

COIF CHARITIES GLOBAL EQUITY INCOME FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2018

**CCLA**

**CONTENTS**

Report of the Board	03
Report of the Investment Manager*	06
Risk and reward profile	09
Comparative table	10
Portfolio analysis	12
Portfolio statement*	13
Statement of total return	18
Statement of change in net assets attributable to unitholders	18
Balance sheet	19
Note to the financial statements	20
Distribution tables	21
Statement of Board, Trustee, Depositary and Manager responsibilities	22
Board and Manager*	27
Description of the COIF Charity Funds	28

\*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 Global Equity Income 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 30 October 2007 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by written resolutions of the trustees of the Fund dated 21 July 2014, 22 July 2014 and 5 December 2015. 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 a high level of income with long-term capital growth.

**Investment policy**

The Fund is an actively managed, diversified portfolio of global equities. It will principally invest in UK and overseas equities, but may also invest in other assets.

**REPORT OF THE BOARD**

for the half year ended 30 June 2018 (unaudited)

**Benchmark**

MSCI™ World Index is the benchmark for the Fund.

**Distribution Policy**

From 1 January 2018, the Fund had the capacity to make distributions from capital.

**Suitability**

The Fund is suitable for the long-term funds of any charity seeking a high income from investing in global equities.

**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.

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. 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 first half of the year the Fund achieved a return before expenses of 5.66%. This compares with a return of 2.90% on the benchmark. The total return on an Income Unit after all costs and charges was 5.15% and that on an Accumulation Unit 5.16%. The income distribution to investors was 3.28p, the same as that paid in the equivalent period of 2017. The expectation is that the payment for the year will be unchanged. The relative performance of the Fund was supported by strong stock selection results. The move to a total return approach to income at the start of the year was also beneficial as it removed the regional and sectoral constraints on asset allocation the previous income focus had required.

### Economic and Investment Market Review

The global economy continued to expand in the first half of the year, although the rate of expansion did not quite match that achieved in the closing months of 2017. Growth in the US, boosted by tax cuts, continued at a high level, but activity growth reduced in Europe, including the UK, and Japan. In China, growth continued comfortably above the 6.5% rate forecast for the year. Global inflation remained relatively modest, despite a rise in the oil price and low levels of unemployment in large parts of the developed world. A worrying theme in the period was increased trade friction as the US introduced duties on a range of imported goods, actions which were reciprocated by trading partners.

### Annualised total capital and income return

To 30 June 2018	Six months %	1 year %	3 years % p.a.	5 years % p.a.
<b>Performance against market indices (before expenses)</b>				
COIF Charities Global Equity Income Fund	5.66	10.78	11.75	11.07
Comparator <sup>#</sup>	2.90	9.30	13.99	13.65
MSCI World	3.28	10.12	15.67	13.70
MSCI UK Investable Market Index	1.74	9.28	9.61	8.65
<b>Performance after expenses</b>				
Income units <sup>*</sup>	5.15	9.74	10.70	9.94
Accumulation units <sup>*</sup>	5.16	9.76	10.74	9.96

<sup>#</sup> Comparator – From 01.01.16 MSCI £ World. To 31.12.15 MSCI World (50% currency hedged) & to 31.12.11 FTSE All-Share Index.

<sup>\*</sup> Mid to mid plus income re-invested.

Source: CCLA.

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

Most of the major equity indices gave positive returns to a Sterling-based investor although, in some areas, currency factors supported the gains. The global equity index gave a return of 2.15% for the period overall, as values fell in the first few months and rallied strongly in the second quarter. The strongest performer was the US, up by 5.37%. The return from the UK was 1.69% and that from Japan 0.53%. In contrast, values were -1.01% lower in Europe and -2.27% down in Asia, reflecting weaker trends in a number of emerging economies. At the individual market level, Finland was the best European performer, with a return of +12.61%, Greece the worst, -6.65%. In Asia, gains were harder to find. New Zealand was the strongest market, +3.20%, the Philippines the weakest, -18.44%. At the sector level, as with the national indices, there was an increased level of volatility. Overall, I.T. continued to do well and there was a strong rally in the oil sector, reflecting the strength in the oil price.

### Strategy

The portfolio is constructed on a 'bottom-up' basis, that is by selecting the individual investments we consider to be the most attractive rather than by having a pre-determined allocation to any region or sector. Since the start of 2018 the Fund has employed a total return approach to income by which the distribution to investors can be supported both by the income flow from the portfolio and by long-term capital growth.

