

COIF CHARITIES INVESTMENT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 December 2019

CCLA

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*Collectively, these comprise the Manager's Report.

**Audited.

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

Disability Discrimination Act 1995

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

REPORT OF THE BOARD

for the year ended 31 December 2019

On behalf of the Board, I have pleasure in presenting the Annual Report and Financial Statements of the COIF Charities 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 in 1962 and is now regulated by the Scheme dated 14 May 2008 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by resolutions of the Depositary of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014, 5 December 2015 and 15 May 2017 (as amended or replaced 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 Financial Conduct Authority Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation.

The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, investments, charities and the law. No Board member is required to be authorised by the Financial Conduct Authority 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.

As at 31 December 2019, the Fund owns 22.37% of the ordinary share capital of the Manager's parent company, CCLA Investment Management Limited, a proportion of which are non-voting shares.

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

The Trustee and Depositary, HSBC Bank plc, appointed under the Scheme is responsible for the supervision and oversight of the Manager's compliance with the Scheme and Scheme Particulars and also for the custody and safekeeping of the property of the Fund. It is also responsible for the appointment and supervision of the Registrar of the Fund. The division between management and depositary functions provides an additional layer of protection for unitholders. The Board, Depositary and Manager are considered Charity Trustees of the Fund within the meaning of the Charities Act 2011.

REPORT OF THE BOARD

for the year ended 31 December 2019

Investment objective

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

Benchmark

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.

Investment policy

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

Distribution policy

The Fund has the capacity to make distributions from both income and capital, but at least three quarters of the distribution made will be sourced from the income earned on investments. The annual rate of distribution is approved by the Board in discussions with the Manager.

Target investors

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

Review of investment activities and policies of the Fund

The Board met quarterly during the year to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to review 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 the portfolio statement of these Financial Statements.

During the year, the Board also met quarterly with the Manager to review 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.

REPORT OF THE BOARD

for the year ended 31 December 2019

The Manager is a signatory to the United Nations backed Principles for Responsible Investment (PRI) 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 diversification of assets.

The Board has adopted an ethical investment policy which reflects client priorities researched by the Manager. The Fund prohibits investment in companies that have been identified by our third-party data provider (MSCI), as being involved in:

- producing landmines, cluster bombs or chemical/biological weapons;
- producing tobacco products;
- having significant (>10%) turnover relating to online gambling or the production of pornography.

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

- The ILO Core Labour Standards;
- The UN Guiding Principles on Business and Human Rights; and
- 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 year, the Board, assisted by the Manager, reviewed the Fund's systems of internal control and risk report.

N Morecroft
Chairman
11 May 2020

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2019

Performance

Over the year, the Fund achieved a total return after expenses of 21.64% on income units and 21.65% on accumulation units. This compares with a return of 17.07% on the comparator.

Annualised total capital and income return

To 31 December 2019	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)			
COIF Charities Investment Fund:			
Income units*	21.64%	10.60%	10.19%
Accumulation units*	21.65%	10.61%	10.22%
Comparator#	17.07%	8.49%	8.86%
MSCI United Kingdom Investable Market Index (IMI)	18.40%	7.23%	7.86%
MSCI World ex UK	23.09%	12.72%	12.02%
iBoxx Markit £ Gilts	7.13%	4.05%	5.64%
IPD All Properties Monthly*	2.11%	7.36%	9.15%

Comparator – composite: from 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.17 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 year ended 31 December 2019

Economic and Market Review

The world economy grew at a moderate pace over the year. Growth was supported by resilient consumer activity but came under pressure from the effects of previous increases in interest rates and the effect on confidence of the trade dispute between China and the US. Manufacturing output was particularly hard hit by the dispute and lower exports saw trade volumes fall. The disappointing growth performance triggered a change in policy by a number of central banks which reversed the move to higher borrowing costs and cut rates again. The list of those cutting rates included major economies such as the US, EU and China, with over 20 countries making reductions.

Investment markets gave positive returns. Equities were the strongest performers, making steady progress over the year. Investors increasingly anticipated improved economic growth rates as interest rate reductions gradually had an effect. Of the major regional indices, the US gave the highest returns to a UK investor, of 26.55%. Performances elsewhere were also strong, the European index gained 20.50%. Japan 14.84% and Asia 14.48%. The UK performed in line with their international peers, returning 19.17%. At the individual market level, seven European exchanges improved by 20% or more. Greece, +47.50%, was the strongest performer. In Asia, Taiwan headed the list, up by 31.13%;

only Malaysia gave negative returns of -4.07%. Domestic fixed interest markets also advanced although not to the extent recorded by equities. Corporate bonds outperformed the government issued alternatives and investors showed a clear preference for longer dated and lower credit rated issues. Returns from property were positive despite lower valuations because of the contribution from income. In this sector, retail related assets were poor performers, to an extent that the weakness here offset the gains in industrials. Sterling rose over the year with particular strength in the final few months. It gained 6.32% relative to the Euro, 3.94% against the Dollar and 3.01% against the Yen.

Strategy

There were no changes to the investment objective of the Fund or to the strategy employed to achieve it. The portfolio is diversified but has a structural bias to real assets such as global equities, domestic property and infrastructure. Within the equity portfolio there is a focus on good quality companies able to grow profits independently of the broad economic cycle. This approach has resulted in relatively high weightings in areas such as technology, health and industries related to the consumer. There are low exposures to sectors such as energy, utilities and parts of the financial sectors.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2019**Outlook**

The COVID-19 pandemic will have a significant negative effect on the world economy, severely reducing activity in the early months of the year. Such is the scale of impact that output for 2020 as a whole is unlikely to show any growth on 2019. Governments have responded to the crisis by easing monetary conditions and increasing spending; actions which will be beneficial over time but can do little in the short term to moderate a shock to both supply and demand sides of the economy. The crisis has come at a time when investment markets, after a decade of rising prices, were far from bargain levels, the result has been a sharp fall in sentiment and a severe correction in asset values. After a crisis on this scale, recovery will take time but we are hopeful of a return to more normal conditions in the second half of the year. This will allow a recovery which will continue into the new year. In the near term, asset markets are likely to remain volatile, but as confidence increases that the peak of the pandemic has passed, we expect asset prices to stabilise and then begin to improve once more.

