COIF CHARITIES ETHICAL INVESTMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

CCLA

CONTENTS

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

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

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

REPORT OF THE BOARD
for the year ended 31 December 2024

On behalf of the Board, I have pleasure in presenting the Annual Report and Audited Financial Statements of the COIF Charities Ethical Investment Fund (the Fund), which includes a separate report from CCLA Investment Management Limited as Investment Manager of the Fund.

Structure and management of the Fund
The Fund is a Common Investment Fund established and regulated by the Scheme dated 8 October 2009 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by resolutions of the charity trustees of the Fund dated 21 July 2014, 22 July 2014, 5 December 2015 and 15 May 2017 (the Scheme). The Fund is managed by the Manager as an unregulated collective investment scheme and as a UK alternative investment fund in accordance with the Financial Conduct Authority Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation.

The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, investments and charities. No Board member is required to be approved by the Financial Conduct Authority because the Board does not carry out regulated activities in relation to the Fund. The COIF Board appoints the Manager who is responsible for all the investment management and administration services in relation to the Fund including the day to day management of the Fund. The Manager is also responsible for the risk management of the Fund. The Investment Manager (CCLA Investment Management Limited) has been appointed by the Manager to provide portfolio management, administrative and secretarial services to the Fund under the Investment Management Agreement. The Board meets at least four times per annum to receive reports and monitor the progress of the Fund.

The Board is responsible for setting and subsequently reviewing the investment policy of the Fund, monitoring performance, appointing the Auditors to the Fund and agreeing the fees charged by the Depositary, the Manager and the Auditors.

The Trustee and Depositary, HSBC Bank plc, appointed under the Scheme is responsible for the supervision and oversight of the Manager's compliance with the Scheme and Scheme Particulars and also for the custody and safekeeping of the property of the Fund. It is also responsible for the appointment and supervision of the Registrar of the Fund. The division between management and Depositary functions provides an additional layer of protection for Unitholders. The Board, Trustee and Manager are considered Charity Trustees of the Fund within the meaning of the

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Charities Act 2011. From 20 November 2023, CCLA appointed FNZ TA Services Limited (FNZ) as its transfer agent. As transfer agent, FNZ now process all transactions in units of the fund, record changes to client static information on behalf of CCLA and facilitate the payment of income distributions.

As part of the outsourcing arrangement, a number of changes were made to the Fund, including:

- change in dealing frequency, from weekly to daily;
- changes to the valuation point and dealing deadline to receive dealing instructions; and
- change to pricing mechanism, from dual priced (bid/offer) to single 'swing' pricing for both buy and sell instructions.

Disappointingly, the transition was not as smooth as CCLA had expected and tested for. This resulted in a period where we fell behind our usually high standards of administration and reporting. Performance has improved and we continue to work tirelessly to ensure we return to the service levels our clients expect from us. The Board have been kept fully informed and understand the difficulties experienced by CCLA and COIF's clients.

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

Target Benchmark
A long-term total return before costs of 5% per annum net of inflation as measured by the increase in the Consumer Price Index.

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

The Fund has a wide range of ethical restrictions and is advised by an advisory committee that identifies potential areas of policy development and refinement of the Fund's client-driven ethical investment policy.

Distribution policy
The Fund has the capacity to make distributions from both income and capital. The annual rate of distribution is approved by the Board in discussions with the Manager.

In addition, if a distribution made in relation to any Income Units remains unclaimed over the subsequent three accounting periods for which distributions are made for those Units, the Manager may, at its discretion, re-invest that distribution. If a distribution made in relation to any Income Units remains unclaimed for a period of six years after it has become due, it may be forfeited and will revert to the Fund.

REPORT OF THE BOARD
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Target investors
The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability 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 Board met quarterly during the period to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to monitor investment diversification, suitability and risk and to review the performance of the Fund. In addition, the Board reviewed the administration, expenses and pricing of the Fund.

The Board is aware that investment performance was disappointing in relative terms during 2024 against the Comparator Benchmark and this has been discussed in detail with both the investment team and senior CCLA management. Without being at all complacent, the Board notes that long-term performance over 10 years remains encouraging in both absolute and relative terms.

The Board reviewed the progress of the Manager and approved the valuation of the investments in the Fund, which are included within the portfolio statement of these Financial Statements.

During the period, the Board also met quarterly with the Manager to review the investments, transactions and policies of the Fund.

The Investment Manager's report, which appears later, provides further details.

The Board evaluates the capability of the Manager (CCLA Fund Managers Limited) and is carefully monitoring its performance, resources and structure.

In terms of other matters, the Board is pleased to report that CCLA won a tax reclaim from HMRC regarding VAT charged on management fees in the period immediately before Brexit. HMRC are not appealing the decison and the exact amount to be credited to the fund is still being agreed with HMRC but it will be substantial, as in £millions.

Sustainability approach
In 2024, the Financial Conduct Authority introduced 'Sustainable Disclosure Requirements' (SDRs). These SDRs strictly limit the term 'sustainable' to funds that carry one of the FCA's four 'sustainability labels'. Those labels, are
Sustainability Focus: these funds invest mainly in assets that focus on sustainability for people or the planet.

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Sustainability Improvers: these funds invest mainly in assets that may not be sustainable now, but aim to improve their sustainability.
Sustainability Impact: these funds invest mainly in solutions to sustainability problems with an aim to achieve a positive impact for people or the planet.
Sustainability Mixed Goals: these funds invest mainly in a mix of assets that either focus on sustainability, aim to improve their sustainability over time, or aim to achieve a positive impact for people or the planet.

In creating the Sustainable investment labels the FCA's aim was to help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal. However, the listed equities held in the Fund are managed in line with CCLA's 'Act, Assess, Align' approach to sustainability. Other assets are managed in line with the 'Align' approach as set out in the targeted restrictions below.

The 'Act, Assess, Align' approach includes:

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

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

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

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

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

This work only applies to the listed equity component of the Fund. CCLA may change or add to these areas of focus.

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

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

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

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

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

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

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

I. **Corporate Governance:** assessments of companies' corporate governance is conducted using the CCLA Corporate Governance Rating. Companies with an E or F (the two lowest ratings provided) require the approval of the CCLA Investment Committee.
II. **ESG Risk/Wider Sustainability factors:** we assess ESG Risk using our third-party data provider's ESG Risk Rating. Companies which have an ESG Risk rating of 35 (high risk) or more are deemed high risk and require Investment Committee approval for investment. The ESG Risk Rating scale ranges from 0 (negligible risk) to 40+ (severe risk).

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

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

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

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

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

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

Align: investing in a way that we believe is aligned with the values of our clients.