### Outlook

We expect continued growth in the world economy at rates close to, but maybe not quite matching, those currently enjoyed. Activity will be supported by accommodative monetary policies, some improvement in consumer incomes and the effects of tax cuts in the US. Inflation is expected to remain modest and whilst it might edge higher from current levels, is not expected to be a significant concern. Monetary conditions will gradually normalise, but only in the US and to a limited degree, the UK are higher interest rates likely. The current economic upswing is old, but is not yet showing signs of coming to a close.

A backcloth of economic growth and higher profits should support equity prices in the period ahead. Valuations are not cheap, but neither are they so stretched that good profit growth cannot be reflected in higher prices. Our approach will continue to favour strong companies with good growth potential independent of broad economic trends.

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
<b>Purchases:</b>		<b>Sales:</b>	
Heineken	2,331	Anta Sports	2,081
Fidelity National Information	1,882	Samsonite International	1,892
McDonald's	1,779	Blackstone Mortgage Trust	1,739
NASDAQ OMX Group	1,717	Anheuser Busch	1,719
Fresenius	1,607	Vodafone	1,470
Canadian Pacific Railway	1,318	HSBC	1,465
SS&C Technologies	1,291	Princess Private Equity	1,453
Recruit Holdings	1,063	Brookfield Infrastructure Partners	1,401
Alphabet	985	Roche Holding	1,319
Nomura Research Institute	942	KDDI	1,311

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 may invest in emerging market countries which could be subject to political and economic change. The Fund's unit value will reflect fluctuations in securities' prices and currency exchange rates.

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.

## 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 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 significantly reducing its level. The risk indicator for this Fund in the 31 December 2017 annual report was 6 out of 7. Based on the revised legislative requirements, the risk indicator in last year's report would have been 4 out of 7.

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 global equity asset class



This year, based on the new legislative obligations, we have classified this Fund as 3 out of 7.

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

	Income units			
	Half year to 30.06.2018 pence per unit	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	172.92	163.28	145.51	147.00
Return before operating charges*	9.55	17.82	25.82	6.50
Operating charges	(0.82)	(1.62)	(1.49)	(1.43)
Return after operating charges*	8.73	16.20	24.33	5.07
Distributions on income units	(3.28)	(6.56)	(6.56)	(6.56)
Closing net asset value per unit	178.37	172.92	163.28	145.51
* after direct transaction costs of (pence per unit):	0.04	0.21	0.13	0.13

## Performance

Return after charges	5.05%	9.92%	16.72%	3.45%
----------------------	-------	-------	--------	-------

## Other information

Closing net asset value (£'000)	150,573	149,985	137,704	114,457
Closing number of units	84,417,253	86,736,050	84,335,224	78,659,176
Operating charges**	0.95%	0.95%	0.97%	0.97%
Direct transaction costs	0.03%	0.13%	0.08%	0.09%

## Prices (pence per unit)

Highest unit price (offer)	183.32	176.46	167.86	160.49
Lowest unit price (bid)	162.77	160.27	132.89	137.55

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	280.17	254.55	217.41	209.99
Return before operating charges*	15.74	28.18	39.41	9.61
Operating charges	(1.34)	(2.56)	(2.27)	(2.19)
Return after operating charges*	14.40	25.62	37.14	7.42
Distributions on accumulation units	(2.82)	(9.30)	(10.41)	(9.75)
Retained distributions on accumulation units	2.82	9.30	10.41	9.75
Closing net asset value per unit	294.57	280.17	254.55	217.41

\* after direct transaction costs of (pence per unit): 0.07 0.34 0.20 0.19

## Performance

Return after charges 5.14% 10.06% 17.08% 3.53%

## Other information

Closing net asset value (£'000)	5,420	5,031	5,723	6,406
Closing number of units	1,839,800	1,795,499	2,248,299	2,946,653
Operating charges**	0.95%	0.95%	0.97%	0.97%
Direct transaction costs	0.03%	0.13%	0.08%	0.09%