J Bevan
Chief Investment Officer
CCLA Fund Managers Limited
11 May 2020

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2019

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
COIF Charities Property Fund		US Treasury 0.5% 2028	48,590
Income units	44,448	Reckitt Benckiser	24,687
Agilent Technologies	26,400	US Treasury 2.5% 2020	23,289
Roche Holding	23,643	Booking Holdings	18,354
Verizon Communications	20,764	Beiersdorf	17,875
Electronic Arts	19,701	The Montreux Healthcare Fund D1	16,447
Nike B	18,549	Citigroup	14,539
Merck & Co.	18,332	DS Smith	13,395
Hexagon	18,057	Nomura Research Institute	13,194
Bunzl	17,016	Thermo Fisher Scientific	12,196
PepsiCo	15,047		

When a stock has both purchases and sales in the year, these transactions have been netted and the net amount has been reflected as either a net purchase or net sale in the table above.

Risk warning

Past performance is not a reliable indicator of future results. The price of the Fund's units and any income distributions from them may fall as well as rise and an investor may not get back the amount originally invested.

The Fund's units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Units are realisable on each weekly dealing day only.

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.

REPORT OF THE DEPOSITARY
for the year ended 31 December 2019

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

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
London
E14 5HQ

HSBC Bank plc is authorised and regulated by
the Financial Conduct Authority
11 May 2020

INDEPENDENT AUDITORS' REPORT

to the Trustees of the COIF Charities Investment Fund

Report on the audit of the financial statements*Opinion*

In our opinion, COIF Charities Investment Fund's financial statements (the "financial statements"):

- give a true and fair view of the state of the Fund's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended and of the movements in the net assets of the Fund between their position as at 1 January 2019 and 31 December 2019;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), and
- have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 6 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the statement of total return; the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Managers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Managers' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT**to the Trustees of the COIF Charities Investment Fund**

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to Fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Managers are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Reporting required by the Charities Act 2011

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Managers' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

*Responsibilities for the financial statements and the audit**Responsibilities of the Manager for the financial statements*

As explained more fully in the Statement of Board, Depositary and Manager Responsibilities set out on page 50, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT to the Trustees of the COIF Charities Investment Fund

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's Managers as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 24 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

INDEPENDENT AUDITORS' REPORT
to the Trustees of the COIF Charities Investment Fund

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London
Riverside
London
11 May 2020

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

SUMMARY RISK INDICATOR

The European Union imposed legislation which sets out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the recommended holding period (RHP).



The Manager has classified the COIF Charities Investment Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

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

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

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

COMPARATIVE TABLE

Change in net assets per unit

	Income units		
	Year to 31.12.2019 pence per unit	Year to 31.12.2018 pence per unit	Year to 31.12.2017 pence per unit
Opening net asset value per unit	1,433.75	1,474.74	1,356.42
Return before operating charges*	319.86	20.72	178.62
Operating charges	(12.13)	(11.39)	(10.97)
Return after operating charges*	307.73	9.33	167.65
Distributions on Income units	(51.33)	(50.32)	(49.33)
Closing net asset value per unit	1,690.15	1,433.75	1,474.74
* after direct transaction costs of:	0.42	0.39	0.77

Performance

Return after charges	21.46%	0.63%	12.36%
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Other information

Closing net asset value (£'000)	2,335,157	1,865,140	1,820,423
Closing number of units	138,163,062	130,087,911	123,440,496
Operating charges**	0.74%	0.75%	0.74%
Direct transaction costs	0.03%	0.03%	0.05%

Prices (pence per unit)

Highest unit price (offer)	1,724.42	1,586.51	1,498.80
Lowest unit price (bid)	1,421.48	1,403.79	1,348.40

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 year.

COMPARATIVE TABLE

Change in net assets per unit

	Accumulation units		
	Year to 31.12.2019 pence per unit	Year to 31.12.2018 pence per unit	Year to 31.12.2017 pence per unit
Opening net asset value per unit	15,444.90	15,355.23	13,647.21
Return before operating charges*	3,476.71	209.72	1,819.85
Operating charges	(133.31)	(120.05)	(111.83)
Return after operating charges*	3,343.40	89.67	1,708.02
Distributions on Accumulation units	(442.16)	(425.60)	(442.77)
Retained distributions on Accumulation units	442.16	425.60	442.77
Closing net asset value per unit	18,788.30	15,444.90	15,355.23
* after direct transaction costs of:	4.63	4.09	7.84
Performance			
Return after charges	21.65%	0.58%	12.52%
Other information			
Closing net asset value (£'000)	480,561	288,471	294,927
Closing number of units	2,557,769	1,867,744	1,920,691
Operating charges**	0.74%	0.75%	0.74%
Direct transaction costs	0.03%	0.03%	0.05%
Prices (pence per unit)			
Highest unit price (offer)	19,029.04	16,820.29	15,485.79
Lowest unit price (bid)	15,312.72	14,616.54	13,566.65

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 year.

OPERATING CHARGES ANALYSIS

for the year ended 31 December 2019

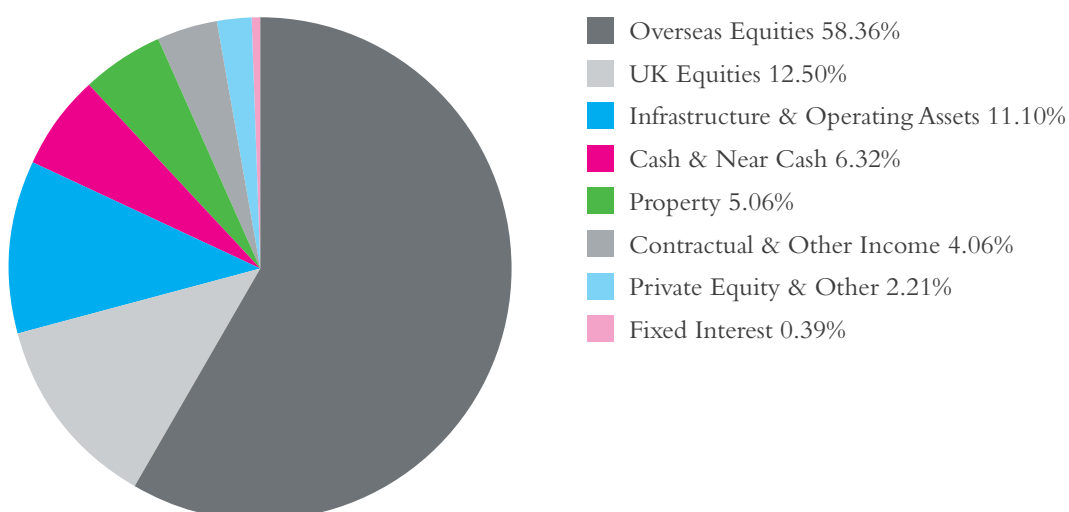
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges which are shown below as a percentage of average net assets of the Fund. The share of the Manager's periodic charge of the CCLA ACS – Diversified Income Fund does not form part of the total operating charges because they are offset by the rebates included in note 2.

