CCLA

QUARTERLY BULLETIN

31 December 2018

2018 - A year of two halves

The year began optimistically, with investor confidence high. The world economy looked set fair for a period of above average growth, company profits were rising and neither inflation nor interest rates posed a significant threat. Yet despite that strong start, by the end of the year all the major equity markets had given negative returns. In this note, we consider the main factors influencing this outcome and set out our expectations for the year ahead.

There were three main factors which combined to undermine investor confidence in the final months of 2018; the global economy, world trade, and monetary policy.

Economic data was mixed. Although the overall growth rate was attractive, at close to 3%, the make-up was not as balanced as hoped. On the positive side, the expansion in the US continued apace, with the cyclical momentum augmented by tax cuts and increased government spending. Away from the US, however, the outcome was less supportive. Output growth in Europe disappointed and Japan was hit by an earthquake and severe storm season. Importantly, activity growth in China slowed, creating broad uncertainties over the prospects both for itself and other linked economies in Asia.

In a real-world sense this was not a worrying outcome, but neither was it ideal, as growth was not as broad based or balanced as it was hoped to be. With confidence high and investment market valuations full, even this modest disappointment left confidence vulnerable to any further negative events. It was against this backcloth, that the tariff dispute between the US and China erupted.

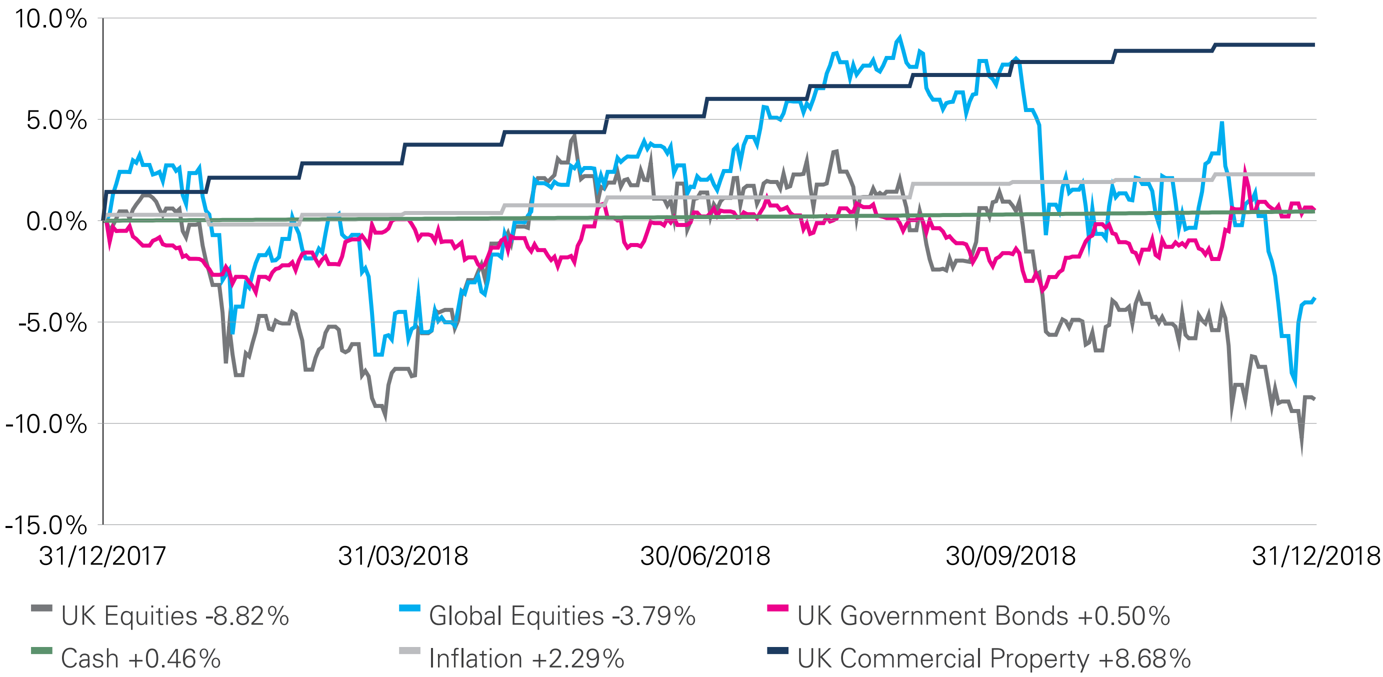
A potential trade war is a world-scale problem because world trade accounts for about a quarter of global output; disruption is, therefore, a threat not just to export-dependent economies, but to the global economy as a whole. Without a clear understanding of Mr Trump's objectives, or of how the Chinese government might respond, investors saw the stand-off as a major and unanticipated negative for economic growth.