## Prices (pence per unit)

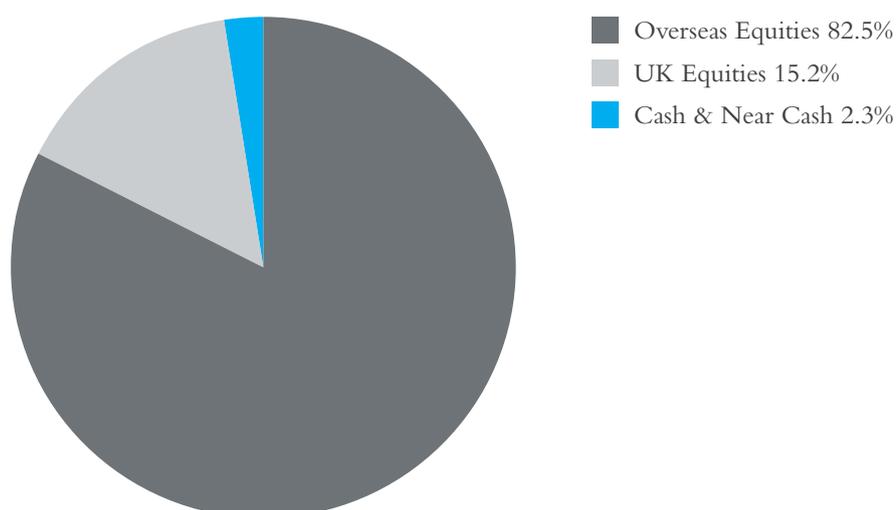
Highest unit price (offer)	299.99	283.23	259.92	232.16
Lowest unit price (bid)	263.72	249.85	198.58	202.96

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	54.1%
Developed Europe	16.4%
Asia Pacific ex-Japan	6.5%
Japan	5.0%
Other Americas	0.5%
	<b>82.5%</b>

Breakdown of Equities by Sector

Information Technology	23.7%
Financials	17.4%
Health Care	13.2%
Consumer Staples	12.5%
Industrials	11.6%
Consumer Discretionary	10.7%
Materials	4.0%
Energy	2.0%
Property	1.9%
Utilities	0.7%
Telecommunication Services	0.0%
	<b>97.7%</b>

The portfolio analyses above are 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
<b>UNITED KINGDOM 15.23% (31.12.2017, 18.06%)</b>			
<b>Consumer Discretionary 2.01% (31.12.2017, 1.77%)</b>			
Compass Group	97,095	1,571	1.01
InterContinental Hotels	33,040	1,559	1.00
<b>Consumer Staples 4.26% (31.12.2017, 5.16%)</b>			
Diageo	55,873	1,521	0.98
Reckitt Benckiser	26,294	1,640	1.05
Unilever	83,055	3,482	2.23
<b>Energy 0.86% (31.12.2017, 0.80%)</b>			
Royal Dutch Shell B	49,726	1,349	0.86
<b>Financials 3.16% (31.12.2017, 4.53%)</b>			
London Stock Exchange	62,408	2,790	1.79
Prudential	123,414	2,141	1.37
<b>Health Care 1.07% (31.12.2017, 0.51%)</b>			
Abcam	37,256	497	0.32
Genus	44,375	1,169	0.75
<b>Industrials 1.98% (31.12.2017, 1.88%)</b>			
Experian	85,708	1,607	1.03
Ferguson	24,073	1,480	0.95
<b>Materials 1.89% (31.12.2017, 2.39%)</b>			
Croda International	37,578	1,804	1.16
DS Smith	218,084	1,136	0.73
<b>Telecommunication Services 0.00% (31.12.2017, 1.02%)</b>			
<b>OVERSEAS EQUITIES 82.48% (31.12.2017, 77.74%)</b>			
<b>DEVELOPED EUROPE 16.38% (31.12.2017, 17.83%)</b>			
<b>Consumer Discretionary 1.36% (31.12.2017, 1.81%)</b>			
LVMH	8,429	2,124	1.36

