

COIF CHARITIES FIXED INTEREST 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 Fixed Interest 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 in 1990 and is now regulated by the Scheme dated 29 November 2000 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 13 May 2009, 21 July 2014, 22 July 2014 and 17 November 2015 (as amended from time to time). 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

The Fund aims to provide investors with an income yield and a total return in excess of the Benchmark.

Investment policy

The portfolio is an actively managed, diversified portfolio invested predominantly in Sterling denominated fixed interest securities and will consist primarily of UK fixed interest securities, but may also include other asset classes.

REPORT OF THE BOARD

for the half year ended 30 June 2018 (unaudited)

Benchmark

The composite benchmark for the Fund is Markit iBoxx™ £ Gilts Index 50% and Markit iBoxx™ £ Non Gilts Index 50%.

Suitability

The Fund is suitable for the long-term funds of any charity seeking an income by investing in UK bonds.

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 and 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.

In this spirit, the Board has adopted an ethical investment policy which reflects client priorities researched by the Manager. The Fund avoids investing in companies that have been identified by our third-party data provider (MSCI), through data feeds selected by the Manager, as:

- Being involved in the production of cluster munitions and land mines;
- A producer of tobacco products;
- Generating more than 10% of revenue from online gambling or the production of pornography.

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

Companies that have not responded to persistent engagement on compliance with:

- The ILO Core Labor Standards;
- The UN Guiding Principles on Business and Human Rights;
- Norms relating to Biodiversity, Toxic Waste and Climate Change disclosure;

are also restricted from investment.

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

The Fund achieved a return of -0.39% over the half year. This compares with a return on the benchmark of -0.47%. The return on an Income Unit, after all costs and charges was -0.49%. The return on an Accumulation Unit on the same basis was -0.48%. Over the period performance was supported by a defensive bias to strategy, but this advantage was partially offset by a relatively high allocation to corporate bonds, which underperformed. The income payments to investors were 2.22p per Income Unit, unchanged on the equivalent payment in 2017.

Strategy

The Fund holds a diversified portfolio of domestic fixed interest stocks including government bonds (Gilts) and those issued by companies. As at 30 June the asset mix was gilts 44.96%, corporate bonds 54.35% and cash 0.69%. The income yield on the portfolio is 3.78%, compared to 3.23% on the benchmark. The gross redemption yield is 1.54%. The portfolio has a modified duration of 7.5 years and the average term to maturity is 9.5 years. The Fund's superior income is achieved because of the corporate bond holdings which typically provide a higher

Annualised total capital and income return

To 30 June 2018	Six months %	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (before expenses)				
COIF Charities Fixed Interest Fund	-0.39	1.60	5.31	6.23
Benchmark [#]	-0.47	1.32	5.43	6.51
iBoxx £ Gilts	0.36	2.00	5.22	6.31
iBoxx £ Non Gilts	-1.30	0.60	5.59	6.52
Performance after expenses				
Income units*	-0.49	1.36	5.12	6.02
Accumulation units*	-0.48	1.36	5.13	6.03

[#] Benchmark – Composite: From 01.01.16 iBoxx £ Gilt 50% and iBoxx £ Non Gilt 50%. To 31.12.15 Barcap £ Gilt 50% and £ Agg 100mm Non Gilt 50%. To 31.12.12 Barcap £ Gilt 80% and £ Agg 100mm Non Gilt 20%.

* Mid to mid plus income re-invested.

Source: CCLA.

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

income yield than the government issued alternatives. These can, however, be more volatile and carry a higher default risk, to control which risks the portfolio has a focus on good quality bonds, wide diversification and a shorter average period to maturity.

Market Review

The UK economy grew over the period, but at a modest rate. Momentum was slowed by a continuing squeeze on consumer expenditure, caused by sticky inflation and only modest wage growth. Another important factor was a burst of cold weather, which had some negative impact on consumers, but a greater one on manufacturing, and in particular construction, activity. Inflation declined from the highest levels, but remained above 2%, buoyed by rising oil prices and the impact on imported goods of Sterling weakness.

Sector values traded within a relatively narrow band. Prices were supported generally by a continuing accommodative monetary environment and more specifically by an economic performance which failed to meet expectations set at the start of the year. Balancing these considerations was the expectation that borrowing costs would be increased by the Bank of England and the backcloth of uncertainty over the United Kingdom's exit from membership of the European Union and political threat which surfaced from time to time.