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

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As an 'ethical fund', the Fund implements extensive and targeted values-based restrictions upon investment. As such, companies and any other assets that meet the following criteria are restricted from investment by the Fund:

- **Abortifacients:** companies that do not meet the Manager's screening for single-purpose abortifacients.
- **Adult Entertainment:** companies that derive more than 10% of revenue from the production and/or distribution of adult entertainment.
- **Gambling:** companies that derive more than 10% of revenue from the operation of gambling establishments and the provision of key support services and products.
- **Alcohol:** companies that derive more than 10% of revenue from the production and/or retail of alcohol and related products or services.
- **Tobacco:** companies that have any involvement in the production of tobacco and/or derive more than 5% of revenue from the production and/or retail of tobacco and related products/services.
- **Cannabis:** companies that derive more than 10% of revenue from the production and/or retail of non-medicinal cannabis.
- **Controversial Weapons:** companies that have any involvement in the production of Controversial Weapons (core weapons and components). These are defined as landmines, cluster munitions, chemical and/or biological weapons.
- **Nuclear Weapons:** companies that have any involvement in the production of core weapons and/or components of nuclear weapons.
- **Military Weapons:** companies that derive more than 10% of revenue from the production of military weapons and equipment (core weapons, components and equipment/services) and/or the provision of key non-weapons related, tailor-made products for the defence industry.
- **Civilian Firearms:** companies that derive more than 10% of revenue from the production and/or retail of civilian firearms (including key components).
- **High Interest Rate Lending:** companies that derive more than 10% of their revenue from high interest rate lending.
- **Breast Milk Substitutes:** companies that do not meet the Manager's minimum standards for breast milk substitutes, based on the Access to Nutrition BMS index.
- **Animal Testing on Cosmetics:** Companies in the Personal Products Global Industry Classification Standard Sub-Industry that have any involvement in testing cosmetics on animals. Due to regulatory requirements in some countries, exceptions will be made for companies that are identified as promoting alternatives to animal testing and which adopt a rigorous, responsible, animal testing policy.
- **Thermal Coal Extraction:** companies that derive more than 5% of revenue from the extraction of thermal coal and/or produce more than 10 million metric tonnes of coal (or have plans to expand their coal production).

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

These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures. The full values-based screening policy is available on our website at www.ccla.co.uk/about-us/policies-and-reports. Recognising the importance of restrictions to Unitholders the Manager will disclose the percentage of the MSCI World Index that is restricted from investment by the Fund.

The Fund has set an aspirational target to dedicate 5% of capital to investments that provide positive social or environmental objectives and meet standard risk/return criteria.

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Controls and risk management
The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. 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.

During the period, the Board, assisted by the Manager, reviewed the Fund's systems of internal controls and risk reporting.

Possible Future Developments
The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on Page 3 of this Annual Report, to a Charities 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. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change.

A formal decision has not been made by the Board to transition existing assets from a CIF to a CAIF so nothing, as yet, has been communicated to unitholders. However, the transition is expected to happen in 2026. On completion of the transfer, the COIF Charities Ethical Investment Fund would cease operations and be wound up, with the investors' existing holdings in the existing CIF being replaced with their equivalent in the new CAIF. The Board therefore concluded that the COIF Charities Ethical Investment Fund's financial statements are to be prepared on a basis other than going concern.

The Board would like to stress that any costs associated with a transition are expected to be rigorously contained and that the Board will work with the Manager to ensure this occurs in practice.

N Morecroft
Chair
17 June 2025

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

Strategy

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

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

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

Annualised total capital and income return

To 31 December 2024	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)			
COIF Charities Ethical Investment Fund			
Income Units*	**5.69**	**6.71**	**8.57**
Accumulation Units*	**5.69**	**6.72**	**8.62**
Target benchmark+	7.57	9.56	8.08
Comparator#	15.31	7.40	7.94
Consumer Price Index (CPI)	2.57	4.56	3.08

+ Target benchmark – Consumer Price Index (CPI) plus 5% (before fees).

Comparator – Composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01.01.16 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/MSCI™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, MSCI™ UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5% and to 31.12.11 FTSE All-Share 60%, FTSE All-World Developed Ex UK 20%, MSCI™ All Properties 10% and FTSE UK Government All Stocks 10%.

* Mid to mid plus income re-invested.

Source: CCLA, Bloomberg & HSBC.

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

Over the 12 months under review, the Fund's total return was 5.7% on the Income Units and 5.7% on the Accumulation Units, after costs and expenses. This compares with the Fund's target benchmark of 7.6%, before fees, and a return of 15.3% on the comparator benchmark.

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

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

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

From early 2024, it became clear that major economies would probably avoid recessions and continue to grow. In the US, the Federal Reserve (Fed) expects that US gross domestic product (GDP) grew 2.8% last year. The eurozone and UK economies also avoided recessions, growing 0.9% and 1.7% in 2024, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C Ryland
Head of Investment
CCLA Investment Management Limited
17 June 2025

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Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		**Sales:**	
Compass Group	25,196	Costco Wholesale	19,231
O'Reilly Automotive	22,062	Pepsico	18,558
Unite Group	20,115	Edwards Lifesciences	17,472
Ashtead Group	19,959	Ametek	16,448
Gallagher (Arthur J)	19,828	Hipgnosis Songs Fund	15,963
Spirax-Sarco Engineering	19,230	Starbucks	15,546
Blackstone Secured Lending Fund	15,617	Nike	15,044
Oakley Capital Investments	15,348	Macquarie Korea Infrastructure Fund	14,785
The Coca-Cola Company	14,947	BlackStone	13,486
Epiroc	13,168	Trane Technologies	12,467

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 Units 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 Units 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 daily dealing day only.

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

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

REPORT OF THE DEPOSITARY
for the year ended 31 December 2024

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM has been managed in accordance with the rules in the sourcebook, the Scheme Particulars of the Company and as required by the AIFMD.

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
17 June 2025

INDEPENDENT AUDITOR'S REPORT
to the Board of COIF Charities Ethical Investment Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The COIF Charities Ethical Investment Fund ('the Fund'):

- give a true and fair view of the financial position of the Fund as at 31 December 2024 and of the net revenue and the net capital gains on the property of the Fund for the year ended 31 December 2024;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Alternative Investment Fund Managers Directive (AIFMD).

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution tables; and
- the related notes 1 to 17.

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), and the Charities Act 2011.

Basis for opinion

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

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

INDEPENDENT AUDITOR'S REPORT
to the Board of COIF Charities Ethical Investment Fund

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

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

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

We have nothing to report in this regard.

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

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

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

INDEPENDENT AUDITOR'S REPORT
to the Board of COIF Charities Ethical Investment Fund

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

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

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

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

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

We discussed among the audit engagement team, including relevant internal specialists such as IT specialists and Financial instrument 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 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.