	31.12.2019	31.12.2018
	%	%
Manager's periodic charge including VAT	0.72	0.72
Manager's fee for ethical services	0.00	0.01
Safe custody fees and depositary fee	0.01	0.01
Other expenses	0.01	0.01
Total operating charges	0.74	0.75

PORTFOLIO ANALYSIS

at 31 December 2019

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	37.58%
Developed Europe	12.95%
Asia Pacific ex-Japan	5.44%
Japan	2.39%
	58.36%

Breakdown of Equities by Sector

Information Technology	12.96%
Health Care	12.54%
Consumer Staples	9.27%
Industrials	8.35%
Financials	8.29%
Consumer Discretionary	6.28%
Communication Services	6.22%
Real Estate	2.72%
Materials	2.15%
Energy	1.15%
Utilities	0.93%
	70.86%

The portfolio analyses above 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 31 December 2019

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 13.36%			
(31.12.2018 – 16.40%)			
Consumer Discretionary 1.22% (31.12.2018 – 1.42%)			
Compass Group	994,190	18,790	0.67
InterContinental Hotels	298,683	15,546	0.55
Consumer Staples 2.70% (31.12.2018 – 4.03%)			
Diageo	1,147,874	36,732	1.30
Unilever	904,830	39,365	1.40
Energy 0.77% (31.12.2018 – 0.95%)			
Royal Dutch Shell A	742,966	16,605	0.59
Royal Dutch Shell B	227,088	5,086	0.18
Financials 1.72% (31.12.2018 – 2.67%)			
London Stock Exchange	369,375	28,523	1.01
Prudential	1,377,729	19,922	0.71
Health Care 0.67% (31.12.2018 – 0.39%)			
Abcam	656,407	8,875	0.32
Genus	307,159	9,749	0.35
Industrials 2.53% (31.12.2018 – 2.94%)			
Bunzl	768,132	15,862	0.56
Experian	778,555	19,869	0.71
RELX	1,857,853	35,392	1.26
Materials 1.00% (31.12.2018 – 1.78%)			
Croda International	262,883	13,446	0.48
Rio Tinto	327,135	14,729	0.52
Real Estate 2.75% (31.12.2018 – 2.22%)			
Empiric Student Property	12,248,913	11,930	0.42
Primary Health Properties REIT	26,146,790	41,783	1.48
Target Healthcare REIT	5,812,830	6,714	0.24
Tritax Big Box REIT	11,625,876	17,288	0.61

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
OVERSEAS EQUITIES 58.51% (31.12.2018 – 50.63%)			
DEVELOPED EUROPE 12.33% (31.12.2018 – 10.26%)			
Consumer Discretionary 1.69% (31.12.2018 – 1.28%)			
Adidas	89,466	22,022	0.78
LVMH Moët Hennessy Louis Vuitton	73,198	25,690	0.91
Consumer Staples 3.40% (31.12.2018 – 3.85%)			
Heineken	435,018	34,988	1.24
L'Oreal	70,413	15,721	0.56
Nestlé	332,431	27,153	0.96
Pernod Ricard	90,770	12,260	0.44
Rémy Cointreau	60,440	5,572	0.20
Energy 0.38% (31.12.2018 – 0.32%)			
Total	254,830	10,617	0.38
Financials 0.50% (31.12.2018 – 0.51%)			
Deutsche Börse	117,215	13,949	0.50
Health Care 2.22% (31.12.2018 – 1.97%)			
DiaSorin	111,871	10,939	0.39
Novartis	190,279	13,630	0.48
Roche Holding	155,755	38,125	1.35
Industrials 1.92% (31.12.2018 – 0.87%)			
Assa Abloy	745,009	13,145	0.47
Epiroc	995,567	9,196	0.33
SGS	8,080	16,691	0.59
Wolters Kluwer	269,377	14,841	0.53
Information Technology 1.57% (31.12.2018 – 0.79%)			
Hexagon	450,229	18,995	0.67
SAP	249,532	25,385	0.90
Materials 0.65% (31.12.2018 – 0.67%)			
Chr. Hansen	153,498	9,222	0.33
Sika	63,661	9,024	0.32

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
NORTH AMERICA 35.84% (31.12.2018 – 29.86%)			
Communication Services 4.59% (31.12.2018 – 2.17%)			
Activision Blizzard	487,611	21,867	0.78
Alphabet	38,567	38,885	1.38
Electronic Arts	251,852	20,431	0.73
Telus	427,828	12,507	0.44
Verizon Communications	465,183	21,543	0.76
The Walt Disney Company	128,850	14,059	0.50
Consumer Discretionary 3.06% (31.12.2018 – 2.78%)			
Amazon	21,079	29,387	1.04
McDonald's	132,331	19,733	0.70
Nike B	255,759	19,553	0.70
Starbucks Corporation	262,328	17,404	0.62
Consumer Staples 1.56% (31.12.2018 – 1.19%)			
Coca Cola	313,449	13,092	0.47
Colgate-Palmolive	237,535	12,340	0.44
PepsiCo	178,769	18,435	0.65
Energy 0.00% (31.12.2018 – 0.31%)			
Financials 4.64% (31.12.2018 – 5.97%)			
Bank of America	714,351	18,981	0.68
Blackstone Group	308,850	13,039	0.46
Chicago Mercantile Exchange	134,771	20,412	0.73
JP Morgan Chase & Co.	201,730	21,223	0.75
NASDAQ	264,903	21,416	0.76
S&P Global	115,029	23,698	0.84
Schwab (Charles)	331,970	11,913	0.42
Health Care 8.37% (31.12.2018 – 5.79%)			
Agilent Technologies	433,826	27,927	0.99
Danaher Corporation	233,774	27,084	0.96
Elanco Animal Health	594,318	13,212	0.47
Illumina	30,421	7,614	0.27
Intuitive Surgical	21,575	9,622	0.34
Medtronic	227,400	19,466	0.69

