

COIF CHARITIES ETHICAL INVESTMENT FUND
INTERIM REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2018

CCLA

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*Collectively, these comprise the Manager's Report.

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

Disability Discrimination Act 1995

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

REPORT OF THE BOARD

for the half year ended 30 June 2018 (unaudited)

On behalf of the Board, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of the COIF Charities Ethical Investment Fund (the Fund), which includes a separate report from CCLA Fund Managers Limited (the Manager) as 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 trustees of the Fund dated 21 July 2014, 22 July 2014, 5 December 2015 and 15 May 2017. The Fund is managed by the Manager as an unregulated collective investment scheme and as an alternative investment fund in accordance with the FCA 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, charities and the law. No Board member is required to be authorised by the FCA because the Board does not carry out regulated activities in relation to the Fund. The investment management, administration, registrar and secretarial functions of the Fund have been delegated to the Manager. 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, obtaining Charity Commission orders for the appointment and discharge of the Manager and Depositary, 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, Depositary and Manager are considered Charity Trustees of the Fund within the meaning of the Charities Act 1993 (amended Charities Act 2011).

Investment objective and benchmark

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

The objective is to provide a long-term total return of 5% per annum before expenses, but net of inflation as measured by the increase in the Consumer Price Index. Within this total return, the Fund aims to deliver a consistent annual distribution to investors. The Fund aims to deliver these returns within a level of risk as measured by volatility which is no greater than 75% of the volatility of the UK equity market.

REPORT OF THE BOARD**for the half year ended 30 June 2018 (unaudited)****Investment policy**

The portfolio 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 ethical advisory group that assists in the development of the Fund's client-driven ethical investment policy.

Distribution policy

From 1 January 2017, the Fund has the capacity to make distributions from capital, but at least three quarters of the distribution made will be sourced from the income earned on investments.

Suitability

The Fund is suitable for all of a charity's long-term funds where the charity is looking for a good level of distributions, long-term protection from inflation and a wide range of ethical restrictions.

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 monitored the administration, expenses and pricing of the Fund.

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

During the period, the Board also met quarterly with the Manager to review the investments, transactions and policies of the Fund. The Manager's report, which appears later, provides further details.

Responsible investment and stewardship

The Fund is managed in accordance with CCLA's responsible investment approach. This integrates environmental, social and governance issues into investment decision making and prioritises ongoing stewardship with investee companies. These activities are conducted with the aim of increasing the security of the Fund.

The Manager is a signatory to the United Nations backed Principles of Responsible Investment and the Financial Reporting Council's Stewardship Code. The most recent PRI Assessment and the full response to the Stewardship Code are available at <https://www.ccla.co.uk/our-approach/how-we-approach-stewardship-and-ethics>.

Ethical investment

The Board's main purpose is to obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets.

REPORT OF THE BOARD

for the half year ended 30 June 2018 (unaudited)

In this spirit, the Board has adopted an ethical investment policy that is designed to reflect the values of the Fund's unitholders. It is set every three years following an extensive period of client consultation.

The policy incorporates a mix of ethical restrictions, engagement and positive investments.

Ethical restrictions are targeted on unitholders' real concerns. They include companies that have been identified by our third party data provider, MSCI (unless otherwise noted), through the data points selected by the Manager, as:

- Producing landmines, cluster bombs, chemical/biological weapons, and/or nuclear weapons;
- Having significant involvement (>10% of turnover) in alcohol, gambling, pornography, tobacco, high interest rate lending (as defined by the Church of England Policy), non-military weapons, or strategic military sales;
- Failing the Manager's rules relating to the testing of cosmetics on animals;
- Having fallen behind the transition to a low carbon economy. This is currently defined as:
- Deriving more than 5% of their revenue from the extraction of energy coal or tar sands;
- Being an extractives or utilities sector company and: either not having achieved a CDP carbon Performance Band of 'C' or lower or where it is not possible to have productive engagement;

- Not meeting the FTSE4Good Index Screen for baby milk substitutes or MSCI's standard screen for single-use abortifacients. (These restrictions are implemented to reflect the unitholders' wish to co-operate with each other to meet the specific requirements of some client groups); and
- Having a FTSE ESG Rating of less than 2, on any theme, and have been judged to fail a subsequent CCLA 'comply or explain' assessment.

In addition, the Fund will not purchase sovereign debt from countries agreed by the Manager and the Fund's Advisory Committee as being amongst the world's most oppressive.

The Fund benefits from two engagement programmes that are prioritised to meet the needs of its unitholders.

The Manager has an aspirational target to dedicate 5% of the Fund's capital to investments that provide a clear social or environmental benefit.