Although conditions changed through the period, by the close the prevailing mood was cautious. Government bonds outperformed corporate bonds and there was a preference for the most defensive assets, shorter dated bonds and those with the highest credit ratings.

Outlook

The August decision to increase interest rates 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. Inflation should ease a little from mid-year levels by the end of the year. From a sector perspective an important technical factor will be the international move to normalise monetary policy, which will lead to a reduction in and then a reversal of the quantitative easing strategies which have supported fixed interest markets for so long. Overall, we see the sector as fully valued, with a risk that yields move higher over time. On this basis we expect to maintain the cautious investment stance.

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:	
Treasury 0.5% 2022	6,299	Treasury 4.25% 2046	11,656
Treasury 2.25% 2023	4,226	Treasury 4.5% 2042	2,533
Treasury 4.25% 2032	2,004	Centrica 6.4% 2026	1,562
Tritax Big Box REIT 2.625% 2026	1,290	Treasury 4.5% 2034	1,321
3i Group 6.875% 2023	422	Treasury 6% 2028	1,232
Thames Water Utilities Cayman		Severn Trent 6% 2018	1,027
Finance 2.375% 2023	353	Bank of Scotland 10.5% 2018	1,010
LVMH Moet Hennessy		Tesco 6.125% 2022	968
Louis Vuitton 1% 2022	223	United Utilities Water 5.375% 2018	930
Treasury 1.625% 2028	202	GE Capital UK Funding 8% 2039	838

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.

Portfolio composition by credit rating

Rating category	% Fund
AAA	10.1
AA	53.6
A	10.4
BBB	19.6
Non investment grade	0.7
Not rated (Debentures/Preference Shares)	5.6

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.

The Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fund's income yield and gross redemption yield are not guaranteed and will change over time. When the Fund's income yield is higher than the gross redemption yield, some revenue is being paid at the expense of capital.

RISK AND REWARD PROFILE

The European Union imposed regulations which set 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 three to 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 4 out of 7. Based on the revised legislative requirements, the risk indicator in last year's report would have been 3.

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 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	138.29	138.59	131.11	136.30
Return before operating charges*	(0.45)	4.56	13.43	0.72
Operating charges	(0.21)	(0.42)	(0.43)	(0.39)
Return after operating charges*	(0.66)	4.14	13.00	0.33
Distributions on income units	(2.22)	(4.44)	(5.52)	(5.52)
Closing net asset value per unit	135.41	138.29	138.59	131.11

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

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Performance

Return after charges (0.48%) 2.99% 9.92% 0.24%

Other information

Closing net asset value (£'000)	84,197	104,610	112,500	96,146
Closing number of units	62,177,357	75,645,350	81,176,786	73,330,889
Operating charges**	0.30%	0.30%	0.31%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

Highest unit price (offer)	138.79	142.87	149.45	142.60
Lowest unit price (bid)	134.26	135.67	132.80	131.18

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	860.40	835.15	759.68	758.02
Return before operating charges*	(2.78)	27.79	77.99	3.93
Operating charges	(1.30)	(2.54)	(2.52)	(2.27)
Return after operating charges*	(4.08)	25.25	75.47	1.66
Distributions on accumulation units	(14.89)	(31.22)	(30.17)	(31.19)
Retained distributions on accumulation units	14.89	31.22	30.17	31.19
Closing net asset value per unit	856.32	860.40	835.15	759.68

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

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Performance

Return after charges (0.47%) 3.02% 9.93% 0.22%

Other information

Closing net asset value (£'000)	20,528	20,842	19,218	19,390
Closing number of units	2,397,250	2,422,419	2,301,095	2,552,400
Operating charges**	0.30%	0.30%	0.31%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices (pence per unit)