The third issue was the normalisation of monetary policy and the implications this had for interest rates. Inevitably, with the US the prime locomotive of growth, the key focus was on the US Federal Reserve. Here, the 'FED' was set on a path of interest rate increases which, in a less certain world, were increasingly viewed as too aggressive. For investors already concerned about the prospects for world growth and the ill-defined threats from trade, the path of aggressively higher borrowing costs could be one that would lead to recession.

What next? Our view is that the fear of recession, which lies at the heart of this correction, is unduly pessimistic and not justified by current conditions. We expect growth to moderate, but to continue, buoyed by low unemployment and a stronger consumer, as wages rise and inflation remains at modest levels. Internationally, growth remains the prime objective and any significant signs of it faltering can be met by a delay to, or reversal of, more restrictive monetary policies.

From an investment perspective, we expect equity markets to stabilise gradually and then improve from current levels, albeit with volatility remaining elevated for some time to come. Our policy will continue to be defensive, with a focus on maintaining diversified portfolios of strong companies which have growth potential independent of broad economic trends and the ability to pay higher dividends over time.

Markets at a Glance - 12 Months to 31 December 2018



Source: CCLA

Quarterly Market Review & Outlook

Global equities fell sharply over the quarter. Weakness early in the period was followed by a period of stability at the lower levels, only for prices to ease again in the final few weeks. Global economic data remained supportive, but increasingly this was due to the contribution from the US, as output growth in both Europe and Japan failed to meet expectations and there were signs that growth in China was slowing. Inflation pressures, already modest, eased in line with a weakening oil price. Interest rates remained low and were increased on a sustained basis only in the US. The global equity index gave a total return to a sterling-based investor of -10.52%, a loss which took the return for the year as a whole to -3.79%. All of the regional markets were lower; Japan gave the weakest returns, at -12.42%, but was closely followed by the US, -11.53% and Europe, -11.04%. Asia proved to be more resilient, but was still down by -6.54%. At the individual market level, all European country indices were lower, twelve by more than 10%. Weakness was not universal in Asia, but three indices were down by 10% or more, with the worst, Pakistan, 22.2% lower. The UK fell in line with its peers, giving a return of -10.25% for the quarter and, as a result, -9.67% for 2018.

In contrast to the weakness in the equity sector, domestic fixed interest markets were stable for most of the period and then moved higher towards its close. Investors preferred government bonds to the corporate alternatives and in a ‘safety first’ environment, it was the higher-rated bonds which gave the best performances. UK government bonds returned 2.13%, corporate bonds 0.20%. Property too gave positive returns, but substantially the contribution from income. Weakness in the retail sector nudged capital values lower in November and is likely to have done the same in December. Sterling was a weak currency and fell against the euro, yen and US dollar.

Our current expectation is for continued growth in the world economy, but at a more moderate pace to that in 2018 as activity in the US gradually loses the boost received from tax cuts and higher government spending. In this environment, monetary policy normalisation is likely to proceed, but slowly, as governments adjust policies to minimise threats to growth. This means that there will be fewer increases in borrowing costs in the US, whilst rates in Europe and Japan are likely to remain at current levels.

The change in investor expectations for growth has coincided with tighter monetary conditions as quantitative easing comes to an end and commercial banks move to more cautionary and so more restrictive lending policies. This unfortunate coincidence of events is likely to keep volatility relatively high. In time there will be new opportunities in equities, but for the moment we are maintaining the more cautious tactical stance adopted in the Autumn, with a bias towards defensive assets and a key focus on quality.