A client advisory committee has been appointed to oversee the Fund's engagement activity and advise the manager on any ethical investment issues that arise in between policy consultations.

REPORT OF THE BOARD**for the half year ended 30 June 2018 (unaudited)**

We recognise that the ethical investment priorities of unitholders change over time. For this reason, the Fund's policy is reviewed every three years. Following an extensive client survey, the Board has agreed a number of small revisions to the ethical investment policy. These changes will:

- tighten the Fund's existing climate change criteria;
- introduce a new restriction on investment in companies who do not meet recognised norms in relation to the testing of cosmetics on animals; and
- replace the current approach to considering oppressive regimes with a more extensive list of countries, agreed by the Funds Advisory Committee, from which it will not be possible to purchase sovereign debt.

The changes will come into effect from 1 July 2018.

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 control. The Board receives from the Manager and reviews a formal risk management report setting out the main risks facing the Fund and the assessment of each risk after application of mitigating controls.

N Morecroft
Acting Chairman
15 October 2018

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2018 (unaudited)

Performance

Over the half year the Fund achieved a return of 4.05% before expenses, the return on the comparator was 2.24%. The return on an Income Unit, net of all costs and charges, was 3.76%, that on an Accumulation Unit 3.77%. The relative performance of the Fund was supported mainly by asset allocation, most substantially by the relatively high weighting

to real assets and the low weighting to bonds. The income distribution to investors totalled 4.04p, compared with 4.03p for the first half of 2017. For the year as a whole the distribution is expected to be about 2% higher. As at 30 June the yield on the Fund was 3.39% compared with a yield of 3.79% on UK equities and 2.30% on the global equity index.

Annualised total capital and income return

To 30 June 2018	Six months %	1 year %	3 years % p.a.	5 years % p.a.
Performance against market indices (before expenses)				
COIF Charities Ethical Investment Fund	4.05	9.36	10.96	10.85
Comparator [#]	2.24	8.05	9.65	9.36
MSCI UK Investable Market Index	1.74	9.28	9.61	8.65
MSCI World ex UK	3.40	10.24	16.17	14.18
iBoxx £ Gilts	0.36	2.00	4.85	5.22
IPD All Properties Monthly*	4.53	10.93	8.37	11.84
Performance after expenses				
Income units*	3.76	8.69	10.25	10.20
Accumulation units*	3.77	8.71	10.28	10.26

[#] Comparator - Composite: From 01.01.2018 MSCI UK IMI 30%, MSCI World Ex UK 45%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.2017 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/IPD™ 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%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5% and to 31.12.11 FTSE All-Share 60%, FTSE All-World Developed Ex UK 20%, IPD™ All Properties 10% and FTSE UK Government All Stocks 10%.

* Mid to mid plus income re-invested.

Source: CCLA.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2018 (unaudited)

Economic and Investment Market Review

The world economy grew over the period, although not quite at the pace experienced in the closing months of 2017. Whilst activity in the US, supported by tax cuts, remained buoyant, there was evidence of lost momentum in Europe, including the UK, and Japan. Inflation remained muted despite a rally in the oil price and low unemployment rates in many economies. Although the general retreat by central banks from very accommodative monetary policies continued, the US and UK were the only major economies to increase interest rates. An important feature of the half year was increased threat of trade friction as the US introduced import surcharges on a wide range of goods and the supplying nations retaliated.

All the major asset classes achieved positive returns, the scale, however, was typically modest. Global equities, against a backcloth of elevated volatility, gave a total return of 2.14% to a Sterling-based investor, the performance boosted by the currency's weakness against the Dollar and Yen. The best gain came from the US, at 5.37%. The UK improved by 1.69% and Japan by 0.53%. Returns from Europe were negative, at -1.01%, whilst Asia was weaker still at -2.27%. There were some sharp moves at the single country level. Finland rose by 12.61%, but Greece was -6.65% lower. In Asia, gains were few, but there was noticeable weakness in Indonesia, -15.26%, and the Philippines, -18.44%. At the sector level the most significant

features were the progress made by the 'tech' sector and the strength of oil companies as the price of crude oil rallied.

Commercial property values rose consistently over the half year, continuing the uptrend which began in the late months of 2016. Prices were supported by demand from both domestic and international investors, but although traded values remained high, transaction volumes eased, reflecting the relative scarcity of good quality assets. Within the sector there was a wide dispersion of returns. Industrial assets performed well, a reflection of strong demand and supply shortages, while the returns from retail assets were less strong, reflecting the various challenges facing the sector.