INDEPENDENT AUDITOR'S REPORT
to the Board of COIF Charities Ethical Investment Fund

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Boards' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Fund's Board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Fund's Board 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 Fund and the Fund's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
17 June 25

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

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

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

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

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

COMPARATIVE TABLE

Change in net assets per Unit

	Income Units		
	Year to 31.12.2024 pence per Unit	Year to 31.12.2023 pence per Unit	Year to 31.12.2022 pence per Unit
Opening net asset value per Unit	**300.69**	273.74	312.58
Return before operating charges*	**18.83**	37.51	(28.28)
Operating charges***	**(2.08)**	(1.95)	(1.95)
Return after operating charges*	**16.75**	35.56	(30.23)
Distributions on Income Units	**(8.78)**	(8.61)	(8.61)
Closing net asset value per Unit	**308.66**	300.69	273.74
* after direct transaction costs of:	**0.07**	0.06	0.10
Performance			
Return after charges	**5.57%**	12.99%	(9.67%)
Other information			
Closing net asset value (£'000)	**1,842,380**	1,748,827	1,531,620
Closing number of Units	**596,904,933**	581,606,543	559,517,246
Operating charges**	**0.96%**	0.89%	0.88%
Direct transaction costs	**0.02%**	0.02%	0.03%
Prices (pence per Unit)			
Highest Unit price	**318.41**	302.67	312.39
Lowest Unit price	**293.47**	268.55	268.57

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

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024 and 31 December 2023 include synthetic costs of 0.28% and 0.20% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

*** Operating charges includes VAT reclaims received during the year.

COMPARATIVE TABLE

Change in net assets per Unit

	Accumulation Units		
	Year to 31.12.2024 pence per Unit	Year to 31.12.2023 pence per Unit	Year to 31.12.2022 pence per Unit
Opening net asset value per Unit	**507.07**	447.98	496.15
Return before operating charges*	**31.89**	62.31	(45.02)
Operating charges***	**(3.55)**	(3.22)	(3.15)
Return after operating charges*	**28.34**	59.09	(48.17)
Distributions on Accumulation Units	**(11.43)**	(10.54)	(8.96)
Retained distributions on Accumulation Units	**11.43**	10.54	8.96
Closing net asset value per Unit	**535.41**	507.07	447.98
* after direct transaction costs of:	**0.12**	0.09	0.15
Performance			
Return after charges	**5.59%**	13.19%	(9.71%)
Other information			
Closing net asset value (£'000)	**524,805**	461,680	402,451
Closing number of Units	**98,018,678**	91,049,361	89,837,756
Operating charges**	**0.96%**	0.89%	0.88%
Direct transaction costs	**0.02%**	0.02%	0.03%
Prices (pence per Unit)			
Highest Unit price	**548.46**	507.59	495.86
Lowest Unit price	**494.89**	449.58	429.33

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

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024 and 31 December 2023 include synthetic costs of 0.28% and 0.20% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

*** Operating charges includes VAT reclaims received during the year.

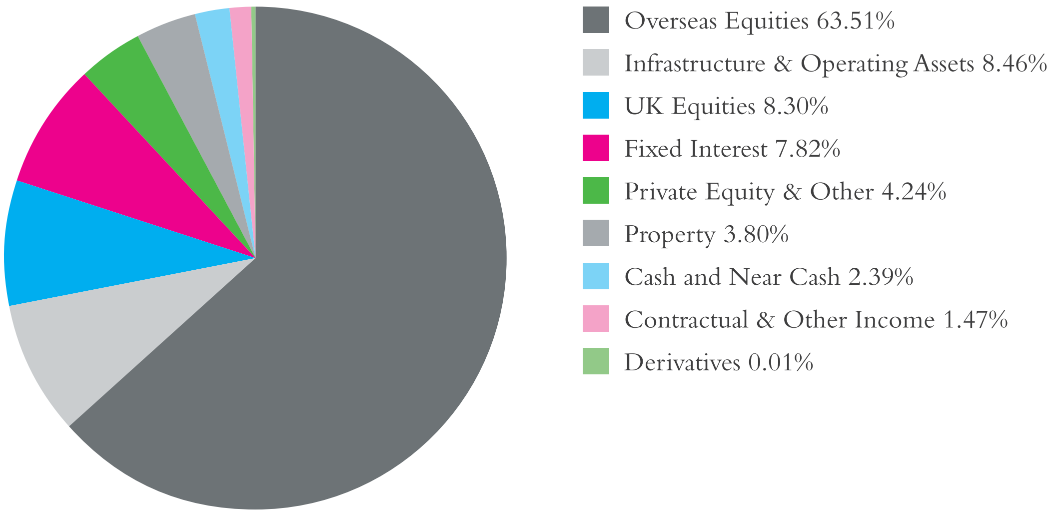
OPERATING CHARGES ANALYSIS
for the year ended 31 December 2024

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

	31.12.2024 **%**	31.12.2023 %
Manager's annual management charge including VAT	**0.66**	0.67
Safe custody fees and depositary fee	**0.01**	0.01
Other expenses	**0.01**	0.01
Total operating charges	**0.68**	0.69

PORTFOLIO ANALYSIS
at 31 December 2024

Portfolio Allocation



Breakdown of Overseas Equities by Geography

North America	44.99%
Developed Europe	13.54%
Asia Pacific ex Japan	3.17%
Japan	0.84%
Other	0.97%
	63.51%

Breakdown of Equities by Sector

Information Technology	19.43%
Financials	14.38%
Health Care	10.67%
Industrials	10.45%
Consumer Discretionary	7.91%
Consumer Staples	3.94%
Communication Services	2.76%
Real Estate	1.38%
Utilities	0.88%
Materials	0.00%
Energy	0.00%
	71.80%

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

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 8.34% (31.12.2023 – 9.21%)			
Consumer Discretionary 2.65% (31.12.2023 – 1.56%)			
Compass Group	1,104,334	29,364	1.24
InterContinental Hotels Group	197,256	19,635	0.83
Watches of Switzerland Group	2,473,803	13,841	0.58
Financials 1.31% (31.12.2023 – 1.57%)			
London Stock Exchange Group	274,173	30,940	1.31
Health Care 0.81% (31.12.2023 – 0.90%)			
AstraZeneca	183,026	19,152	0.81
Industrials 3.57% (31.12.2023 – 2.49%)			
Ashtead Group	341,554	16,941	0.72
Experian	733,672	25,275	1.07
RELX	746,189	27,072	1.14
Spirax-Sarco Engineering	222,801	15,273	0.64
Real Estate 0.00% (31.12.2023 – 2.69%)			
OVERSEAS EQUITIES 62.68% (31.12.2023 – 63.73%)			
DEVELOPED EUROPE 13.55% (31.12.2023 – 15.43%)			
Communication Services 1.07% (31.12.2023 – 1.07%)			
Universal Music Group	1,242,552	25,232	1.07
Consumer Discretionary 1.22% (31.12.2023 – 0.78%)			
Hermes	15,001	28,787	1.22
Consumer Staples 2.64% (31.12.2023 – 2.76%)			
Kerry Group	285,084	21,874	0.92
L'Oréal	58,958	16,635	0.70
Nestlé	367,563	24,237	1.02