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
Merck & Co.	274,943	18,870	0.67
Pfizer	642,352	18,988	0.68
Stryker Corporation	149,401	23,667	0.84
Thermo Fisher Scientific	98,141	24,046	0.85
UnitedHealth Group	133,223	29,547	1.05
Zoetis	156,732	15,653	0.56
Industrials 2.46% (31.12.2018 – 2.48%)			
Ametek	188,233	14,168	0.50
Canadian Pacific Railway	76,334	14,686	0.52
Honeywell International	126,865	16,949	0.60
IDEX Biometrics	117,472	15,249	0.54
Rockwell Automation	54,460	8,334	0.30
Information Technology 8.61% (31.12.2018 – 6.59%)			
Accenture	114,995	18,272	0.65
Adobe	142,126	35,369	1.26
Fidelity National Information Services	250,404	26,281	0.93
Mastercard	107,132	24,124	0.86
Microsoft Corporation	248,821	29,579	1.05
PayPal Holdings	378,442	30,898	1.10
ServiceNow	35,551	7,575	0.27
SS&C Technologies	493,227	22,860	0.81
Texas Instruments	117,176	11,344	0.40
Visa A	255,294	36,195	1.28
Materials 0.39% (31.12.2018 – 0.72%)			
Ecolab	75,034	10,927	0.39
Real Estate 1.25% (31.12.2018 – 1.16%)			
Alexandria Real Estate Equities	135,685	16,546	0.59
Prologis	276,014	18,568	0.66
Utilities 0.91% (31.12.2018 – 0.70%)			
Duke Energy Corporation	198,703	13,675	0.49
NextEra Energy	65,438	11,952	0.42

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
OTHER AMERICAS 0.00% (31.12.2018 – 0.34%)			
Consumer Staples 0.00% (31.12.2018 – 0.34%)			
JAPAN 2.29% (31.12.2018 – 2.53%)			
Consumer Staples 0.68% (31.12.2018 – 0.80%)			
Kao Corporation	306,677	19,225	0.68
Industrials 1.08% (31.12.2018 – 0.73%)			
FANUC Corporation	78,934	11,144	0.40
Recruit Holdings	672,028	19,129	0.68
Information Technology 0.53% (31.12.2018 – 1.00%)			
Keyence Corporation	55,900	14,941	0.53
ASIA PACIFIC EX JAPAN 5.17% (31.12.2018 – 4.59%)			
Communication Services 1.35% (31.12.2018 – 1.52%)			
HKT Trust and HKT Limited	10,157,000	10,804	0.38
Tencent Holdings	748,788	27,247	0.97
Consumer Staples 0.58% (31.12.2018 – 0.58%)			
LG Household & Healthcare	20,060	16,498	0.58
Financials 1.02% (31.12.2018 – 1.19%)			
AIA	3,612,441	28,627	1.02
Health Care 0.62% (31.12.2018 – 0.63%)			
Sonic Healthcare	1,155,241	17,563	0.62
Information Technology 1.60% (31.12.2018 – 0.67%)			
Network International	2,177,154	13,956	0.50
NICE	115,244	13,497	0.48
Taiwan Semiconductor Manufacturing Company	400,244	17,554	0.62
MULTI GEOGRAPHY 2.88% (31.12.2018 – 3.05%)			
Pooled Funds 2.88% (31.12.2018 – 3.05%)			
COIF Charities Global Equity Income Fund Income units*	39,100,405	80,962	2.88

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
PRIVATE EQUITY & OTHER 2.17% (31.12.2018 – 2.28%)			
CCLA Shares 0.68% (31.12.2018 – 0.89%)			
CCLA Investment Management – Ordinary**	28,167	9,915	0.35
CCLA Investment Management – Ordinary Non Voting**	26,000	9,152	0.33
Other 0.09% (31.12.2018 – 0.12%)			
Triodos Microfinance Fund	111,288	2,571	0.09
Private Equity 1.40% (31.12.2018 – 1.27%)			
Blackstone Capital Partners Asia**	1	6,000	0.21
BMO Private Equity	3,280,898	12,271	0.44
Clean Energy and Environment Fund**	1	1,227	0.04
Princess Private Equity Holdings	2,158,259	19,933	0.71
INFRASTRUCTURE & OPERATING ASSETS 9.29%			
(31.12.2018 – 9.97%)			
Energy Resources & Environment 3.83%			
(31.12.2018 – 3.03%)			
Aquila European Renewables Income Fund	7,736,140	7,014	0.25
Bluefield Solar Income Fund	8,442,804	11,904	0.42
Foresight Solar Fund	9,399,783	11,797	0.42
Greencoat UK Wind	16,626,429	24,940	0.89
Gresham House Energy Storage Fund	9,169,212	9,811	0.35
Octopus Renewables Infrastructure Trust	5,011,030	5,362	0.19
SDCL Energy Efficiency Income Trust	13,590,095	14,541	0.52
The Forest Company**	557,164	1,544	0.05
The Renewables Infrastructure Group	9,993,568	13,831	0.49
UK Energy Efficiency Investment IA**	1	58	–
US Solar Fund	8,954,865	7,030	0.25
General 3.27% (31.12.2018 – 2.78%)			
Infracapital Partners III**	1	15,775	0.56
KKR Global Infrastructure Investors III**	1	7,763	0.28
Pan-European Infrastructure Fund**	1	41,258	1.46
Pan-European Infrastructure Fund II**	1	18,716	0.66
Strategic Partners Offshore Real Assets – Infrastructure II**	1	8,670	0.31