The domestic fixed income sector traded in a narrow band. Prices were supported by economic data which suggested a poor economic growth rate, but were then held back by thoughts of increased borrowing costs in the future. The Bank of England is faced with a difficult conundrum; it would like to take steps to normalise its monetary stance and is concerned by continued signs of over-heating, but recognises too that the uptrend is frail and exposed to threats on trade and the United Kingdom's exit from membership of the European Union. Overall, investors favoured the most defensive assets; government bonds outperformed corporate bonds and shorter-dated and stronger credit-rated bonds proved to be the most resilient parts of the sector.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2018 (unaudited)

Strategy

The Fund has an actively managed and diversified portfolio, but one with a clear bias to real assets as these are seen as the best match to the investment objective. Equities are selected on their merits, rather than with any pre-set weighting to any region or sector, the result of this currently being a high allocation to areas away from the UK and, within the domestic market, to companies with a strong international footprint. Although we expect to see higher investment values in the future, it is recognised too that the upcycle is increasingly mature and that ratings which are high by historic standards give little cushioning to disappointments or negative surprises. For this reason there has been profit-taking on some of the strongest performing companies and exposure to cyclical areas have been reduced. In addition, there has been an initial investment in short-dated US government bonds which were viewed as a relatively attractive source of income against cash and as a diversifying asset.

Outlook

We expect continued growth in the world economy at rates similar to those currently being experienced. Inflation may move slightly higher, a reflection of the reduced spare capacity on offer, but is unlikely to be a significant worry. The US is the only major economy where interest rates are in an established uptrend. Further increases are expected over the balance of the year. The August

decision to increase interest rates by the Bank of England was a fine one given the modest growth environment, no further increases are expected in 2018. Notwithstanding near term increases in borrowing costs, the low interest rate environment is expected to persist throughout this business cycle. An important feature of the period will be the continued moves to monetary policy normalization as central banks gradually reduce the flow of money into the global economy.

Continued economic growth and the rising profits which result from it will continue to underpin equity valuations and support progress from current levels. In the property sector we expect most of the return to come from income. Elsewhere, domestic fixed interest stocks remain expensive with yields still below current and expected rates of inflation. We expect to maintain the broad shape of the portfolio, but would consider increasing the holding in US bonds if appropriate yields become available.

J Bevan
Chief Investment Officer
CCLA Fund Managers Limited
15 October 2018

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2018 (unaudited)

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
COIF Charities Property Fund		Samsonite International	3,331
Income units	5,720	Deutsche Post	3,284
Treasury 2.5% 30/06/2020	4,748	Montreux Healthcare Fund D1	2,826
McDonald's	4,396	KDDI	2,516
NASDAQ OMX Group	3,749	Procter & Gamble	2,496
Recruit Holdings	3,005	Valeo	2,345
SS&C Technologies Holdings	2,825	Pepsico	2,186
InterContinental Hotels Group	2,744	Celgene	1,644
HKT Trust/HKT Ltd	2,450	FANUC	1,480
Tencent Holdings	2,308	Bristol Myers Squibb	1,413
Sonic Healthcare	2,268		

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

The Fund's units and the revenue from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns.

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. They are realisable only on each weekly dealing day.

This 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 this Fund.

RISK AND REWARD PROFILE

The European Union imposed regulations which sets out detailed guidelines for the calculation of the risk ratings to be portrayed through this summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products and how likely it is that the Fund will lose money because of movements in markets. The risk indicator assumes investment in the Fund for the recommended holding period of five years.

In practice, the risk of the Fund may be significantly higher than that represented in the summary risk indicator. This may include the effect of holding the Fund for less than the recommended holding period, or if market volatility in the future is higher than that experienced over the past.

With effect from 1 January 2018, new EU regulations changed the requirements for the calculation of the summary risk indicator, which has had the effect of reducing its level. The risk indicator for this Fund in the 31 December 2017 annual report was 5 out of 7. Based on the revised legislative requirements, the risk indicator in last year's report would have been 4.

It is important that investors recognise that, whilst the classification has changed, there has been no change to the nature of the Fund or the risk associated with investing in the various asset classes invested in.



This year, based on the new legislative obligations, we have classified this Fund as 3.

The Fund should be considered illiquid as it is not admitted to trading on a secondary market and no alternative liquidity facility is promoted by the Manager or a third party. This product does not include any protection from future market performance, so you could lose some or all your investment.

