–	23,818	23,818
US dollar	–	–	141,680	141,680
Other	–	–	20,620	20,620
Total	8,387	–	204,480	212,867

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(556)	(556)
Total	–	–	(556)	(556)

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

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

CCLA BETTER WORLD GLOBAL EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
for the period from 8 April 2022 to 31 December 2022

11. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 December 2022.

12. Related party transactions

The Sub-Fund's Authorised Corporate Director (ACD), CCLA Investment Management Limited is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

ACD fees charged by CCLA Investment Management Limited are shown in note 4 and details of shares created and cancelled by CCLA Investment Management Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the period end the balance due to CCLA Investment Management Limited in respect of these transactions was £472.

At the period end, 0.73% of the shares in issue were held by CCLA Investment Management Limited.

At the period end, a cash balance of £7,500,000 was held in the Public Sector Deposit Fund (PSDF), which is managed by CCLA Investment Management Limited.

As at 31 December 2022, The CBF Church of England Global Equity Income Fund held 98.82% of the value of the Fund.

13. Portfolio transaction costs

For the year ended 31 December 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	33,330	15	0.05	21	0.06	33,366
In-specie transactions	221,081	–	–	–	–	221,081
Total	254,411	15		21		254,447

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

13. Portfolio transaction costs (*continued*)

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	36,526	(17)	0.05	(3)	0.01	36,506
Corporate actions	23	–	–	–	–	23
Total	36,549	(17)		(3)		36,529

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2022 was 0.03%.

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

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

14. Shareholders' funds – reconciliation of Shares

	31.12.2022			
	Class 'C' Shares Income	Class 'C' Shares Accumulation	Class 'T' Shares Income	Class 'T' Shares Accumulation
Opening number of Shares at beginning of period	–	–	–	–
Shares issued in period	93,065	585,719	671	667
Shares cancelled in period	(1)	(110)	–	–
Shares converted in period	–	–	–	–
Closing number of Shares at end of period	93,064	585,609	671	667
			Class 'X' Shares Income	Class 'X' Shares Accumulation
Opening number of Shares at beginning of period			–	–
Shares issued in period			1,991,312	1,103,426
Shares cancelled in period			(3,252,374)	–
Shares converted in period			150,120,735	–
Closing number of Shares at end of period			148,859,673	1,103,426

All Shares carry the same rights.

15. 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.

CCLA BETTER WORLD GLOBAL EQUITY FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the period from 8 April 2022 to 31 December 2022

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

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 period ended 31 December 2022

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	204,261	–	–	204,261
	204,261	–	–	204,261

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 ACD uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For financial instruments for which the ACD 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 ACD considers reliable, based upon audit reports and the ACD's own knowledge of the investee entity.

CCLA BETTER WORLD GLOBAL EQUITY FUND
DISTRIBUTION TABLES
for the period from 8 April 2022 to 31 December 2022

Period ended	Date payable/paid 2022	Dividends payable/paid £ per Share 2022
Class C Shares – Income		
30 June	31 August	0.01
30 September	30 November	0.00
31 December	28 February	0.00
		0.01

Period ended	Date payable/paid 2022	Dividends payable/paid £ per Share 2022
Class I Shares – Income		
30 June	31 August	0.01
30 September	30 November	0.00
31 December	28 February	0.00
		0.01

Period ended	Date payable/paid 2022	Dividends payable/paid £ per Share 2022
Class X Shares – Income		
30 June	31 August	0.01
30 September	30 November	0.00
31 December	28 February	0.00
		0.01

CCLA BETTER WORLD GLOBAL EQUITY FUND
DISTRIBUTION TABLES
for the period from 8 April 2022 to 31 December 2022

Period ended	Revenue accumulated £ per Share 2022
Class C Shares – Accumulation	
30 June	0.01
30 September	0.00
31 December	0.00
	0.01

Period ended	Revenue accumulated £ per Share 2022
Class I Shares – Accumulation	
30 June	0.01
30 September	0.00
31 December	0.00
	0.01

Period ended	Revenue accumulated £ per Share 2022
Class X Shares – Accumulation	
30 June	0.01
30 September	0.00
31 December	0.00
	0.01

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

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ACD

CCLA Investment Management Limited

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J Jesty
J Hobart
C Johnson
A Roughead
C West

Fund Manager

C Ryland

Company Secretary

J Fox

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J-P Lim

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ABOUT CCLA

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

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

CCLA

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

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