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
Social 2.19% (31.12.2018 – 4.16%)			
European Student Housing Fund**	1	6,892	0.25
GCP Student Living	11,156,689	22,090	0.79
Impact Healthcare REIT	7,579,619	8,186	0.29
KMG Wren Retirement Fund**	8,102	6,028	0.21
Triple Point Social Housing REIT	20,423,516	18,381	0.65
PROPERTY 4.85% (31.12.2018 – 4.31%)			
Aberdeen Standard European Logistics Income	7,139,381	6,440	0.23
COIF Charities Property Fund Income units*	105,559,890	121,088	4.30
Tritax Eurobox REIT	9,764,106	9,139	0.32
MULTI ASSET 1.93% (31.12.2018 – 2.33%)			
CCLA ACS – Diversified Income Fund Unit Class 1*	33,333,334	54,340	1.93
CONTRACTUAL & OTHER INCOME 3.86% (31.12.2018 – 4.43%)			
Alcentra European Floating Rate Income Fund	7,128,271	6,986	0.25
Ares Capital Corporation	589,453	8,298	0.29
Blackstone Mortgage Trust	296,588	8,331	0.30
Chenavari Capital Solutions	1,451,050	871	0.03
Duet Real Estate Finance***	3,611,649	2	–
GCP Asset Backed Income Fund	17,636,478	19,047	0.68
GCP Infrastructure Investments	2,790,665	3,678	0.13
Hadrains Wall Secured Investments	5,724,607	3,378	0.12
Hipgnosis Songs Fund	19,629,646	21,200	0.75
KKR Mezzanine Partners I**	1	3,310	0.12
KKR Private Credit Opportunities Partners II**	1	7,030	0.25
Nimrod Sea Assets***	7,758,393	119	–
RM Secured Direct Lending	8,795,053	8,619	0.31
Sequoia Economic Infrastructure Income Fund	9,235,821	10,751	0.38
Social and Sustainable Housing**	1	284	0.01
SQN Asset Finance Income Fund	4,125,530	3,399	0.12
SQN Asset Finance Income Fund C Shares	3,847,727	3,309	0.12

PORTFOLIO STATEMENT

at 31 December 2019

Holding	Fair value £'000	% of total net assets
FIXED INTEREST 0.00% (31.12.2018 – 3.04%)		
FORWARD CURRENCY CONTRACT 0.03%		
(31.12.2018 – (0.53%))		
Buy GBP 142,473,872 & Sell EUR 169,239,023	(990)	(0.04)
Buy GBP 492,067,846 & Sell USD 649,662,415	1,849	0.07
INVESTMENT ASSETS	2,646,821	94.00
NET OTHER ASSETS	168,897	6.00
TOTAL NET ASSETS	2,815,718	100.00

* The COIF Charities Global Equity Income Fund, COIF Charities Property Fund and CCLA Authorised Contractual Scheme – Diversified Income Fund (“CCLA ACS – Diversified Income Fund”) are managed by the Manager and represent related party transactions.

** Unquoted investments. CCLA Investment Management is a related party.

*** Suspended quoted securities.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2019

	Note	Year ended 31.12.2019		Year ended 31.12.2018	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		434,377		(30,759)
Revenue	3	67,923		61,350	
Expenses	4	(19,194)		(16,723)	
Interest payable and similar charges		(2)		(3)	
Net revenue before taxation		48,727		44,624	
Taxation	5	(2,668)		(1,385)	
Net revenue after taxation			46,059		43,239
Total return before distributions			480,436		12,480
Distributions	6		(79,026)		(72,101)
Change in net assets attributable to unitholders from investment activities			401,410		(59,621)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 December 2019

	Year ended 31.12.2019		Year ended 31.12.2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		2,153,611		2,115,350
Amounts receivable on issue of units	356,922		243,107	
Amounts payable on cancellation of units	(110,757)		(83,491)	
In-specie transactions	5,627		(69,937)	
		251,792		89,679
Change in net assets attributable to unitholders from investment activities		401,410		(59,621)
Retained distributions on Accumulation units		8,905		8,203
Closing net assets attributable to unitholders		2,815,718		2,153,611

The notes on pages 30 to 48 and distribution tables on page 49 form part of these financial statements.

BALANCE SHEET
at 31 December 2019

	<i>Note</i>	31.12.2019		31.12.2018	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			2,647,811		2,014,993
Current assets:					
Debtors	7	4,869		6,103	
Cash equivalents	8	206,056		142,204	
Cash and bank balances	8	4,474		13,898	
Amounts held for forward contracts	8	6,085		11,430	
Total current assets			221,484		173,635
Total assets			2,869,295		2,188,628
LIABILITIES					
Investment liabilities			990		15,066
Creditors:					
Other creditors	9	35,344		4,380	
Distribution payable on Income units		17,243		15,571	
Total creditors			52,587		19,951
Total liabilities			53,577		35,017
Net assets attributable to unitholders			2,815,718		2,153,611

The financial statements on pages 28 to 48 have been approved by the Board.

Approved on behalf of the Board
11 May 2020

N Morecroft, Chairman

The notes on pages 30 to 48 and distribution tables on page 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by The Investment Association in May 2014 (and amended in June 2017), 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.

(b) Revenue recognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. Accounting policies (continued)

(c) Stock dividends

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

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

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

(e) Expenses

During the year, the Manager's periodic charge, paid to the Manager, was taken to the capital of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund and was 0.60% plus VAT during the year. The Fund received a management fee rebate credited to the capital of the Fund for its holdings in the COIF Charities Property Fund, COIF Charities Global Equity Income Fund and the CCLA ACS – Diversified Income Fund, where during the year, management fees of these funds were taken to capital. The Fund also received a management fee rebate credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund where management fees were charged to revenue. In prior years, the Fund also received a management fee subsidy, credited to the capital of the Fund, for one quarter of the Manager's periodic charge on the CCLA ACS – Diversified Income Fund for two years from the date of investment, which was on 2 December 2016 and ended in November 2018.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services. The Depositary fee, audit, legal, safe custody fees and transaction charges and insurance fees are charged separately to the revenue of the Fund before distribution.

(f) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in revenue which arise over the years (see note 10). Movements in the income reserve are therefore adjustments made to net revenue in determining the distribution.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. Accounting policies (continued)

(f) Distributions (continued)

From 1 January 2017, distributions can also be supported by the Fund's capital. The annual rate of distribution is approved by the Board in discussions with the Manager. On an annual basis, at least 75% of the distribution must come from income.