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

COMPARATIVE TABLE

Change in net assets per unit

	Half year to 30.06.2018 pence per unit	Income units		Year to 31.12.2015 pence per unit
		Year to 31.12.2017 pence per unit	Year to 31.12.2016 pence per unit	
Opening net asset value per unit	225.73	208.81	189.60	188.57
Return before operating charges*	9.16	26.36	28.32	9.92
Operating charges	(0.84)	(1.65)	(1.47)	(1.40)
Return after operating charges*	8.32	24.71	26.85	8.52
Distributions on income units	(4.04)	(7.79)	(7.64)	(7.49)
Closing net asset value per unit	230.01	225.73	208.81	189.60

* after direct transaction costs of:
(pence per unit):

0.04	0.13	0.11	0.11
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Performance

Return after charges	3.69%	11.83%	14.16%	4.52%
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Other information

Closing net asset value (£'000)	403,045	358,124	289,425	244,363
Closing number of units	175,232,414	158,649,746	138,608,492	128,886,219
Operating charges**	0.75%	0.75%	0.75%	0.76%
Direct transaction costs	0.02%	0.06%	0.05%	0.06%

Prices (pence per unit)

Highest unit price (offer)	235.11	229.50	212.88	245.56
Lowest unit price (bid)	214.76	208.36	174.80	181.38

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 periodic 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 period/year.

COMPARATIVE TABLE

Change in net assets per unit

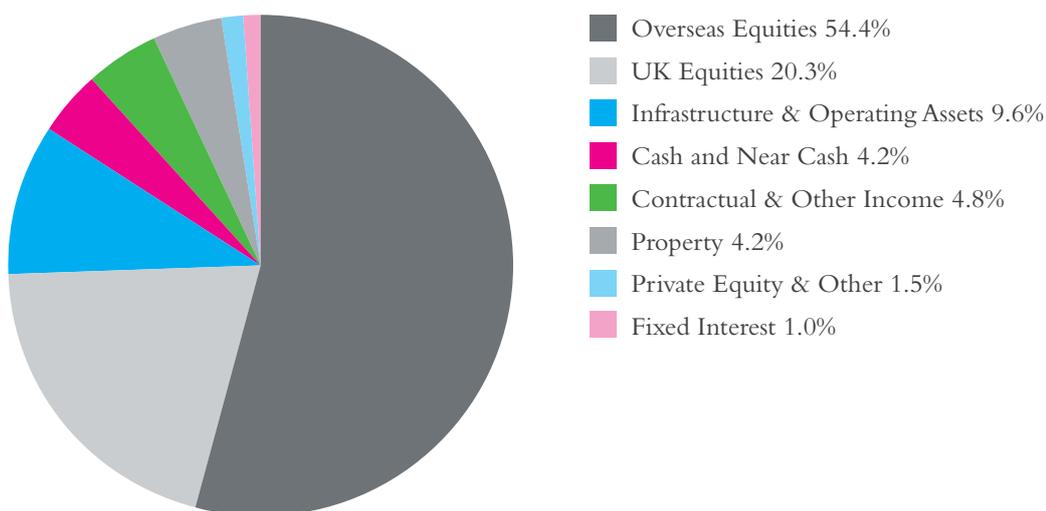
	Half year to 30.06.2018 pence per unit	Accumulation units		
		Year to 31.12.2017 pence per unit	Year to 31.12.2016 pence per unit	Year to 31.12.2015 pence per unit
Opening net asset value per unit	315.15	282.80	245.89	233.02
Return before operating charges*	12.99	34.60	38.86	14.91
Operating charges	(1.17)	(2.25)	(1.95)	(2.04)
Return after operating charges*	11.82	32.35	36.91	12.87
Distributions on accumulation units	(4.78)	(9.36)	(9.56)	(9.52)
Retained distributions on accumulation units	4.78	9.36	9.56	9.52
Closing net asset value per unit	326.97	315.15	282.80	245.89
* after direct transaction costs of: (pence per unit):	0.06	0.18	0.14	0.14
Performance				
Return after charges	3.75%	11.44%	15.01%	5.52%
Other information				
Closing net asset value (£'000)	69,763	65,163	51,238	29,476
Closing number of units	21,336,464	20,677,076	18,117,881	11,987,526
Operating charges**	0.75%	0.75%	0.75%	0.76%
Direct transaction costs	0.02%	0.06%	0.05%	0.06%
Prices (pence per unit)				
Highest unit price (offer)	331.33	317.77	284.63	255.40
Lowest unit price (bid)	299.81	280.84	226.70	228.81

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 periodic 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 period/year.