**PORTFOLIO STATEMENT**  
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
<b>Consumer Staples 4.01% (31.12.2017, 3.50%)</b>			
Heineken	30,819	2,322	1.49
L'Oreal	8,788	1,628	1.04
Nestlé	39,298	2,303	1.48
<b>Financials 2.08% (31.12.2017, 3.39%)</b>			
Danske Bank	32,045	761	0.49
Deutsche Boerse	15,813	1,597	1.02
ING Groep	80,985	882	0.57
<b>Health Care 2.59% (31.12.2017, 2.00%)</b>			
DiaSorin	16,200	1,398	0.90
Fresenius	27,984	1,704	1.09
Sartorius Stedim Biotech	11,758	930	0.60
<b>Industrials 4.36% (31.12.2017, 5.20%)</b>			
Assa Abloy	75,498	1,221	0.78
Legrand Promesses	27,226	1,493	0.96
RELX	166,056	2,673	1.71
SGS Surveillance	702	1,415	0.91
<b>Information Technology 0.95% (31.12.2017, 0.90%)</b>			
SAP	16,908	1,480	0.95
<b>Materials 1.03% (31.12.2017, 1.03%)</b>			
Givaudan	936	1,608	1.03
<b>NORTH AMERICA 54.07% (31.12.2017, 47.13%)</b>			
<b>Consumer Discretionary 6.80% (31.12.2017, 4.94%)</b>			
Amazon	2,246	2,890	1.85
Booking Holdings	1,469	2,256	1.45
Home Depot	11,080	1,638	1.05
McDonald's	15,047	1,786	1.14
Starbucks	14,797	547	0.35
Walt Disney	18,918	1,503	0.96

**PORTFOLIO STATEMENT**  
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
<b>Consumer Staples 1.16% (31.12.2017, 2.91%)</b>			
Colgate-Palmolive	27,727	1,361	0.87
Pepsico	5,555	458	0.29
<b>Energy 1.08% (31.12.2017, 1.06%)</b>			
Chevron	17,658	1,690	1.08
<b>Financials 10.47% (31.12.2017, 9.24%)</b>			
Bank of America	101,548	2,169	1.39
Blackstone	62,126	1,514	0.97
Chicago Mercantile Exchange	20,075	2,492	1.60
Citigroup	30,315	1,537	0.99
JP Morgan Chase	39,541	3,124	2.00
NASDAQ OMX Group	26,596	1,839	1.18
S&P Global	14,622	2,258	1.45
Schwab (Charles)	35,979	1,392	0.89
<b>Health Care 8.65% (31.12.2017, 7.63%)</b>			
Medtronic	35,587	2,308	1.48
Pfizer	48,718	1,339	0.86
Stryker	19,628	2,510	1.61
Thermo Fisher Scientific	17,052	2,676	1.72
UnitedHealth Group	14,763	2,744	1.76
Zoetis	29,557	1,908	1.22
<b>Industrials 3.85% (31.12.2017, 3.83%)</b>			
3M	10,427	1,554	1.00
Canadian Pacific Railway	10,136	1,403	0.90
Honeywell International	19,210	2,096	1.34
Rockwell Automation	7,594	956	0.61
<b>Information Technology 18.33% (31.12.2017, 12.79%)</b>			
Accenture	17,729	2,197	1.41
Adobe Systems	2,723	502	0.32
Alphabet	4,713	3,982	2.55
Apple	21,663	3,001	1.92
FaceBook	11,975	1,762	1.13

**PORTFOLIO STATEMENT**  
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
Fidelity National Information	25,670	2,062	1.32
Mastercard	17,262	2,570	1.65
Microsoft	64,815	4,841	3.10
PayPal	26,750	1,687	1.08
SS&C Technologies	34,488	1,355	0.87
Texas Instruments	27,671	2,311	1.48
Visa A	23,279	2,339	1.50
<b>Materials 1.10% (31.12.2017, 0.93%)</b>			
Ecolab	16,121	1,714	1.10
<b>Real Estate 1.89% (31.12.2017, 1.87%)</b>			
Alexandria Real Estate Equities	15,486	1,480	0.95
Prologis	29,335	1,460	0.94
<b>Utilities 0.74% (31.12.2017, 1.93%)</b>			
Duke Energy	19,378	1,161	0.74
<b>OTHER AMERICAS 0.51% (31.12.2017, 0.69%)</b>			
<b>Consumer Staples 0.51% (31.12.2017, 0.69%)</b>			
AmBev	226,600	802	0.51
<b>JAPAN 5.03% (31.12.2017, 4.34%)</b>			
<b>Consumer Discretionary 0.51% (31.12.2017, 0.53%)</b>			
Koito Manufacturing	15,800	790	0.51
<b>Consumer Staples 1.64% (31.12.2017, 1.43%)</b>			
Kao	44,200	2,554	1.64
<b>Industrials 1.37% (31.12.2017, 0.88%)</b>			
FANUC	5,800	871	0.56
Recruit Holdings	60,100	1,259	0.81
<b>Information Technology 1.51% (31.12.2017, 0.64%)</b>			
Keyence	3,000	1,282	0.82
Nomura Research Institute	29,300	1,076	0.69