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Financials 2.28% (31.12.2023 – 1.65%)			
Deutsche Boerse	141,845	26,118	1.10
Partners Group	25,275	27,380	1.16
Health Care 1.84% (31.12.2023 – 2.89%)			
Essilor International	135,954	26,225	1.11
Novo Nordisk	250,651	17,239	0.73
Industrials 2.45% (31.12.2023 – 1.84%)			
Epiroc	884,455	12,262	0.52
Schneider	100,060	19,930	0.84
Wolters Kluwer	194,707	25,766	1.09
Information Technology 2.07% (31.12.2023 – 4.07%)			
ASML Holding	40,115	22,488	0.95
Hexagon	3,493,729	26,598	1.12
Utilities 0.00% (31.12.2023 – 0.37%)			
NORTH AMERICA 45.10% (31.12.2023 – 44.47%)			
Communication Services 1.68% (31.12.2023 – 1.32%)			
Alphabet C	262,570	39,924	1.68
Consumer Discretionary 4.07% (31.12.2023 – 4.21%)			
Amazon.com	267,109	46,780	1.98
McDonald's	105,633	24,451	1.03
O'Reilly Automotive	26,524	25,111	1.06
Consumer Staples 1.31% (31.12.2023 – 2.88%)			
The Coca-Cola Company	623,733	31,017	1.31

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Financials 8.95% (31.12.2023 – 7.74%)			
CME Group	154,296	28,611	1.21
Gallagher (Arthur J)	92,767	21,024	0.89
Intercontinental Exchange Group	230,160	27,386	1.16
Marsh & McLennan	124,158	21,059	0.89
Mastercard	62,539	26,324	1.11
S&P Global	70,340	28,002	1.18
Tradeweb Markets	260,697	27,252	1.15
Visa A	127,035	32,084	1.36
Health Care 8.07% (31.12.2023 – 9.39%)			
Agilent Technologies	165,090	17,714	0.75
Avantor	1,270,216	21,380	0.90
Danaher	127,057	23,294	0.98
ICON	147,471	24,674	1.04
Illumina	127,719	13,627	0.58
Stryker	78,461	22,559	0.95
Thermo Fisher Scientific	66,585	27,653	1.17
UnitedHealth Group	41,686	16,857	0.71
Zoetis	179,153	23,323	0.99
Industrials 4.46% (31.12.2023 – 5.57%)			
Deere & Company	54,463	18,424	0.78
IDEX	118,089	19,745	0.83
Ingersoll Rand	167,001	12,064	0.51
Trane Technologies	58,099	17,143	0.72
TransUnion	276,337	20,447	0.86
Union Pacific	99,342	18,088	0.76

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Information Technology 14.28% (31.12.2023 – 11.07%)			
Accenture	68,990	19,395	0.82
Adobe	62,154	22,068	0.93
Ansys	104,544	28,153	1.19
Broadcom	156,764	29,012	1.23
Fortinet	331,241	24,989	1.06
Intuit	48,806	24,493	1.03
Microsoft	160,269	53,911	2.28
Nvidia	212,525	22,768	0.96
NXP Semiconductors	123,919	20,566	0.87
Roper Technologies	70,168	29,117	1.23
ServiceNow	20,489	17,335	0.73
Synopsys	66,502	25,749	1.09
Texas Instruments	135,321	20,260	0.86
Real Estate 1.40% (31.12.2023 – 1.64%)			
Alexandria Real Estate Equities	196,574	15,300	0.65
American Tower	120,895	17,693	0.75
Utilities 0.88% (31.12.2023 – 0.65%)			
NextEra Energy	364,044	20,842	0.88
JAPAN 0.85% (31.12.2023 – 0.90%)			
Information Technology 0.85% (31.12.2023 – 0.90%)			
Keyence	61,100	20,053	0.85
ASIA PACIFIC EX JAPAN 3.18% (31.12.2023 – 2.93%)			
Financials 1.91% (31.12.2023 – 1.91%)			
AIA Group	3,587,600	20,762	0.88
HDFC Bank	478,898	24,411	1.03
Information Technology 1.27% (31.12.2023 – 1.02%)			
Taiwan Semiconductor Manufacturing Company	1,148,000	30,057	1.27
OTHER 0.97% (31.12.2023 – 1.08%)			
Information Technology 0.97% (31.12.2023 – 1.08%)			
Nice	169,048	22,899	0.97

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
PRIVATE EQUITY & OTHER 4.25% (31.12.2023 – 3.22%)			
Private Equity 4.25% (31.12.2023 – 3.22%)			
Blackstone Capital Partners Asia**	1	2,361	0.10
Cambridge Innovation Capital**	1	2,037	0.09
Clean Energy and Environment Fund**	1	272	0.01
Clean Growth Fund**	1	2,674	0.11
HG Capital Trust	4,221,359	22,626	0.96
NB Private Equity Partners A	1,273,419	20,120	0.85
Oakley Capital Investments	3,078,898	15,271	0.64
Pantheon International	3,445,697	11,078	0.47
Partners Group Private Equity Holding	1,138,177	10,069	0.43
Rubicon Partners**	1	14,039	0.59
INFRASTRUCTURE & OPERATING ASSETS 8.48% (31.12.2023 – 7.13%)			
Energy Resources & Environment 3.70% (31.12.2023 – 4.53%)			
Bluefield Solar Income Fund	3,891,675	3,666	0.16
Brookfield Renewable Partners	711,668	12,939	0.55
Foresight Solar Fund	10,333,958	7,947	0.34
Greencoat UK Wind	18,337,507	23,417	0.99
NextPower III**	1	12,653	0.53
SDCL Energy Efficiency Income Trust	12,365,327	6,739	0.28
The Forest Company**	67,360	127	0.01
The Renewables Infrastructure Group	20,991,189	18,010	0.76
US Solar Fund	6,022,669	1,972	0.08
General 2.44% (31.12.2023 – 2.48%)			
Brookfield Infrastructure Partners	1,202,117	30,485	1.29
Infracapital Partners III**	1	2,830	0.12
Infratil	1,508,697	8,504	0.36
International Public Partnership	5,502,646	6,669	0.28
KKR Global Infrastructure Investors III**	1	2,040	0.09
Macquarie Korea Infrastructure Fund	94,780	544	0.02
Pan-European Infrastructure Fund I**	1	458	0.02
Pan-European Infrastructure Fund II**	1	5,109	0.21
Strategic Partners Offshore Real Assets – Infrastructure II**	1	1,230	0.05