Distributions for the Quarter

The CBF Church of England Fund	Distribution per Income Share	Payment Date	
Investment Fund	13.05p	28/02/2019	• This payment is 4.3% higher than the equivalent period of 2017. The payment for 2018 was 2.0% higher than that for the preceding year.
Global Equity Income Fund	1.77p	28/02/2019	• The payment has been maintained at the rate paid for the same period in 2017.
UK Equity Fund	1.53p	28/02/2019	• The payment has been maintained at the rate paid for the same period in 2017.
Property Fund	1.95p	28/02/2019	• The payment has been maintained at the rate paid for the same period in 2017.
Fixed Interest Securities Fund	1.65p	28/02/2019	• The payment has been maintained at the rate paid for the same period in 2017.

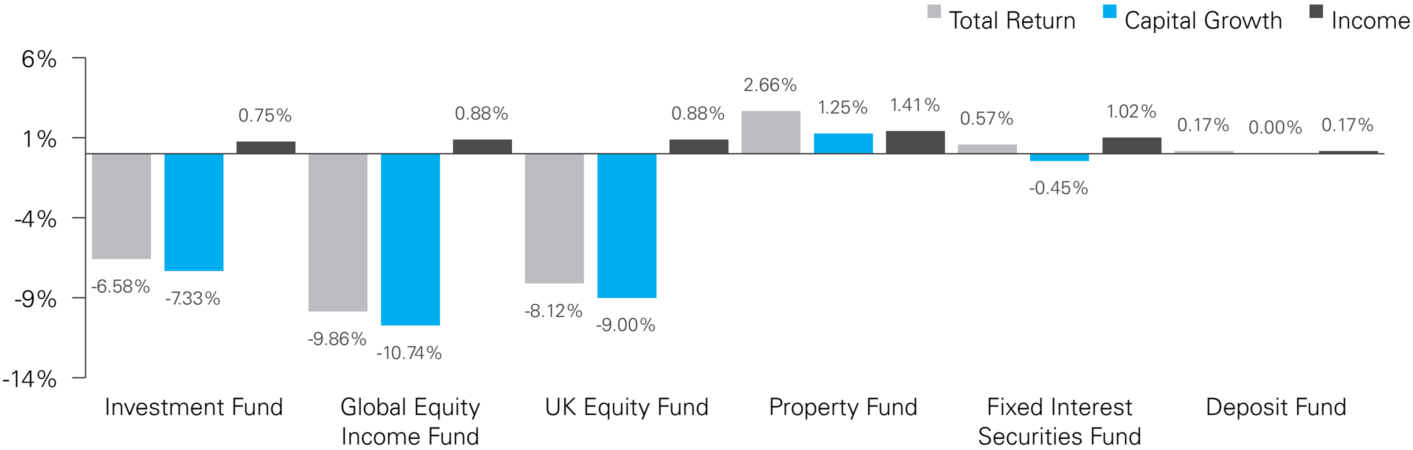
Interest for the Quarter

Interest rate at the quarter end	0.70% (0.70% A.E.R.)*	• Money market rates rose slightly over the period, allowing an increased payment to investors.
Average interest rate over the quarter	0.67% (0.67% A.E.R.)*	• Interest payments will reflect those available from top-quality borrowers,
		• The Fund is rated AAAf/S1 by Fitch Ratings. AAAf is the highest credit rating available

**A.E.R. = Annual Equivalent Rate, which illustrates what the annual interest rate would be if the quarterly interest payments were compounded.

Source: CCLA
Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Fund Performance
The CBF Church of England Funds over the quarter (net)



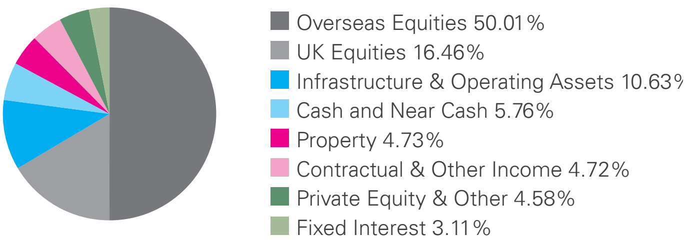
Source: CCLA Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Fund Report