(g) Basis of valuation

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

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

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

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

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. Accounting policies (continued)

(h) Foreign exchange (continued)

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

(i) Cash equivalents

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

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

2. Net capital gains/(losses)

	31.12.2019 £'000	31.12.2018 £'000
The net capital gains/(losses) during the year comprise:		
Unrealised gains/(losses) on non-derivative securities*	305,380	(117,333)
Realised gains on non-derivative securities*	100,750	95,893
Realised gains on forward currency contracts*	26,990	11
Manager's periodic charge rebate – see note 1(e)**	1,959	1,594
Unrealised gains/(losses) on forward currency contracts*	859	(11,319)
Manager's periodic charge subsidy – see note 1(e)***	(6)	77
Currency (losses)/gains	(1,555)	318
	434,377	(30,759)

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

** This amount includes the rebates credited to the capital of the Fund for its holding in the COIF Charities Property Fund, COIF Charities Global Equity Income Fund and the CCLA ACS-Diversified Income Fund where, in all these Funds, management fees are taken to capital.

*** This is the management fee subsidy credited to the capital of the Fund for its holding in the CCLA ACS – Diversified Income Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

3. Revenue

	31.12.2019 £'000	31.12.2018 £'000
Overseas dividends	33,250	32,139
UK dividends	13,173	11,248
Franked dividend distributions	10,441	8,257
Property income distributions	4,338	3,099
Franked dividends on unquoted stocks	3,785	4,370
Interest on debt securities	1,442	1,463
Interest on the COIF Charities Deposit Fund	1,113	478
Manager's periodic charge rebate*	324	226
Bank interest	56	69
Other income	1	1
	67,923	61,350

* This amount represents the rebate of management fees credited to the Fund's revenue for the Fund's deposit in the COIF Charities Deposit Fund where the management fees are charged to revenue.

4. Expenses

	31.12.2019 £'000	31.12.2018 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(e)	18,262	15,818
Manager's periodic – share of the CCLA ACS – Diversified Income Fund – see note 1(e)	318	310
Manager's fee for ethical services	76	102
	18,656	16,230
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	156	140
Depositary fee	150	142
	306	282

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

4. Expenses (*continued*)

	31.12.2019 £'000	31.12.2018 £'000
Other expenses:		
Audit fee	17	21
Insurance fee	10	17
Other fees	205	173
	232	211
Total expenses	19,194	16,723

The above expenses include VAT where applicable.

Audit fee net of VAT is £10,979 (31.12.2018, £10,455).

5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid, and reinvested revenue credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed.

Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

	31.12.2019 £'000	31.12.2018 £'000
Overseas taxation suffered in the year	2,069	1,767
Overseas recoverable withholding tax written off/(windfall) in the year	581	(382)
Tax on capital special dividends	18	–
Total taxation	2,668	1,385

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

6. Distributions

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

	31.12.2019 £'000	31.12.2018 £'000
31 March – interim distribution	19,846	18,688
30 June – interim distribution	20,523	19,345
30 September – interim distribution	19,571	17,011
31 December – final distribution	19,837	17,401
	79,777	72,445
Add: revenue deducted on cancellation of units	307	257
Deduct: revenue received on in-specie transactions	(18)	(15)
Deduct: revenue received on issue of units	(1,040)	(586)
Net distribution for the year	79,026	72,101
Net revenue after taxation for the year	46,059	43,239
Transfer from income reserve – see note 10	–	9,784
Amortisation under effective yield	(579)	(201)
Manager's periodic charge – see note 1(e)	18,656	16,230
Tax on capital special dividends	18	–
Distribution from capital	14,872	2,981
Expenses charged to capital	–	68
Net distribution for the year	79,026	72,101

Details of the distribution per unit are set out in the distribution tables on page 49.

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

There were unclaimed distributions as at 31 December 2019 of £162,542 (31.12.2018, £131,524).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

7. Debtors

	31.12.2019 £'000	31.12.2018 £'000
Accrued revenue	4,618	3,473
Prepayments	208	167
Sales awaiting settlement	41	33
Prepayments	2	10
Amounts receivable on creation of units	–	2,398
Income tax recoverable	–	22
	4,869	6,103

8. Cash equivalents, cash and bank balances

	31.12.2019 £'000	31.12.2018 £'000
Cash equivalents – cash in the COIF Charities Deposit Fund	206,056	142,204
Cash and bank balances: cash at bank	4,474	13,898
Amounts held for forward currency contracts	6,085	11,430

9. Other creditors

	31.12.2019 £'000	31.12.2018 £'000
Purchases awaiting settlement	33,614	–
Accrued expenses	1,730	1,396
Amount payable on cancellation of units	–	2,984
	35,344	4,380

10. Income reserve

The income reserve, accumulated out of revenue, is used to smooth fluctuations in the revenue received in the Fund. The income reserve is included in the total value of the Fund and is attributable to Income unitholders.

	31.12.2019 £'000	31.12.2018 £'000
Income reserve at the start of the year	–	9,518
Equalisation of the income reserve	–	266
Transfer from income reserve	–	(9,784)
Income reserve at the end of the year	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

11. Financial instruments

Fair value

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

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

Market price risk

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

At 31 December 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would increase or decrease respectively by approximately £132,341,000 (31.12.2018: £99,996,000).

Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

11. Financial instruments (*continued*)

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest securities, pooled funds and sterling and overseas cash deposits. These assets are generally liquid (except for the unit trusts, which are realisable only on their weekly or monthly dealing dates, and the holdings in the unquoted investments, which are not readily realisable) and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

Currency risk

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

At 31 December 2019, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would decrease or increase respectively by approximately £10,455,000 (31.12.2018: £12,040,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

11. Financial instruments (continued)

Currency risk (continued)

The total foreign currency exposure at 31 December was:

Currency	31.12.2019			31.12.2018		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	–	17,563	17,563	–	13,507	13,507
Brazilian real	–	–	–	–	7,320	7,320
Canadian dollar	(419)	27,193	26,774	37	16,275	16,312
Danish krona	(193)	9,222	9,029	–	6,576	6,576
Euro	(3,712)	149,363	145,651	81	225,610	225,691
Hong Kong dollar	(1,390)	66,678	65,288	–	58,409	58,409
Japanese yen	125	64,439	64,564	114	54,336	54,450
Korean won	–	16,498	16,498	–	12,521	12,521
Swedish krona	(869)	41,336	40,467	–	18,777	18,777
Swiss franc	(2,187)	104,623	102,436	–	57,742	57,742
US dollar	(17,916)	575,096	557,180	910	731,735	732,645
Total	(26,561)	1,072,011	1,045,450	1,142	1,202,808	1,203,950

The Fund held derivatives relating to forward currency contracts with a net value of £858,931 as at 31 December 2019 (31.12.2018, (£11,319,471)).

Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

11. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2019 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	216,449	–	1,578,040	1,794,489
Euro	–	–	292,910	292,910
Japanese yen	–	–	64,564	64,564
US dollar	166	–	1,066,595	1,066,761
Other	–	–	283,264	283,264
Total	216,615	–	3,285,373	3,501,988

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(24,221)	(24,221)
Euro	–	–	(147,259)	(147,259)
US dollar	–	–	(509,581)	(509,581)
Other	–	–	(5,209)	(5,209)
Total	–	–	(686,270)	(686,270)

The total exposure at 31 December 2018 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	167,762	–	1,333,687	1,501,449
Euro	–	–	342,350	342,350
Japanese yen	–	–	54,450	54,450
US dollar	42,996	22,296	1,086,278	1,151,570
Other	–	–	191,164	191,164
Total	210,758	22,296	3,007,929	3,240,983

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

11. Financial instruments (continued)

Interest rate risk (continued)

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(551,788)	(551,788)
Euro	–	–	(116,659)	(116,659)
US dollar	–	–	(418,925)	(418,925)
Total	–	–	(1,087,372)	(1,087,372)

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

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

12. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2019 £'000	31.12.2018 £'000
Pan-European Infrastructure Fund	2,012,625	2,131,969
KKR Mezzanine Partners I	1,412,540	1,558,558
UK Energy Efficiency 1A	1,859,860	1,859,860
Pan-European Infrastructure Fund II	4,478,726	9,837,606
European Student Housing Fund	–	–
KKR Private Credit Opportunities Partners II	9,899,116	12,902,778
Strategic Partners Offshore Real Assets – Infrastructure II	13,042,324	17,337,754
KKR Global Infrastructure Investors III	19,929,950	27,038,560
Infracapital Partners III	20,555,356	34,375,541
Blackstone Capital Partners Asia	10,569,820	15,648,315
Clean Energy and Environment Fund	11,022,799	–
Social and Sustainable Housing	1,732,787	–

There were no other commitments or contingent liabilities as at 31 December 2019 (31.12.2018, £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

13. Unquoted and other investments

Unquoted investments include the Fund's holding of 22.37% (31.12.2018, 22.37%) of the issued share capital of the parent company of the Manager, CCLA Investment Management Limited (CCLA IM), which provides investment management and administrative services to the COIF Charity Funds. The valuation of £19,066,784 (31.12.2018, £39,117,000) is based on a discounted market value calculation, prepared yearly by an independent valuer.

At 31 December 2019, 4.30% (31.12.2018, 3.78%) of the value of the Fund was held in units in the COIF Charities Property Fund, 2.88% (31.12.2018, 3.05%) of the value of the Fund was held in units in the COIF Charities Global Equity Income Fund, 7.32% (31.12.2018, 6.60%) of the value of the Fund was held in the COIF Charities Deposit Fund and 1.93% (31.12.2018, 2.33%) of the value of the Fund was held in the CCLA ACS – Diversified Income Fund.

At 31 December 2019, the Fund held 48.40% (31.12.2018, 45.79%) of the value of the COIF Charities Global Equity Income Fund, 19.67% (31.12.2018, 13.61%) of the value of the COIF Charities Property Fund and 30.31% (31.12.2018, 39.83%) of the value of the CCLA ACS – Diversified Income Fund. The investment in the COIF Charities Property Fund may not be readily realisable, as the Manager may impose a period of notice or delay, not exceeding six months, before carrying out a redemption of units in that Fund, if it is deemed to be necessary to protect the interests of unitholders of the Fund or to permit properties to be sold to meet a redemption.

14. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds. Mr Glenn Newson was appointed a Director of CCLA Investment Management Limited (CCLA IM) on 29 October 2018 and received remuneration from CCLA IM, which is disclosed in CCLA IM's financial statements.

15. Related party transactions

From 1 October 2019, the Manager, a related party of the Fund, ceased charging the fee for ethical and stewardship services. The amounts paid in respect of these charges are disclosed in note 4. During the year, the Fund received rebates of management fees for its holding in the COIF Charities Property Fund, COIF Charities Global Equity Income Fund and the CCLA ACS – Diversified Income Fund where, in all these funds, management fees are taken to capital as disclosed in note 2. The Fund also received management fee subsidy for its holding in the CCLA ACS – Diversified Income Fund as disclosed in note 2. An amount of £1,474,538 was due to the Manager at 31 December 2019 (31.12.2018, £1,183,553). There were no other transactions entered into with the Manager during the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

15. Related party transactions (continued)

CCLA IM is also a related party to the Fund. During the year, the Fund received dividends of £812,505 from CCLA IM (31.12.2018, £755,994).

At 31 December 2019 a cash balance of £206,055,830 (31.12.2018, £142,203,646) was held in the COIF Charities Deposit Fund. During the year, the Fund received interest of £1,113,155 (31.12.2018, £478,276) from the COIF Charities Deposit Fund.

During the year the Fund received rebates of management fees for its deposits in the COIF Charities Deposit Fund where the management fees were charged to revenue as disclosed in note 3.

Further details of the Fund's holdings in CCLA IM and other COIF Charities Funds are disclosed in note 13.

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

16. Portfolio transaction costs

For the year ended 31 December 2019

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	696,709	323	0.05	88	0.01	697,120
Fund transactions	44,502	–	–	–	–	44,502
Bond transactions	2,092	–	–	–	–	2,092
In-specie transactions	5,646	–	–	–	–	5,646
Corporate actions	49,002	–	–	–	–	49,002
Total	797,951	323		88		798,362

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

16. Portfolio transaction costs (*continued*)

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	488,235	(246)	0.05	(14)	–	487,975
Bond transactions	74,203	–	–	–	–	74,203
Corporate actions	1,235	–	–	–	–	1,235
Total	563,673	(246)		(14)		563,413

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2019 was 0.34%.