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Social 2.34% (31.12.2023 – 0.12%)			
Assura	44,614,112	17,105	0.72
Empiric Student Property	5,672,350	4,736	0.20
European Student Housing Fund**	1	1,387	0.06
HICL Infrastructure	8,957,750	10,642	0.45
KMG Wren Retirement Fund+	1,416	607	0.03
Target Healthcare REIT	4,098,860	3,443	0.14
Unite Group	2,159,988	17,420	0.74
PROPERTY 3.77% (31.12.2023 – 3.17%)			
COIF Charities Property Fund Income Units*	52,296,639	54,012	2.28
PRS REIT	5,446,422	5,860	0.25
Segro REIT	1,776,260	12,448	0.52
Tritax Big Box REIT	12,865,620	17,073	0.72
MULTI ASSET 0.14% (31.12.2023 – 0.00%)			
GCP Asset Backed Income Fund	4,247,449	3,207	0.14
CONTRACTUAL & OTHER INCOME 1.32% (31.12.2023 – 1.40%)			
Ares Capital	590,763	10,326	0.44
Blackstone Secured Lending Fund	654,652	16,868	0.71
KKR Mezzanine Partners I**	1	73	–
KKR Private Credit Opportunities Partners II**	1	766	0.03
RM Infrastructure Income Fund	2,161,959	1,578	0.07
Social and Sustainable Housing**	1	1,597	0.07
FIXED INTEREST 5.18% (31.12.2023 – 5.80%)			
Government Bond 5.18% (31.12.2023 – 5.80%)			
UK Treasury 3.25% 2044	£85,596,293	66,751	2.82
UK Treasury 4.5% 2042	£59,681,798	56,016	2.36

PORTFOLIO STATEMENT
at 31 December 2024

	Holding	Fair value £'000	% of total net assets
Funds 2.65% (31.12.2023 – 2.80%)			
COIF Charities Short Duration Bond Fund*	£34,095,420	42,981	1.82
Federated Hermes Sustainable Global Investment Grade Credit Fund	£19,717,318	19,778	0.83
CERTIFICATE OF DEPOSIT 0.00% (31.12.2023 – 0.46%)			
INVESTMENT ASSETS		2,314,674	97.78
NET OTHER ASSETS		52,511	2.22
TOTAL NET ASSETS		2,367,185	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 COIF Charities Property Fund and the COIF Charities Short Duration Bond Fund are managed by the Manager and represents a related party transaction.
** Unquoted investments.
+ The last available price for this SICAV was as at 16 December 2024.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2024

	Note	Year ended 31.12.2024 £'000	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000	Year ended 31.12.2023 £'000
Income					
Net capital gains	2		**91,047**		225,166
Revenue	3	**55,029**		49,516	
Expenses	4	**(15,800)**		(14,118)	
Interest payable and similar charges		**–**		(9)	
Net revenue before taxation		**39,229**		35,389	
Taxation	5	**(3,018)**		(2,531)	
Net revenue after taxation			**36,211**		32,858
Total return before distributions			**127,258**		258,024
Distributions	6		**(63,438)**		(59,085)
Change in net assets attributable to Unitholders from investment activities			**63,820**		198,939

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

	Year ended 31.12.2024 £'000	Year ended 31.12.2024 £'000	Year ended 31.12.2023 £'000	Year ended 31.12.2023 £'000
Opening net assets attributable to Unitholders		**2,210,507**		1,934,071
Amounts receivable on issue of Units	**256,275**		132,201	
Amounts payable on cancellation of Units	**(131,367)**		(56,532)	
In-specie transactions	**(42,805)**		(7,821)	
		82,103		67,848
Change in net assets attributable to Unitholders from investment activities		**63,820**		198,939
Retained distributions on Accumulation Units		**10,755**		9,649
Closing net assets attributable to Unitholders		**2,367,185**		2,210,507

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

BALANCE SHEET
at 31 December 2024

	Note	31.12.2024 £'000	31.12.2024 £'000	31.12.2023 £'000	31.12.2023 £'000
ASSETS					
Fixed assets:					
Investments			**2,314,674**		2,166,224
Current assets:					
Debtors	7	**11,250**		7,782	
Cash equivalents	*8*	**54,500**		41,983	
Cash and bank balances	*8*	**8,493**		8,754	
Total current assets			**74,243**		58,519
Total assets			**2,388,917**		2,224,743
LIABILITIES					
Creditors:					
Other creditors	*9*	**8,610**		1,499	
Distribution payable on Income Units		**13,122**		12,737	
Total creditors			**21,732**		14,236
Total liabilities			**21,732**		14,236
Net assets attributable to Unitholders			**2,367,185**		2,210,507

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

Approved on behalf of the Board — N Morecroft, Chair
17 June 2025

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

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

1. **Accounting policies**

(a) Basis of preparation

The financial statements have been prepared on a basis other than that of a going concern, as a result of the COIF Board's decision to wind up the Fund. This basis includes, where applicable, writing the Fund's assets down to net realisable 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 United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Charities Act 2011, and Alternative Investment Fund Managers Directive (AIFMD). The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

The Fund is exempt from preparing a statement of cash flows under FRS 102 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.

The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on Page 10 of this Annual Report, to a Charities 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. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change.

A formal decision has not been made by the Board to transition existing assets from a CIF to a CAIF so nothing, as yet, has been communicated to unitholders. However, the transition is expected to happen in 2026. On completion of the transfer, the COIF Charities Ethical Investment Fund would cease operations and be wound up, with the investors' existing holdings in the existing CIF being replaced with their equivalent in the new CAIF. The Board therefore concluded that the COIF Charities Ethical Investment Fund's financial statements are to be prepared on a basis other than that of a going concern.

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

1. Accounting policies *(continued)*

(a) Basis of preparation (continued)

The Board would like to stress that any costs associated with a transition are expected to be rigorously contained and that the Board will work with the Manager to ensure this occurs in practice.

(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 government and other fixed interest stocks are accrued on a daily basis. Interest on bank deposits are accrued on a daily basis and interest on deposits in the COIF Charities Deposit Fund are credited to revenue on receipt of cash.

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

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

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

(c) Stock dividends

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

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

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

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

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

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

(e) Expenses

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.60% plus VAT during the year.

The Fund received AMC rebates credited to the capital of the Fund for its holdings during the year in the COIF Charities Property Fund. The Fund also received AMC rebates credited to the revenue of the Fund received a management fee rebate credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund where AMC is charged to revenue.