The CBF Church of England Investment Fund

- The global economy continued to expand in the period. Of the major economies, growth was strongest in the US, where underlying activity was boosted by tax cuts and increased government spending. In contrast, growth in Europe was at a more modest level, while Japan was adversely affected by an earthquake and severe storm season. Inflation remained subdued, as cheaper oil kept pricing pressures low. This was an important factor in allowing a gradual approach to monetary policy normalisation. Of the major economies, only the US raised interest rates and the quantitative-easing programme in Europe remained in place until the end of 2018. Despite this supportive background, investment markets gave mixed results, with global equities performing weakly. All the major regional markets fell; Japan gave the worst returns, -12.42%, but the US, -11.53%, Europe, -11.04% and the UK, -10.25% were close behind. In contrast, fixed interest investments were stable, supported by 'safe-haven' seeking investors; in the property sector, although capital values were flat, total returns were positive because of the contribution from income.
- On a gross basis, the Fund returned -6.45% during the quarter compared to a return on the comparator of -8.00%. Over the past 12 months the respective returns are 2.42% and -3.50%. Relative performance was supported by both asset allocation and stock selection. At the asset level, the negative contribution from a low exposure to fixed income was more than offset by the performance of the alternative assets portfolio. The stock selection contribution was strong across the portfolio, but particularly so in financials, I.T. and parts of the consumer sectors. The low weighting in energy was also helpful.

*Asset Allocation



Overseas Equities	%
North America	32.08
Developed Europe	10.30
Asia Pacific ex Japan	4.95
Japan	2.68
Total	50.01

Source: CCLA
The annual management fee is 0.55% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed.
*Asset allocation as at end of period.

Discrete year total return performance (gross) %

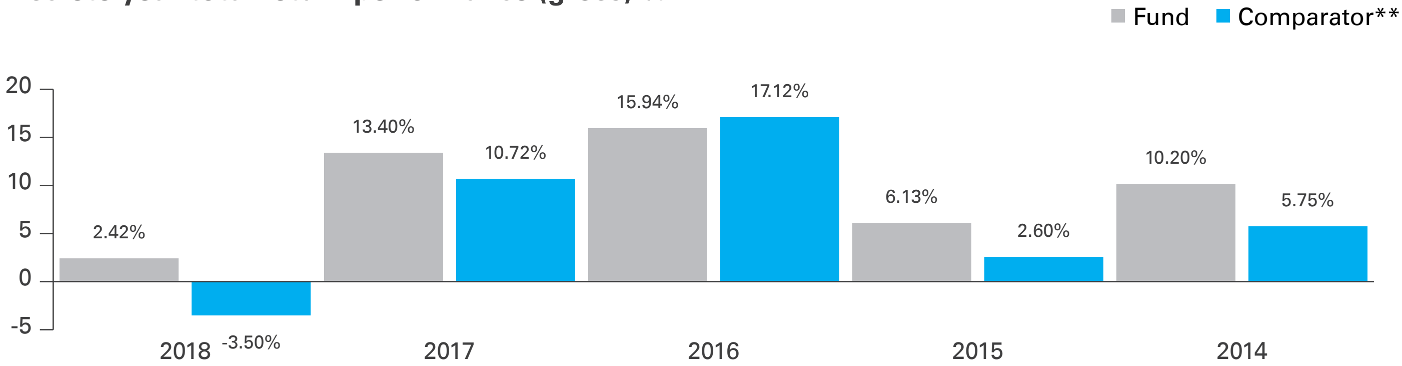
12 months to 31 December	**2018**	**2017**	**2016**	**2015**	**2014**
The CBF Church of England Investment Fund	2.42	13.40	15.94	6.13	10.20
Comparator**	-3.50	10.72	17.12	2.60	5.75

Annualised total return performance (gross) %

Performance to 31 December 2018	**1 year**	**3 years**	**5 years**
The CBF Church of England Investment Fund	2.42	10.43	9.51
Comparator**	-3.50	7.76	6.31

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% **(Property returns are estimated for the last month)

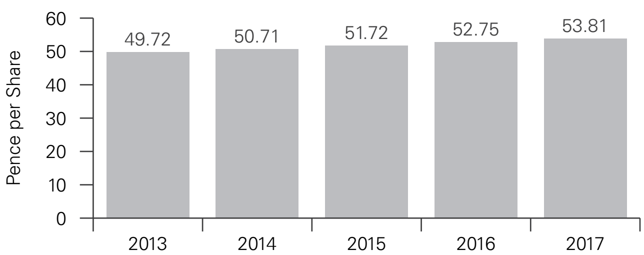
Discrete year total return performance (gross) %