For the year ended 31 December 2018

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	469,496	228	0.05	66	0.01	469,790
Fund transactions	18,289	–	–	–	–	18,289
Bond transactions	64,735	–	–	–	–	64,735
In-specie transactions	7,180	–	–	–	–	7,180
Corporate actions	32,776	–	–	–	–	32,776
Total	592,476	228		66		592,770

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

16. Portfolio transaction costs (*continued*)

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	489,249	(255)	0.05	(21)	–	488,973
Corporate actions	63,708	–	–	–	–	63,708
Total	552,957	(255)		(21)		552,681

Commissions and taxes as a percentage of average net assets

Commissions	0.02%
Taxes	0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2018 was 0.35%.

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

17. Unitholders' funds – reconciliation of units

	31.12.2019	
	Income units	Accumulation units
Opening number of units at beginning of year	130,087,911	1,867,744
Units issued in year	16,760,655	529,495
Units cancelled in year	(5,215,415)	(153,748)
Units converted in year	(3,470,089)	314,278
Closing number of units at end of year	138,163,062	2,557,769

All units carry the same rights.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

18. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments (including investment liabilities), there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 December 2019

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	2,243,258	258,239	146,314	2,647,811
Investment liabilities	–	(990)	–	(990)
	2,243,258	257,249	146,314	2,646,821

For the year ended 31 December 2018

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,679,035	211,140	124,818	2,014,993
Investment liabilities	–	(15,066)	–	(15,066)
	1,679,035	196,074	124,818	1,999,927

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

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

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

For financial instruments for which the Manager uses valuation techniques using non-observable data, the inputs include: valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

19. Subsequent event – COVID-19:

The table below shows the closing net asset value per unit class on 11 May 2020, which illustrates the movement since the balance sheet date. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus.

Unit class	Year ended 31.12.2019 NAV per unit	07.05.2020 NAV per unit
Income units	1,690.15	1,576.21
Accumulation units	18,788.30	17,677.42

DISTRIBUTION TABLES

for the year ended 31 December 2019

Period ended	Date paid/payable		Dividends paid/payable pence per unit	
	2019	2018	2019	2018
Income units				
31 March	31 May	31 May	13.19	13.19
30 June	30 August	31 August	13.19	13.19
30 September	29 November	30 November	12.47	11.97
31 December	28 February	28 February	12.48	11.97
			51.33	50.32

Period ended	Revenue accumulated pence per unit	
	2019	2018
Accumulation units		
31 March	111.77	101.76
30 June	125.15	122.97
30 September	103.79	102.93
31 December	101.45	97.94
	442.16	425.60

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

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

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

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

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

**STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND
MANAGER RESPONSIBILITIES****Responsibilities of the Trustee**

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

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied that the Manager is competently exercising its powers and discharging its duties under the Scheme, and that the Manager is maintaining adequate and proper records;
 - the appointment, supervision and oversight of any Registrar or other delegate which it has appointed in accordance with the Scheme;
 - the custody and control of the property of the Fund and the collection of all income due to the Fund;
 - the creation and cancellation of units as instructed by the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);
 - making distributions or allocations to Participating Charities in proportion to their respective units in the property of the Fund;
- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
 - winding up the Fund.

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

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

STATEMENT OF BOARD, DEPOSITARY AND MANAGER RESPONSIBILITIES**Responsibilities of the Depositary**

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

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

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

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the assets under management and the net asset value per unit of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;

- that the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

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

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

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

- prepare and submit to the 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 (amended in June 2017);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the Financial Statements as prepared comply with the above requirements;

**STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND
MANAGER RESPONSIBILITIES**

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

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

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

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

AIFMD DISCLOSURES

Manager Remuneration

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

Recharges for these services of CCLA Investment Management Limited to the Manager are levied in respect of CCLA Investment Management Limited's year ending on 31 March each year. The recharge for the year to 31 March 2019 was £24,000,000. A recharge of £22,700,000 was levied in the year to 31 March 2018.

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2019 was 124 (year ended 31 March 2018: 121).

During the year ended 31 December 2019 and the prior year, remuneration was paid to CCLA Investment Management Limited staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 December 2019		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,212	3,394	4,606
Other staff	9,824	3,412	13,236
Total	11,036	6,806	17,842

	Year to 31 December 2018		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,155	1,267	2,422
Other staff	8,744	3,113	11,857
Total	9,899	4,380	14,279

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

(Charity Registration No. 218873)

BOARD AND MANAGER INFORMATION

Board

N Morecroft, ASIP (Chairman)
 K Corrigan, FCCA
 A Daws, Solicitor – retired 18 November 2019
 J Hobart, MA
 G Newson, MRICS
 S Niven, CFA – appointed 1 August 2019
 C Ong, MBA – appointed 1 August 2019
 A Watson, CBE – appointed 1 August 2019
 J West, FCA – retired 18 November 2019

Secretary

J Fox

Manager and Alternative Investment Fund Manager (AIFM)

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 Bank plc
 8 Canada Square
 Canary Wharf
 London
 E14 5HQ

Authorised and regulated by the Financial Conduct Authority

Executive Directors of the Manager

M Quicke, OBE (Chief Executive) – retired 8 July 2019
 P Hugh Smith (Chief Executive) – appointed 9 July 2019
 J Bevan (Chief Investment Officer)
 E Sheldon (Chief Operating Officer)
 A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager

R Horlick (Chairman)
 J Jesty – appointed 24 April 2020
 C Johnson
 G Newson
 A Roughead – appointed 24 April 2020
 T Salmon, OBE – resigned 1 January 2019
 J Tattersall

Fund Manager

J Bevan

Company Secretary

J Fox

Head of Risk, Internal Audit and Compliance

R Plumridge – resigned 31 January 2020
 JP Lim – appointed 1 May 2020

Head of Ethical and Responsible Investment

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

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Banker

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Solicitor

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Independent Auditor

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ABOUT CCLA

Founded in 1958, CCLA is one of the UK's largest charity fund managers.
Managing investments for charities, religious organisations
and the public sector is all that we do.

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

CCLA

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