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

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

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

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

(f) Distributions

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

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

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

(g) Basis of valuation

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

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

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

Suspended securities are valued by the Manager having regard to the last quoted price on or before the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

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

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

(h) Foreign exchange

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at close of business on 31 December 2024, the last business day in the accounting period.

The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates. Fluctuations in the value of such forward currency contracts are recorded as unrealised gains or losses. Realised gains or losses include net gains or losses on transactions that have terminated by settlement or by the Fund entering into offsetting commitments.

(i) Cash equivalent

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

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

2. **Net capital gains**

	31.12.2024 £'000	31.12.2023 £'000
The net capital gains during the year comprise:		
Realised gains on non-derivative securities*	**55,519**	28,478
Unrealised gains on non-derivative securities*	**35,571**	197,049
Realised losses on forward currency contracts*	**–**	(1)
Manager's annual management charge rebate – see note 1(e)**	**424**	442
Currency losses	**(467)**	(802)
	91,047	225,166

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

** This amount includes the annual management charge rebates credited to the Fund's capital. This is for the Fund's deposits in the COIF Charities Property Fund where the annual management charge is charged to capital.

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

3. Revenue

	31.12.2024 £'000	31.12.2023 £'000
Overseas dividends	**28,130**	25,253
UK dividends	**7,661**	6,423
Franked dividend distributions	**2,986**	3,627
Franked dividends on unquoted stocks	**1,126**	2,030
Interest on debt securities	**8,203**	6,967
Interest on the CCLA Public Sector Deposit Fund	**2,546**	2,134
Property income distributions	**3,551**	2,362
Bank interest	**812**	594
Manager's annual management charge rebate*	**14**	126
	55,029	49,516

* This amount represents the annual management charge rebates credited to the Fund's revenue. This for the Fund's deposit in the COIF Charities Deposit Fund and investment in the COIF Short Duration Bond Fund where the annual management charge is charged to revenue.

4. Expenses

	31.12.2024 £'000	31.12.2023 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's annual management charge – see note 1(e)	**15,404**	13,752
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	**169**	120
Depositary fee	**109**	97
	278	217

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

4. **Expenses** *(continued)*

	31.12.2024 £'000	31.12.2023 £'000
Other expenses:		
Audit fee	**19**	17
Insurance fee	**31**	29
Other fees	68	103
	118	149
Total expenses	**15,800**	14,118

The above expenses include VAT where applicable.

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

5. **Taxation**

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid, and reinvested revenue credited gross to Unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

	31.12.2024 £'000	31.12.2023 £'000
Overseas taxation suffered in the year	**2,552**	2,134
Tax on capital special dividends	**21**	18
Overseas recoverable withholding tax written off in the year	**445**	379
Total taxation	**3,018**	2,531

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

6. **Distributions**

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

	31.12.2024 £'000	31.12.2023 £'000
31 March – interim distribution	**15,254**	14,108
30 June – interim distribution	**16,447**	15,224
30 September – interim distribution	**15,977**	14,842
31 December – final distribution	**15,919**	15,086
	63,597	59,260
Add: revenue deducted on cancellation of Units	**346**	164
Deduct: revenue received on in-specie transactions	**(7)**	(9)
Deduct: revenue received on issue of Units	**(498)**	(330)
Net distribution for the year	**63,438**	59,085
Net revenue after taxation for the year	**36,211**	32,858
Amortisation under coupon accounting	**(400)**	(438)
Manager's annual management charge – see note 1(e)	**15,404**	13,752
Tax on capital special dividends	**21**	18
Expenses charged to capital	**5**	–
Movement in income carried forward	**38**	(39)
Distribution from capital	**12,159**	12,934
Net distribution for the year	**63,438**	59,085

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

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

There were unclaimed distributions as at 31 December 2024 of £19,401 (31.12.2023, £24,320).

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

7. Debtors

	31.12.2024 £'000	31.12.2023 £'000
Accrued revenue	6,056	6,213
Amounts receivable on creation of Units	1,959	842
Rebate management fee receivable	39	41
Sales awaiting settlement	574	601
Prepayments	8	7
Income tax recoverable	–	78
VAT recoverable	2,614	-
	11,250	7,782

8. Cash equivalents, cash and bank balances

	31.12.2024 £'000	31.12.2023 £'000
Cash equivalent – cash in the CCLA Public Sector Deposit Fund	54,500	27,000
Cash equivalent – certificates of deposit	–	14,983
Total cash equivalent	54,500	41,983
Cash and bank balances – cash at bank	8,493	8,754

9. Other creditors

	31.12.2024 £'000	31.12.2023 £'000
Purchases awaiting settlement	–	11
Accrued expenses	1,610	1,488
Amount payable on cancellation of Units	7,000	–
	8,610	1,499

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

10. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market value (see note 1(g)). Bid-market value is considered to be a fair representation of the amount repayable to Unitholders should they wish to sell their Units. Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

The main risks arising from the Fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative year.

Market price risk

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

At 31 December 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would increase or decrease respectively by approximately £115,734,000 (31.12.2023, £108,311,000).

Credit risk

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

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

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

Bond credit ratings

	31.12.2024		31.12.2023	
Rating category	£000	% Fund	£000	% Fund
Investment grade	**122,767**	**5.18**	128,344	5.80
Total investment in bonds	**122,767**	**5.18**	128,344	5.80

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest securities, pooled funds and sterling and overseas cash deposits.

These assets are generally liquid (except for the Unit trusts, which are realisable only on their weekly or monthly dealing dates, and the holdings in the unquoted investments, which are not readily realisable) and enable the Fund to meet the payment of any redemption of Units that Unitholders may wish to make.

Currency risk

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

At 31 December 2024, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would decrease or increase respectively by approximately £16,285,000 (31.12.2023, £15,388,000).

The Fund held derivatives relating to forward currency contracts with a net value of £nil as at 31 December 2024 (31.12.2023, £nil).