Most overweight companies relative to equity indices

Nestle	2.21%	Fidelity Nat Info	1.54%
Thermo Fisher Scientific	2.12%	McDonald's Corp	1.52%
Unilever	1.90%	Nasdaq Inc	1.51%
AIA Group	1.84%	Tencent Holdings	1.38%
UnitedHealth Group Inc	1.60%	CME Group	1.37%

Past distributions

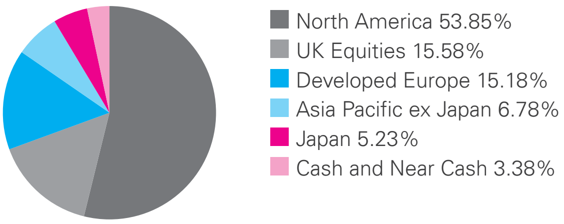


Source: CCLA
The annual management fee is 0.55% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

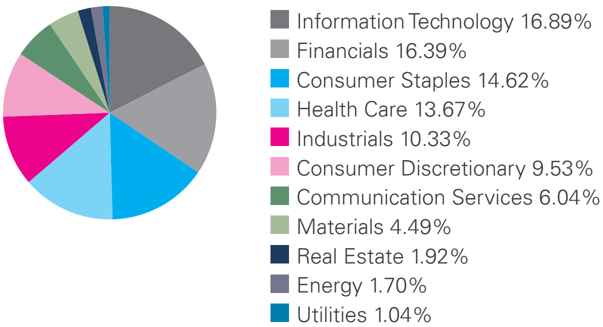
The CBF Church of England Global Equity Income Fund

- The world economy continued to expand in the period. Momentum was strong in the US, supported by the continuing effects of tax cuts and increased government spending. In Europe, however, the pace of progress slowed and in Japan activity was adversely impacted by an earthquake and severe storm season. Inflation remained at modest levels, helped by falling oil prices which were an important factor behind the moderate rate of monetary policy normalisation; the US was the only major economy to increase interest rates and quantitative easing in Europe ceased only in December. Despite this supportive backcloth, global equity markets lost ground, as investors looked forward to a less certain environment in the period ahead. All the major regional indices fell; Japan was the weakest performer, with a return of -12.42%, but the US, -11.53%, Europe -11.04% and the UK, -10.25% were close behind. Asian markets also fell, but to a lesser extent, ending the period -6.54% down. In Europe, twelve individual markets gave returns worse than -10%.
- On a gross basis, the Fund returned -9.68% during the quarter compared to a return on the comparator of -11.35%. Over the past 12 months the respective returns are 2.50% and -3.04%. Relative performance was supported primarily by stock selection, although the allocation to cash, which was increased in the previous quarter, was helpful. Strong performances came from holdings in financials, consumer staples and I.T.; performance also benefitted from the below-index weighting to energy.

*Asset Allocation



*Sector Allocation



Discrete year total return performance (gross) %

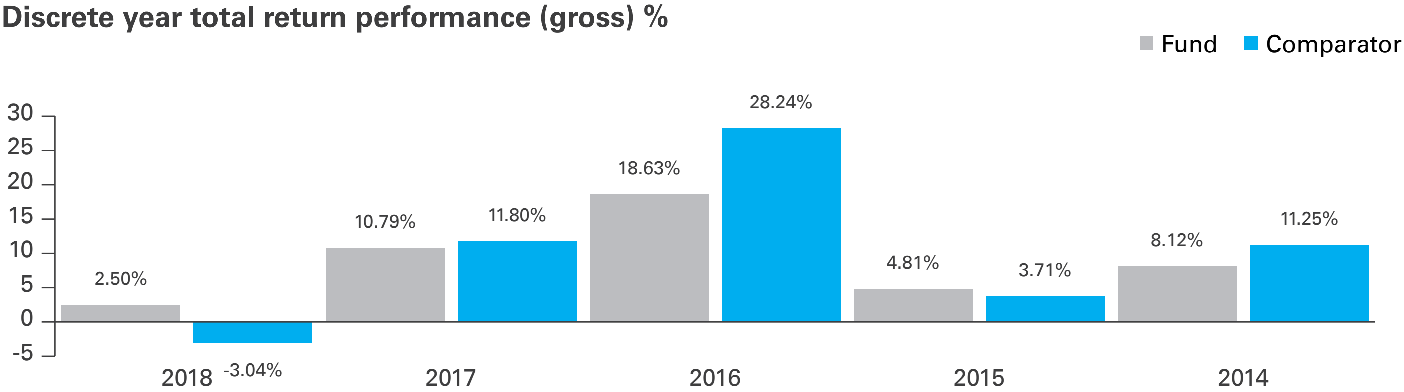
12 months to 31 December	**2018**	**2017**	**2016**	**2015**	**2014**
The CBF Church of England Global Equity Income Fund	2.50	10.79	18.63	4.81	8.12
Comparator	-3.04	11.80	28.24	3.71	11.25