PORTFOLIO ANALYSIS
at 30 June 2018 (unaudited)

Portfolio Allocation



**Breakdown of Overseas Equities
by Geography**

North America	36.3%
Developed Europe	10.1%
Asia Pacific ex-Japan	4.9%
Japan	3.1%
Other Americas	0.0%
	54.4%

Breakdown of Equities by Sector

Information Technology	14.8%
Financials	14.0%
Health Care	9.9%
Industrials	9.4%
Consumer Staples	9.0%
Consumer Discretionary	6.3%
Materials	4.0%
Property	3.7%
Energy	2.1%
Telecommunication Services	1.1%
Utilities	0.4%
Funds	0.0%
	74.7%

The portfolio analyses above are consistent with the Fund's factsheets, which differ 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 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 20.31%			
(31.12.17, 19.98%)			
Consumer Discretionary 1.88% (31.12.17, 1.30%)			
Compass Group	282,395	4,571	0.97
InterContinental Hotels Group	91,131	4,301	0.91
Consumer Staples 3.13% (31.12.17, 3.49%)			
Reckitt Benckiser	98,468	6,143	1.30
Unilever	206,687	8,664	1.83
Energy 1.45% (31.12.17, 1.33%)			
Royal Dutch Shell A	70,640	1,857	0.39
Royal Dutch Shell B	184,904	5,017	1.06
Financials 3.27% (31.12.17, 3.46%)			
HSBC	463,529	3,294	0.70
London Stock Exchange	124,885	5,584	1.18
Prudential	379,855	6,589	1.39
Health Care 0.60% (31.12.17, 0.39%)			
Abcam	41,617	555	0.12
Genus	86,806	2,287	0.48
Industrials 4.84% (31.12.17, 4.00%)			
Experian	299,093	5,607	1.19
Ferguson	79,058	4,861	1.03
Intertek Group	50,697	2,898	0.61
Relx	413,356	6,707	1.42
Spirax Sarco Engineering	42,870	2,793	0.59
Materials 2.60% (31.12.17, 2.50%)			
Croda International	104,975	5,041	1.07
DS Smith	745,507	3,884	0.82
Rio Tinto	79,707	3,348	0.71

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Real Estate 2.02% (31.12.17, 2.11%)			
Empiric Student Property	3,262,788	2,891	0.62
Primary Health Properties REIT	2,836,541	3,302	0.70
Tritax Big Box REIT	2,133,506	3,322	0.70
Telecommunication Services 0.52% (31.12.17, 0.74%)			
Vodafone	1,349,979	2,481	0.52
Utilities 0.00% (31.12.17, 0.66%)			
OVERSEAS EQUITIES 54.43% (31.12.17, 52.54%)			
DEVELOPED EUROPE 10.12% (31.12.17, 11.96%)			
Consumer Discretionary 0.00% (31.12.17, 0.74%)			
Consumer Staples 2.42% (31.12.17, 2.25%)			
L'Oreal	22,738	4,213	0.89
Nestlé	123,549	7,240	1.53
Financials 1.67% (31.12.17, 2.67%)			
Danske Bank	79,407	1,885	0.40
Deutsche Boerse	39,519	3,991	0.84
ING Groep	186,971	2,035	0.43
Health Care 3.40% (31.12.17, 2.64%)			
DiaSorin	55,371	4,779	1.01
Fresenius	62,541	3,808	0.81
Novartis	34,821	2,000	0.42
Roche	14,680	2,469	0.52
Sartorius Stedim Biotech	38,403	3,036	0.64
Industrials 1.46% (31.12.17, 2.30%)			
Assa Abloy	210,909	3,410	0.72
Legrand Promesses	63,888	3,503	0.74
Information Technology 0.73% (31.12.17, 0.77%)			
SAP	39,601	3,465	0.73

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Materials 0.44% (31.12.17, 0.59%)			
Chr. Hansen	29,421	2,057	0.44
NORTH AMERICA 36.36% (31.12.17, 33.24%)			
Consumer Discretionary 4.44% (31.12.17, 3.05%)			
Amazon	2,705	3,480	0.74
Booking Holdings	3,403	5,226	1.10
Home Depot	27,193	4,019	0.85
McDonald's	37,186	4,414	0.93
Starbucks	35,958	1,330	0.28
Walt Disney	31,869	2,532	0.54
Consumer Staples 1.84% (31.12.17, 3.26%)			
Coca Cola	118,240	3,928	0.83
Colgate-Palmolive	66,517	3,265	0.69
Pepsico	18,350	1,513	0.32
Energy 0.62% (31.12.17, 0.56%)			
Chevron	30,825	2,951	0.62
Financials 7.72% (31.12.17, 7.08%)			
Bank of America	205,564	4,391	0.93
Blackstone	169,395	4,128	0.87
Schwab (Charles)	100,509	3,889	0.82
Chicago Mercantile Exchange	39,387	4,890	1.03
Citigroup	72,643	3,683	0.78
JP Morgan Chase	62,392	4,930	1.04
NASDAQ OMX Group	57,110	3,948	0.84
S&P Global	43,151	6,664	1.41
Health Care 5.39% (31.12.17, 5.92%)			
Medtronic	63,428	4,113	0.87
Stryker	40,060	5,124	1.09
Thermo Fisher Scientific	39,767	6,240	1.32
UnitedHealth Group	32,104	5,968	1.26
Zoetis	62,468	4,032	0.85