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

10. Financial instruments *(continued)*

Currency risk (continued)

The total foreign currency exposure at 31 December was:

Currency	31.12.2024 Monetary exposures £'000	31.12.2024 Non-monetary exposures £'000	31.12.2024 Total £'000	31.12.2023 Monetary exposures £'000	31.12.2023 Non-monetary exposures £'000	31.12.2023 Total £'000
Danish krone	–	17,238	17,238	–	17,227	17,227
Euro	–	230,845	230,845	2,220	207,232	209,452
Hong Kong dollar	–	20,762	20,762	–	20,162	20,162
Japanese yen	–	20,053	20,053	–	19,792	19,792
Korean won	597	544	1,141	–	17,339	17,339
New Zealand dollar	–	8,504	8,504	–	–	–
Swedish krona	–	38,860	38,860	–	25,759	25,759
Swiss franc	–	51,616	51,616	–	42,307	42,307
Taiwan dollar	88	30,057	30,145	84	22,615	22,699
US dollar	3,031	1,206,322	1,209,353	1,978	1,162,100	1,164,078
Total	3,716	1,624,801	1,628,517	4,282	1,534,533	1,538,815

Interest rate risk

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

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

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

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

Interest rate risk (continued)

The total exposure at 31 December 2024 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	7,875	177,267	575,258	760,400
Euro	–	–	230,845	230,845
Japanese yen	–	–	20,053	20,053
US dollar	618	–	1,208,735	1,209,353
Other	–	–	168,266	168,266
Total	8,493	177,267	2,203,157	2,388,917

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(21,732)	(21,732)
Total	–	–	(21,732)	(21,732)

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

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

Interest rate risk (continued)

The total exposure at 31 December 2023 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	33,664	153,333	498,931	685,928
Euro	2,074	–	207,378	209,452
Japanese yen	–	–	19,792	19,792
US dollar	16	–	1,164,062	1,164,078
Other	–	–	145,493	145,493
Total	35,754	153,333	2,035,656	2,224,743

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(14,236)	(14,236)
Total	–	–	(14,236)	(14,236)

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

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

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

11. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2024 £	31.12.2023 £
Clean Growth Fund	**1,027,381**	1,627,269
KKR Private Credit Opportunities Partners II	**2,528,683**	2,647,216
Pan-European Infrastructure Fund I	**162,154**	812,632
Rubicon Partners V	**753,106**	3,075,717
Social and Sustainable Housing	**83,309**	139,039
KKR Global Infrastructure Investments III	**322,684**	368,223
Infracapital Partners III	**460,568**	645,571
Cambridge Innovation Capital II	**2,658,381**	3,534,007
Clean Energy and Environment Fund	**245**	51,882
Blackstone Capital Partners Asia	**314,857**	309,937
Strategic Partners Offshore Real Assets – Infrastructure II	**998,090**	1,022,848
NextPower III	**–**	–
Pan-European Infrastructure Fund II	**745,378**	780,318
KKR Mezzanine Partners I	**39,939**	39,294
European Student Housing Fund	**–**	–

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

12. Unquoted and other investments

At 31 December 2024, 2.28% (31.12.2023, 2.43%) of the value of the Fund was held in Units was in the COIF Charities Property Fund and 1.82% was held in COIF Short Duration Bond Fund (31.12.2023, 1.89%).

At 31 December 2024, the Fund held 11.77% (31.12.2023, 10.05%) of the value of the COIF Charities Property Fund. The investment in the COIF Charities Property Fund is not readily realisable, as the Manager may impose a period of notice (which is currently 180 days' notice), before carrying out a redemption of Units in that Fund, if it is deemed to be necessary to protect the interests of Unitholders of the Fund or to permit properties to be sold to meet a redemption.

All unquoted investments are listed in the Portfolio Statement.

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

13. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds.

14. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of these charges are disclosed in note 4. Please see note 1(e) for further information. An amount of £1,481,321 was due to the Manager at 31 December 2024 (31.12.2023, £1,293,399). There were no other transactions entered into with the Manager during the year (31.12.2023, £nil).

At 31 December 2024 a cash balance of £nil (31.12.2023, £nil) was held in The CCLA Public Sector Deposit Fund. During the year, the Fund received interest of £nil (31.12.2023, £nil) from the CCLA Public Sector Deposit Fund.

Further details of the Fund's holdings in CCLA IM and other COIF Charities Funds are disclosed in note 12.

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

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

15. Portfolio transaction costs

For the year ended 31 December 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	568,079	211	0.04	87	0.02	568,377
Bond transactions	11,870	–	–	–	–	11,870
In-specie transactions	8,501	–	–	–	–	8,501
Corporate actions	4,645	–	–	–	–	4,645
Total	593,095	211		87		593,393

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	472,382	(176)	0.04	(62)	0.01	472,144
In-specie transactions	43,189	–	–	–	–	43,189
Corporate actions	29,561	–	–	–	–	29,561
Total	545,132	(176)		(62)		544,894

Commissions and taxes as a percentage of average net assets

Commissions	0.02%
Taxes	0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2024 was 0.19%.

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

15. Portfolio transaction costs ***(continued)***

For the year ended 31 December 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	489,962	199	0.04	44	0.01	490,205
Bond transactions	127,382	–	–	–	–	127,382
Fund transactions	59,936	–	–	–	–	59,936
Money markets	15,000	–	–	–	–	15,000
In-specie transactions	2,158	–	–	–	–	2,158
Corporate actions	7,773	–	–	–	–	7,773
Total	702,211	199		44		702,454

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	380,976	(165)	0.04	(6)	–	380,805
Bond transactions	137,459	–	–	–	–	137,459
Fund transactions	320	–	–	–	–	320
Money markets	24,936	–	–	–	–	24,936
In-specie transactions	7,744	–	–	–	–	7,744
Corporate actions	8,340	–	–	–	–	8,340
Total	559,775	(165)		(6)		559,604

Commissions and taxes as a percentage of average net assets

Commissions	0.02%
Taxes	0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2023 was 0.21%.

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

15. Portfolio transaction costs ***(continued)***

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

16. Unitholders' funds – reconciliation of Units

	31.12.2024 Income Units	31.12.2024 Accumulation Units
Opening number of Units at beginning of year	581,606,543	91,049,361
Units issued in year	56,241,390	17,621,230
Units cancelled in year	(40,943,000)	(10,651,913)
Closing number of Units at end of year	596,904,933	98,018,678

All Units carry the same rights.

17. 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.

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

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

For the year ended 31 December 2024

Category	**Level 1** £'000	**Level 2** £'000	**Level 3** £'000	**Total** £'000
Investment assets	**2,024,874**	**239,538**	**50,262**	**2,314,674**
	2,024,874	**239,538**	**50,262**	**2,314,674**

For the year ended 31 December 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,874,629	243,904	47,691	2,166,224
	1,874,629	243,904	47,691	2,166,224

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.