Annualised total return performance (gross) %

Performance to 31 December 2018	**1 year**	**3 years**	**5 years**
The CBF Church of England Global Equity Income Fund	2.50	10.44	8.83
Comparator	-3.04	11.61	9.91

Comparator – from 01.01.16 MSCI £ World. To 31.12.15 MSCI World 50% Currency Hedged

Discrete year total return performance (gross) %

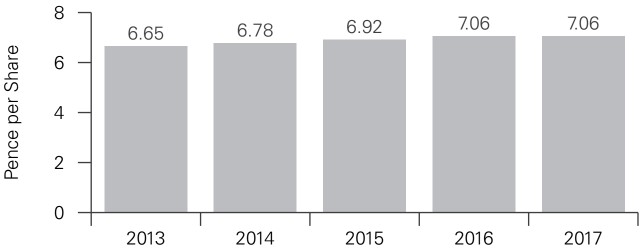


Source: CCLA
The annual management fee is 0.75% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Most overweight companies relative to equity indices

Kao Corp	2.39%	London Stock Exchange	1.75%
Unilever	2.20%	Reckitt Benckiser	1.72%
RELX	1.91%	Nasdaq Inc	1.67%
CME Group	1.82%	AIA Group	1.63%
Thermo Fisher Scientific	1.80%	Fidelity Nat Info	1.56%

Past distributions

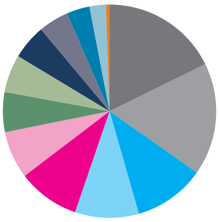


Source: CCLA
The annual management fee is 0.75% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

The CBF Church of England UK Equity Fund

- The UK economy grew over the quarter, but at a modest rate as a cooling global environment and increased Brexit uncertainty impacted on consumer confidence and investment activity. Unemployment remained low and there were signs of accelerated wage growth, but despite that, inflation eased, reflecting a lower oil price. The Bank of England kept interest rates unchanged, but signalled an intention to raise rates in 2019, assuming no significant disruption from Brexit. The UK equity market fell over the period, mirroring weakness in the sector globally; over the past 12 months it has been the weakest of the major markets.
- On a gross basis, the Fund returned -7.97% during the quarter compared to a return on the benchmark of -10.57%. Over the past 12 months the respective returns are -3.81% and -9.76%. Relative performance was supported by stock selection and asset allocation. At the stock level, holdings in the consumer and industrial sectors made a positive contribution, as did the low exposure to retail, energy and cyclical sectors. At the asset level, the increased cash holding was helpful, as was the allocation to overseas markets.

*Asset allocation



- Industrials 17.06%
- Financials 16.37%
- Consumer Discretionary 10.40%
- Consumer Staples 9.31%
- Health Care 9.04%
- Materials 6.92%
- Information Technology 5.84%
- Real Estate 5.51%
- Infrastructure & Operating Assets 5.07%
- Energy 4.40%
- Communication Services 3.36%
- Utilities 2.38%
- Contractual & Other Income 0.53%