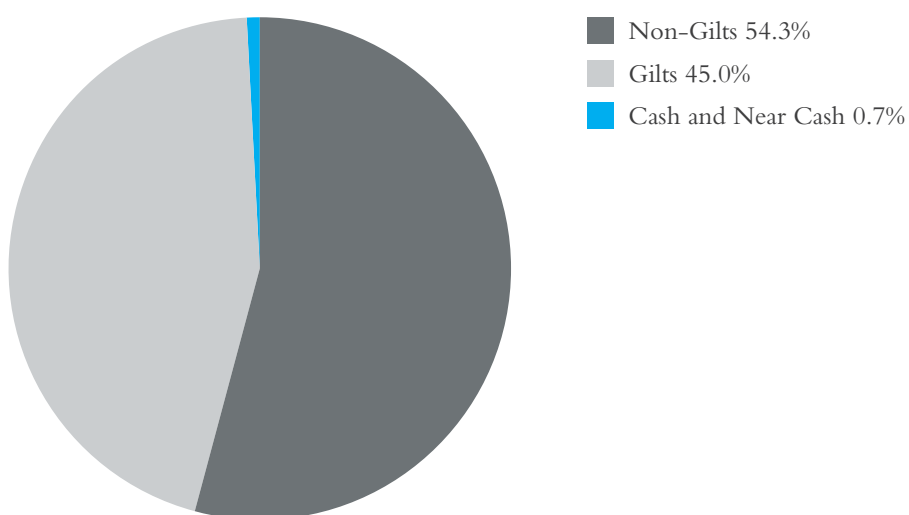
Highest unit price (offer)	864.14	872.05	883.40	793.09
Lowest unit price (bid)	835.32	817.55	769.45	744.63

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



By term to maturity

Period	% Fund
0-5 years	31.0
5-10 years	32.4
10-15 years	13.8
Over 15 years	22.8
Duration (modified)	7.5 yrs
Average term to maturity	9.5 yrs

The portfolio analysis above is consistent with the Fund's factsheets, which differ from the following portfolio statement because prices used here are mid-market rather than bid.

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Gilts – 44.79% (31.12.2017, 42.18%)			
Treasury 8% 2021	£2,139,000	2,589	2.48
Treasury 0.5% 2022	£6,454,000	6,353	6.07
Treasury 2.25% 2023	£5,224,000	5,548	5.30
Treasury 2.75% 2024	£1,200,000	1,319	1.26
Treasury 5% 2025	£6,475,000	8,097	7.73
Treasury 1.625% 2028	£200,000	204	0.19
Treasury 6% 2028	£6,848,000	9,931	9.48
Treasury 4.25% 2032	£1,500,000	2,003	1.91
Treasury 4.5% 2034	£1,542,000	2,168	2.07
Treasury 4.25% 2040	£3,689,375	5,414	5.17
Treasury 4.5% 2042	£1,374,000	2,126	2.03
Treasury 3.25% 2044	£884,000	1,154	1.10
Non-Gilts – 53.54% (31.12.2017, 54.05%)			
3i Group 6.875% 2023	£351,000	421	0.40
Affordable Housing Finance 3.8% 2044	£1,350,000	1,765	1.69
Asciano Finance 5% 2023	£850,000	947	0.90
AT&T 4.25% 2043	£330,000	346	0.33
AXA Variable Perpetual	£1,430,000	1,502	1.43
British Telecom 8.625% 2020	£1,065,000	1,194	1.14
Brown Forman 2.6% 2028	£870,000	874	0.83
Citigroup 5.125% 2018	£1,281,000	1,302	1.24
Community Finance 5.017% 2034	£700,000	919	0.88
Coventry 6% 2019	£1,103,000	1,169	1.12
Deutsche Bahn 2.75% 2022	£157,000	165	0.16
Digital Stout 4.75% 2023	£325,000	360	0.34
E.ON 6.75% 2039	£650,000	966	0.92
East Japan Railway 4.875% 2034	£1,100,000	1,441	1.38
Eversholt 5.831% 2020	£1,145,000	1,258	1.20
Experian Finance 4.75% 2018	£1,140,000	1,156	1.10
Fidelity 7.125% 2024	£830,000	998	0.95
Finland (Republic of) 1% 2018	£100,000	100	0.10
Friends Life 12% 2021	£672,000	855	0.82
Friends Life 8.25% 2022	£100,000	121	0.12
GE Capital UK Funding 8% 2039	£530,000	872	0.83