**PORTFOLIO STATEMENT**  
at 30 June 2018 (unaudited)

	Holding	Fair value £'000	% of total net assets
<b>Telecommunication Services 0.00% (31.12.2017, 0.86%)</b>			
<b>ASIA PACIFIC EX JAPAN 6.49% (31.12.2017, 7.75%)</b>			
<b>Consumer Discretionary 0.00% (31.12.2017, 2.54%)</b>			
<b>Consumer Staples 0.92% (31.12.2017, 0.31%)</b>			
LG Household & Healthcare	1,516	1,438	0.92
<b>Financials 1.74% (31.12.2017, 1.21%)</b>			
AIA	411,000	2,722	1.74
<b>Health Care 0.91% (31.12.2017, 0.99%)</b>			
Sonic Healthcare	103,260	1,414	0.91
<b>Information Technology 2.92% (31.12.2017, 2.70%)</b>			
Taiwan Semiconductor Manufacturing	85,692	2,373	1.52
Tencent Holdings	57,600	2,189	1.40
<b>PRIVATE EQUITY &amp; OTHER 0.00% (31.12.2017, 1.01%)</b>			
<b>CONTRACTUAL &amp; OTHER INCOME 0.00% (31.12.2017, 1.21%)</b>			
<b>INVESTMENT ASSETS</b>		152,427	97.71
<b>NET OTHER ASSETS</b>		3,566	2.29
<b>TOTAL NET ASSETS</b>		155,993	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 gains		6,753		4,999
Revenue	1,768		3,904	
Expenses	(724)		(705)	
Net revenue before taxation	1,044		3,199	
Taxation	(220)		(374)	
Net revenue after taxation		824		2,825
<b>Total return before distributions</b>		<b>7,577</b>		<b>7,824</b>
Distributions		(2,817)		(2,955)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>4,760</b>		<b>4,869</b>

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
<b>Opening net assets attributable to unitholders</b>		<b>155,016</b>		<b>143,427</b>
Amounts receivable on issue of units	1,962		7,534	
Amounts payable on cancellation of units	(5,797)		(3,382)	
		(3,835)		4,152
Change in net assets attributable to unitholders from investment activities		4,760		4,869
Retained distributions on accumulation units		52		126
<b>Closing net assets attributable to unitholders</b>		<b>155,993</b>		<b>152,574</b>

The note on page 20 and the distribution tables on page 21 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
<b>ASSETS</b>				
Fixed assets:				
Investments		152,427		151,951
Current assets:				
Debtors	2,923		291	
Cash equivalents	3,995		3,628	
Cash and bank balances	338		734	
Total current assets		7,256		4,653
<b>Total assets</b>		<b>159,683</b>		<b>156,604</b>
<b>LIABILITIES</b>				
Creditors:				
Other creditors	2,306		166	
Distribution payable on income units	1,384		1,422	
Total creditors		3,690		1,588
<b>Total liabilities</b>		<b>3,690</b>		<b>1,588</b>
<b>Net assets attributable to unitholders</b>		<b>155,993</b>		<b>155,016</b>

The financial statements on pages 18 to 21 have been approved by the Board.

Approved on behalf of the Board  
15 October 2018

N Morecroft

The note on page 20 and the distribution tables on page 21 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 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
<b>Income units</b>			
31 March	31 May	1.64	1.64
30 June	31 August	1.64	1.64
		<b>3.28</b>	<b>3.28</b>
		Revenue accumulated pence per unit	
		2018	2017
<b>Accumulation units</b>			
31 March		1.06	3.26
30 June		1.76	2.86
		<b>2.82</b>	<b>6.12</b>

## 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. 1121433)

**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](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://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](mailto:clientservices@ccla.co.uk)

[www.ccla.co.uk](http://www.ccla.co.uk)

CCLA Fund Managers Limited (Registered in England No. 8735639) and CCLA Investment Management Limited (Registered in England No. 2183088) are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

Printed on 100% post consumer waste and is certified by the Forest Stewardship Council (FSC).