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Industrials 1.97% (31.12.17, 2.15%)			
3M	23,396	3,486	0.74
Canadian Pacific Railway	26,272	3,637	0.77
Rockwell Automation	17,122	2,156	0.46
Information Technology 11.31% (31.12.17, 8.83%)			
Adobe Systems	5,772	1,065	0.22
Accenture	31,559	3,911	0.83
Alphabet	7,418	6,268	1.32
Apple	31,536	4,369	0.92
FaceBook	33,695	4,959	1.05
Fidelity National Information	64,034	5,143	1.09
Mastercard	36,295	5,403	1.14
Microsoft	84,063	6,279	1.33
PayPal	64,464	4,066	0.86
SS&C Technologies Holdings	75,255	2,956	0.63
Texas Instruments	54,744	4,571	0.97
Visa A	44,612	4,483	0.95
Materials 0.97% (31.12.17, 0.69%)			
Ecolab	43,046	4,576	0.97
Real Estate 1.66% (31.12.17, 1.27%)			
Alexandria Real Estate Equities	40,553	3,875	0.82
Prologis	79,498	3,956	0.84
Utilities 0.44% (31.12.17, 0.43%)			
Duke Energy	34,984	2,095	0.44
OTHER AMERICAS 0.00% (31.12.17, 0.02%)			
Funds 0.00% (31.12.17, 0.02%)			
JAPAN 3.05% (31.12.17, 3.07%)			
Consumer Staples 0.90% (31.12.17, 0.81%)			
Kao	73,500	4,247	0.90

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Industrials 1.15% (31.12.17, 0.90%)			
FANUC	12,800	1,923	0.41
Recruit Holdings	168,500	3,530	0.74
Information Technology 1.00% (31.12.17, 0.76%)			
Keyence	6,800	2,905	0.61
Nomura Research Institute	49,800	1,829	0.39
Telecommunication Services 0.00% (31.12.17, 0.60%)			
ASIA PACIFIC EX JAPAN 4.90% (31.12.17, 4.25%)			
Consumer Discretionary 0.00% (31.12.17, 0.92%)			
Consumer Staples 0.67% (31.12.17, 0.20%)			
LG Household & Healthcare	3,335	3,164	0.67
Financials 1.32% (31.12.17, 1.30%)			
AIA	935,600	6,196	1.32
Health Care 0.50% (31.12.17, 0.00%)			
Sonic Healthcare	174,000	2,383	0.50
Information Technology 1.87% (31.12.17, 1.83%)			
Taiwan Semiconductor Manufacturing	660,000	3,542	0.75
Tencent Holdings	139,400	5,297	1.12
Telecommunication Services 0.54% (31.12.17, 0.00%)			
HKT Trust/HKT Ltd	2,656,000	2,554	0.54
PRIVATE EQUITY & OTHER 1.53% (31.12.17, 2.04%)			
Private Equity 1.47% (31.12.17, 1.44%)			
Blackstone Capital Partners Asia	1	–	–
F&C Private Equity	888,029	3,046	0.65
Princess Private Equity	439,784	3,889	0.82
Other 0.06% (31.12.17, 0.60%)			
Triodos Microfinance	13,587	300	0.06