DISTRIBUTION TABLES
for the year ended 31 December 2024

Period ended	Date payable/paid 2024	Date payable/paid 2023	Dividends payable/paid pence per Unit 2024	Dividends payable/paid pence per Unit 2023
Income Units				
31 March	**31 May**	31 May	**2.19**	2.12
30 June	**30 August**	31 August	**2.19**	2.12
30 September	**29 November**	30 November	**2.20**	2.18
31 December	**29 February**	28 February	**2.20**	2.19
			8.78	8.61

Period ended	Revenue accumulated pence per Unit 2024	Revenue accumulated pence per Unit 2023
Accumulation Units		
31 March	**2.55**	2.30
30 June	**3.51**	3.30
30 September	**2.55**	2.36
31 December	**2.82**	2.58
	11.43	10.54

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

The Board shall comply with the duty of care when exercising its powers and discharging its duties under the Scheme, as follows:

- making and revising the written statement of the investment objectives of the Fund and ensuring that details of such investment objectives will be included in the Scheme Particulars;
- determining the criteria and methods for evaluating the performance of the Fund;
- granting prior written approval to the Manager should the Manager wish to enter into certain types of investment or a specific course of borrowing on behalf of the Fund;
- appointing the Auditor of the Fund and agreeing their terms of engagement;
- making an annual report on the discharge of the Board's responsibilities;
- determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- applying to the Charity Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme;
- making representations to the Trustee on the winding up of the Fund: provided that any Board member who has any interests in the Trustee or the Manager shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- informing the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

Under the Alternative Investment Fund Managers Directive ('AIFMD'), the Board has certain additional responsibilities including:

- the duty to inform the Financial Conduct Authority promptly and in writing if the Board is not satisfied with the compliance of the Trustee or the Manager with the applicable provisions of AIFMD; and
- the direct power (without reference to the Charity Commission) to require the removal of the Manager and/or the Trustee where it considers for good and sufficient reason that a change of Manager or Trustee is in the interests of the Participating Charities.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee

The Trustee shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Trustee shall comply with the duty of care when exercising its powers and discharging its duties. The following are the duties and powers of the Trustee:

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied that the Manager is competently exercising its powers and discharging its duties under the Scheme, and that the Manager is maintaining adequate and proper records;

- the appointment, supervision and oversight of any Registrar or other delegate which it has appointed in accordance with the Scheme;

- the custody and control of the property of the Fund and the collection of all income due to the Fund;

- the creation and cancellation of Units as instructed by the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);

- making distributions or allocations to Participating Charities in proportion to their respective Units in the property of the Fund;

- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and

- winding up the Fund.

The Trustee shall take all steps and execute all documents as are necessary to secure that instructions given to it by the Manager are carried out as to the exercise of rights (including voting rights) attaching to the ownership of property of the Fund and that the purchases and sales of investments for or of the Fund are properly completed.

The Trustee shall maintain such records as are necessary to enable it to comply with the Scheme and with section 130 of the Charities Act 2011 and to demonstrate that such compliance has been achieved.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Depositary
The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ('the Sourcebook'), the Alternative Investment Fund Managers Directive ('AIFMD') (together 'the Regulations') and the Fund's Scheme Particulars.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of the assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;

- the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Regulations;

- the assets under management and the net asset value per unit of the Fund are calculated in accordance with the Regulations;

- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;

- that the Fund's income is applied in accordance with the Regulations; and

- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme Particulars in relation to the investment and borrowing powers applicable to the Fund.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

The Manager shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Manager shall comply with the duty of care when exercising its powers and discharging its duties under this Scheme. The following are the duties and powers of the Manager:

- instructing the Trustee with respect to the creation and cancellation of Units;
- managing the investments of the Fund in conformity with the investment objectives made by the Board;
- ensuring that regular valuations of the property of the Fund are carried out and to ensure that the Units are correctly priced;
- the creation and revision of the Scheme Particulars;
- maintenance of a daily record of Units purchased or sold on behalf of the Trustee;
- the creation of all records in respect of the Fund, available for inspection by the Trustee;
- the preparation of reports and accounts in respect of every accounting period; and
- the supervision and oversight of any appointed delegate.

The Manager of the Fund is required by the Scheme to:

- prepare and submit to the Charity Commission a statement of accounts and annual report complying with the requirements of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, as amended or replaced from time to time; and
- prepare and submit to the Charity Commission a half- yearly report and accounts for the Fund made up to the date of the interim balance sheet.

The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of FRS 102;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the Financial Statements as prepared comply with the above requirements;

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee has appointed the Manager to act as Registrar to the Fund.

Under AIFMD, the Manager has certain additional responsibilities including, ensuring compliance with the applicable provisions of AIFMD and that any delegation by the Manager is in accordance with AIFMD.

Should the Manager wish to retire, the Manager can only be discharged from its duties under the Scheme following the appointment of a replacement Manager who is eligible under AIFMD to act as Manager of the Fund.

AIFMD DISCLOSURES

Manager Remuneration

The Manager has no employees, but delegates the performance of its services to employees of its parent company, CCLA Investment Management Limited.

Recharges for these services of CCLA Investment Management Limited to the Manager are levied in respect of CCLA Investment Management Limited's year ending on 31 March each year. The recharge for the year to 31 March 2024 was £36,649,000. A recharge of £35,420,000 was levied in the year to 31 March 2023.

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2024 was 186 (year ended 31 March 2023, 175).

During the year ended 31 December 2024 and the prior year, remuneration was paid to CCLA Investment Management Limited staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 December 2024		
	Fixed remuneration £'000	Variable remuneration £'000	Total £'000
Identified staff	**1,096**	**1,857**	**2,953**
Other staff	**17,947**	**6,994**	**24,941**
Total	**19,043**	**8,851**	**27,894**

	Year to 31 December 2023		
	Fixed remuneration £'000	Variable remuneration £'000	Total £'000
Identified staff	1,035	1,415	2,450
Other staff	17,678	7,659	25,337
Total	18,713	9,074	27,787

Remuneration above is the total remuneration for CCLA Investment Management Limited; it is not possible to separate the element of that relating only to the Fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Fund.

(Charity Registration No. 1132054)

DIRECTORY

Board
N Morecroft, ASIP (Chair)
K Corrigan, FCCA
J Hobart, MA
C Ong, MBA – Retired 31 July 2024
K Shenton
A Richmond, MA (Hons) ASIP
S Wiltshire

Manager, Alternative Investment Fund Manager (AIFM), and Registrar
CCLA Fund Managers Limited

Investment Manager
CCLA Investment Management Limited
Both CCLA Fund Managers Limited and CCLA Investment Management Limited are authorised and regulated by the Financial Conduct Authority
Registered Office Address:
One Angel Lane
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Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk

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

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

Executive Directors of the Manager
E Sheldon (Chief Operating Officer)
D Sloper (Chief Executive Officer)
J Berens (Head of Client Relationships & Distribution)

Non-Executive Directors of the Manager
J Bailie (Chair)
N Mcleod-Clarke
R Fuller – Appointed 1 April 2024

Fund Manager (CCLA Investment Management Limited)
C Ryland

Company Secretary
M Mochalska
J Fox (retired)

Chief Risk Officer
J-P Lim

Head of Sustainability
J Corah

Third Party Advisors
Custodian, Trustee and Depositary
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

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

Independent Auditor
Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

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

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

CCLA

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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).

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

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