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
General Accident 7.875% preference shares	£1,215,000	1,628	1.55
GlaxoSmithKline Capital 3.375% 2027	£1,100,000	1,197	1.14
Heathrow Funding 6% 2020	£1,050,000	1,129	1.08
Intercontinental Hotels 3.875% 2022	£1,231,000	1,327	1.27
John Lewis 6.125% 2025	£140,000	162	0.15
KFW 1.125% 2019	£151,000	152	0.15
KFW 5.55% 2021	£1,000,000	1,129	1.08
Lloyds TSB 5.125% 2025	£2,118,000	2,567	2.45
LVMH Moet Hennessy Louis Vuitton 1% 2022	£225,000	222	0.21
Marks and Spencer 3% 2023	£727,000	738	0.70
McDonald's 6.375% 2020	£600,000	647	0.62
Myriad Capital 4.75% 2043	£1,375,000	1,744	1.67
National Grid North America 1.875% 2018	£1,005,000	1,006	0.96
Nestle 2.25% 2023	£1,780,000	1,841	1.76
Network Rail 4.625% 2020	£284,000	305	0.29
Old Mutual 8% 2021	£514,000	566	0.54
Pepsico 2.5% 2022	£163,000	171	0.16
Pfizer 2.735% 2043	£908,000	889	0.85
Places for People 2.875% 2026	£1,430,000	1,402	1.34
Procter & Gamble 1.8% 2029	£727,000	702	0.67
Prudential 11.375% VRN 2039	£488,000	530	0.51
Rabobank 4% 2022	£100,000	110	0.10
Royal Bank of Scotland 5.125% 2024	£1,793,000	2,121	2.03
Santander 5.75% 2026	£2,050,000	2,621	2.50
Scottish Widows 5.5% 2023	£1,060,000	1,160	1.11
Segro 5.625% 2020	£1,425,000	1,560	1.49
SSE 5.875% 2022	£134,000	156	0.15
Swedbank 1.25% 2021	£350,000	346	0.33
Telereal Secured Finance 4.01% 2033	£650,000	549	0.52
Tesco 6.125% 2022	£168,000	191	0.18
Thames Water Utilities Cayman Finance 2.375% 2023	£360,000	352	0.34
Thames Water Utilities Cayman Finance 2.625% 2032	£900,000	854	0.82
THFC Funding 5.2% 2043	£620,000	818	0.78
Transport for London 3.625% 2045	£1,600,000	1,937	1.85
Tritax Big Box REIT 2.625% 2026	£1,300,000	1,290	1.23
TSB Banking Group 5.75% VRN 2026	£1,150,000	1,211	1.16

PORTFOLIO STATEMENT
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
University of Cambridge 3.75% 2052	£680,000	903	0.86
Vodafone 8.125% 2018	£1,077,000	1,106	1.06
INVESTMENT ASSETS		102,976	98.33
NET OTHER ASSETS		1,749	1.67
TOTAL NET ASSETS		104,725	100.00

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 (losses)/gains		(2,069)		21
Revenue	1,408		1,649	
Expenses	(172)		(189)	
Net revenue before taxation	1,236		1,460	
Taxation	–		–	
Net revenue after taxation		1,236		1,460
Total (deficit)/return before distributions		(833)		1,481
Distributions		(1,856)		(2,119)
Change in net assets attributable to unitholders from investment activities		(2,689)		(638)

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		125,452		131,718
Amounts receivable on issue of units	749		1,544	
Amounts payable on cancellation of units	(19,145)		(5,684)	
		(18,396)		(4,140)
Change in net assets attributable to unitholders from investment activities		(2,689)		(638)
Retained distributions on accumulation units		358		360
Closing net assets attributable to unitholders		104,725		127,300

The note on page 18 and the distribution tables on page 19 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		102,976		120,717
Current assets:				
Debtors	1,037		1,671	
Cash equivalents	1,339		2,731	
Cash and bank balances	105		1,216	
Total current assets		2,481		5,618
Total assets		105,457		126,335
LIABILITIES				
Creditors				
Other creditors	42		43	
Distribution payable on income units	690		840	
Total creditors		732		883
Total liabilities		732		883
Net assets attributable to unitholders		104,725		125,452

The financial statements on pages 16 to 19 have been approved by the Board.

Approved on behalf of the Board
15 October 2018

N Morecroft

The note on page 18 and the distribution tables on page 19 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 UK 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	1.11	1.11
30 June	31 August	1.11	1.11
		2.22	2.22
Accumulation units			
		Revenue accumulated pence per unit	
		2018	2017
31 March		7.75	7.95
30 June		7.14	7.67
		14.89	15.62

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. 803610)

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

CCLA Fund Managers Limited

Senator House, 85 Queen Victoria Street, London EC4V 4ET

T: 0800 022 3505 E: clientservices@ccla.co.uk

www.ccla.co.uk

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