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
INFRASTRUCTURE & OPERATING ASSETS 9.51%			
(31.12.17, 9.68%)			
General 1.84% (31.12.17, 1.69%)			
Infracapital Partners	1	–	–
Pan European Infrastructure Fund**	1	5,081	1.08
RREEF Pan-European Infrastructure**	1	3,305	0.70
Strategic Partners Offshore Real Assets – Infrastructure II**	1	296	0.06
Energy Resources & Environment 2.83% (31.12.17, 2.72%)			
Bluefield Solar Income Fund	1,751,985	2,111	0.45
Foresight Solar Fund	1,610,686	1,748	0.37
Greencoat UK Wind	3,902,744	4,878	1.03
The Forest Company**	67,360	246	0.05
The Renewables Infrastructure Group	3,570,825	3,921	0.83
UK Energy Efficiency Investment IA L.P.**	1	481	0.10
Social 4.84% (31.12.17, 5.27%)			
Civitas Social Housing REIT	2,041,579	1,946	0.41
European Student Fund**	1	2,662	0.56
GCP Student Living	2,460,990	3,618	0.77
Impact Healthcare REIT	684,382	698	0.15
The Montreux Care Home Fund**	1,416	970	0.21
MedicX Fund	4,704,379	3,829	0.81
Montreux Healthcare Fund D1**	2,231	4,224	0.89
Target Healthcare REIT	1,643,507	1,816	0.38
Triple Point Social Housing REIT	1,812,692	1,912	0.40
Triple Point Social Housing REIT Preference Shares	1,208,461	1,239	0.26
PROPERTY 4.18% (31.12.17, 3.33%)			
Aberdeen Standard European Logistics Income	1,043,000	1,080	0.23
COIF Charities Property Fund Income units*	16,100,789	18,691	3.95

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
CONTRACTUAL & OTHER INCOME 4.82% (31.12.17, 5.48%)			
Alcentra European Floating Rate Income Fund	1,597,536	1,598	0.34
Blackstone/GSO Loan Financing	4,196,770	3,266	0.69
Blackstone Mortgage Trust	116,986	2,784	0.59
Chenavari Capital Solutions	1,064,437	841	0.18
DP Aircraft	2,602,196	2,109	0.45
Duet Real Estate Finance***	549,085	–	–
Fair Oaks Income Fund	3,691,479	2,656	0.56
GCP Asset Backed Income Fund	3,815,239	3,911	0.83
GCP Infrastructure Investments	558,526	668	0.14
Hadrians Wall Secured Investments	660,000	660	0.14
KKR Mezzanine**	1	259	0.05
KKR Private Credit Opportunities Partners**	1	811	0.17
Nimrod Sea Assets***	1,464,552	3	–
RM Secured Direct Lending	1,634,682	1,635	0.35
SQN Asset Finance Income Fund	1,475,778	1,313	0.28
SQN Asset Finance Income Fund C Shares	278,577	254	0.05
FIXED INTEREST 1.00% (31.12.17, 0.00%)			
Treasury 2.5% 30/06/2020	6,242,400	4,726	1.00
INVESTMENT ASSETS		452,851	95.78
NET OTHER ASSETS		19,957	4.22
TOTAL NET ASSETS		472,808	100.00

* The COIF Charities Property Fund is managed by the Manager and represents a related party transaction.

** Unquoted investments.

*** Suspended quoted securities.

STATEMENT OF TOTAL RETURN
for the half year ended 30 June 2018 (unaudited)

	Period ended 30.06.2018		Period ended 30.06.2017	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		12,160		17,859
Revenue	7,429		7,306	
Expenses	(1,666)		(1,321)	
Net revenue before taxation	5,763		5,985	
Taxation	(576)		(462)	
Net revenue after taxation		5,187		5,523
Total return before distributions		17,347		23,382
Distributions		(7,905)		(6,773)
Change in net assets attributable to unitholders from investment activities		9,442		16,609

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the half year ended 30 June 2018 (unaudited)

	Period ended 30.06.2018		Period ended 30.06.2017	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		423,287		340,663
Amounts receivable on issue of units	44,358		25,810	
Amounts payable on cancellation of units	(7,506)		(6,573)	
In Specie Transaction	2,215		–	
		39,067		19,237
Change in net assets attributable to unitholders from investment activities		9,442		16,609
Retained distributions on accumulation units		1,012		1,091
Closing net assets attributable to unitholders		472,808		377,600

The note on page 24 and the distribution tables on page 25 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2017, whereas the opening net assets for the current accounting period commenced on 1 January 2018.

BALANCE SHEET

at 30 June 2018 (unaudited)

	30.06.2018		31.12.2017	
	£'000	£'000	£'000	£'000
ASSETS				
Fixed assets:				
Investments		452,851		393,880
Current assets:				
Debtors	7,096		4,315	
Cash equivalents	27,641		23,024	
Cash and bank balances	913		5,378	
Total current assets		35,650		32,717
Total assets		488,501		426,597
LIABILITIES				
Creditors				
Other creditors	12,153		327	
Distribution payable on income units	3,540		2,983	
Total creditors		15,693		3,310
Total liabilities		15,693		3,310
Net assets attributable to unitholders		472,808		423,287

The financial statements on pages 22 to 25 have been approved by the Board.

Approved on behalf of the Board
15 October 2018

N Morecroft

The note on page 24 and the distribution tables on page 25 form part of these financial statements.

NOTE TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2018 (unaudited)

1. Accounting policies

Basis of preparation

The interim financial statements have been prepared on a going concern basis, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014, the Charities Act 2011, and in accordance with the Scheme and the Collective Investment Scheme Sourcebook. 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.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017 and are described in those financial statements.

DISTRIBUTION TABLES

for the half year ended 30 June 2018 (unaudited)

Period ended	Date paid/payable	Dividends paid/payable pence per unit	
		2018	2017
Income units			
31 March	31 May	2.02	1.91
30 June	31 August	2.02	2.12
		4.04	4.03
		Revenue accumulated pence per unit	
		2018	2017
Accumulation units			
31 March		2.07	2.60
30 June		2.71	2.91
		4.78	5.51

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 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 FCA 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 shares in the property of the Fund;

- the making of an annual report on the discharge of its responsibilities for the management of the Fund;
- 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 this Scheme and with section 130 of the Charities Act 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 share 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;

- 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 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 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 the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Association in May 2014;
- 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.

(Charity Registration No. 1132054)

Board

R Norris, MSc (Chairman)
K Corrigan, FCCA
A Daws, Solicitor
J Hobart, MA
N Morecroft, ASIP
G Newson, MRICS
J West, FCA

Secretary

J Fox

Manager

CCLA Fund Managers Limited

Investment Manager and Registrar

CCLA Investment Management Limited
Both CCLA Fund Managers Limited and CCLA Investment Management Limited are authorised and regulated by the Financial Conduct Authority
Senator House, 85 Queen Victoria Street
London EC4V 4ET
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk

Administrator

HSBC Securities Services (UK) Limited
1-2 Lochside Way
Edinburgh Park
Edinburgh EH12 9DT
Authorised and regulated by the Financial Conduct Authority

Executive Directors of the Manager

M Quicke, OBE (Chief Executive)
J Bevan (Chief Investment Officer)
A McMillan (Chief Operating Officer)
A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager

R Horlick (Chairman)
R Norris
T Salmon, OBE
J Tattersall
R Williams (resigned 8 June 2018)
C Johnson (from 8 June 2018)

Fund Manager

J Bevan

Company Secretary

J Fox

Head of Risk, Internal Audit and Compliance

S Forrest (resigned 31 January 2018)
R Plumridge (from 31 January 2018)

Head of Ethical and Responsible Investment

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

HSBC Bank plc
8 Canada Square
London E14 5HQ

Banker

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

CCLA COIF Charity Funds

The COIF Charity Funds provide a simple and practical way for charities to obtain, at reasonable cost, professional investment and cash management for their long-term and short-term investments.

A choice of Funds

The six COIF Charity Funds aim to meet most of the investment and deposit needs of charities. They all have low levels of minimum investment, pay income gross and are supported by strong customer service.

Investment Fund

- A suitable long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to deliver rising income and long term capital growth
- Managed to client-driven responsible investment and UK Stewardship Code principles

Ethical Investment Fund

- A suitable long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to deliver rising income and long-term capital growth
- Managed to client-driven ethical investment and UK Stewardship Code principles

Global Equity Income Fund

- The delivery of a strong total return from investment in high yielding global equities
- Distributing a high and growing level of income
- Managed to client-driven responsible investment and UK Stewardship Code principles

Fixed Interest Fund

- Investment in UK government securities and corporate bonds
- Distributing a high level of income
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

Property Fund

- The delivery of a good level of income and capital growth from investment in a portfolio of UK properties
- A diversified range of office, commercial and industrial properties
- Actively managed to add value

Deposit Fund

- High level of security of capital from a well diversified range of deposits with strong banks
- Rated AAAf/S1 by Fitch Ratings, reflecting the high quality of the portfolio
- Daily liquidity

The COIF Charity Funds are common investment funds established by the Charity Commission for England and Wales under Section 24 of the Charities Act 1993. The Deposit Fund was established under Section 25 of the Charities Act 1993. Any charity in the United Kingdom within the meaning of the Charities Act 1993 (as amended or replaced) may invest in the Deposit, Investment, Ethical Investment and Global Equity Income Funds. Any charity in England and Wales may invest in the Fixed Interest and Property Funds. CCLA Fund Managers Limited is the Manager of the Funds. The Manager has appointed CCLA Investment Management Limited as the Investment Manager and HSBC Securities Services (UK) Limited as Administrator of the Funds.

The value of the investments may fall as well as rise and an investor may not get back the full amount originally invested.

CCLA

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