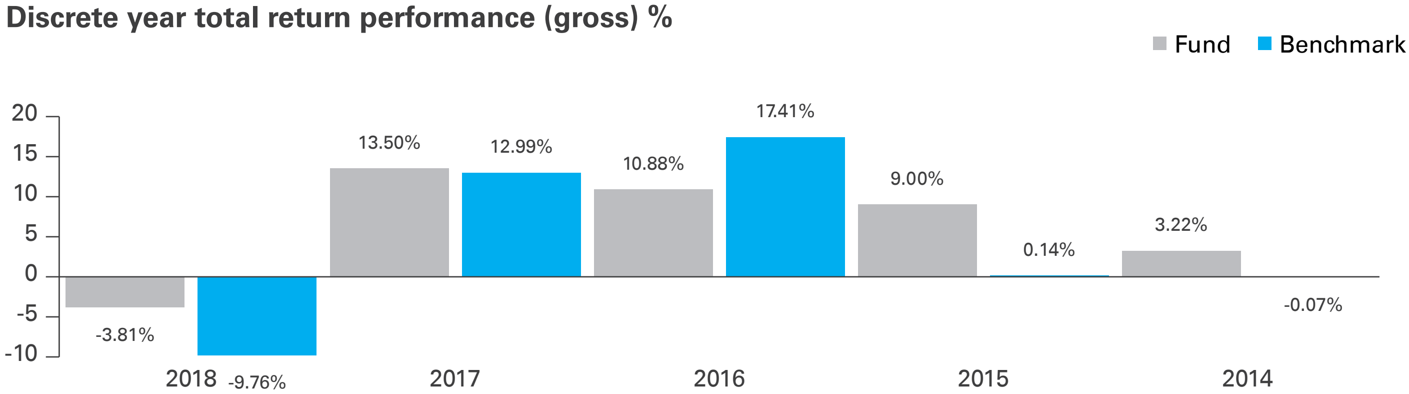
Discrete year total return performance (gross) %

12 months to 31 December	**2018**	**2017**	**2016**	**2015**	**2014**
The CBF Church of England UK Equity Fund	-3.81	13.50	10.88	9.00	3.22
Benchmark	-9.76	12.99	17.41	0.14	-0.07

Performance to 31 December 2018	**1 year**	**3 years**	**5 years**
The CBF Church of England UK Equity Fund	-3.81	6.58	6.38
Benchmark	-9.76	6.18	3.68

Benchmark - from 01.01.16 MSCI UK IMI. To 31.12.15 MSCI UK All Cap. To 30.11.14 MSCI UK All Cap adjusted for EIAG Ethical Restrictions

Discrete year total return performance (gross) %

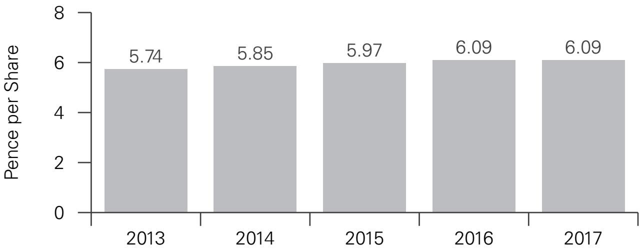


Source: CCLA
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Most overweight companies relative to equity indices

London Stock Exchange	2.93%	Microsoft	2.20%
Unilever	2.74%	RWS Holdings	2.15%
Bunzl	2.42%	Prudential	2.10%
Experian	2.24%	Abcam	2.09%
Safestore	2.21%	Intermediate Cap	2.08%

Past distributions



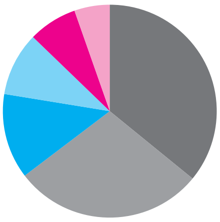
Source: CCLA
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

The CBF Church of England Property Fund

- Sector valuations improved at the start of the period, but lost momentum in November as weakness in parts of the retail sub-sector offset gains made elsewhere. Total returns remained positive because of the contribution from income. The background of economic growth and low interest rates was helpful to the sector depsite Brexit woes. Transaction volumes declined as investor focus narrowed and stock availability in the favoured areas increasingly became an issue. There were significant differences in returns at the sub-sector level; industrials continued to be well supported and there was good demand for assets with secure long-term income features, while conditions in the retail sector deteriorated, with valuers being more cautious, particularly in secondary locations.
- On a net basis, the Fund returned 2.66% during the quarter compared to a return on the benchmark of 1.34%. Over the past 12 months the respective returns are 8.49% and 7.43%. Support to relative performance came from the portfolio's low weighting to traditional retail outlets, including shopping centres. Offsetting this was the increased vacancy rate, at 9%, and a continued busy asset improvement programme. In time these will support returns, but at the current time are reducing rental income and boosting outgoings.

The Fund invests via a holding in the COIF Charities Property Fund.

*Underlying gross asset allocation



Property portfolio details
Top 5 properties: 28.2% of portfolio
Top 5 tenants: 21.1% of rental income
Weighted unexpired lease: 6.2 yrs
Void rate including developments in progress 7.2% (excl. 7.2%)

Discrete year total return performance (net) %

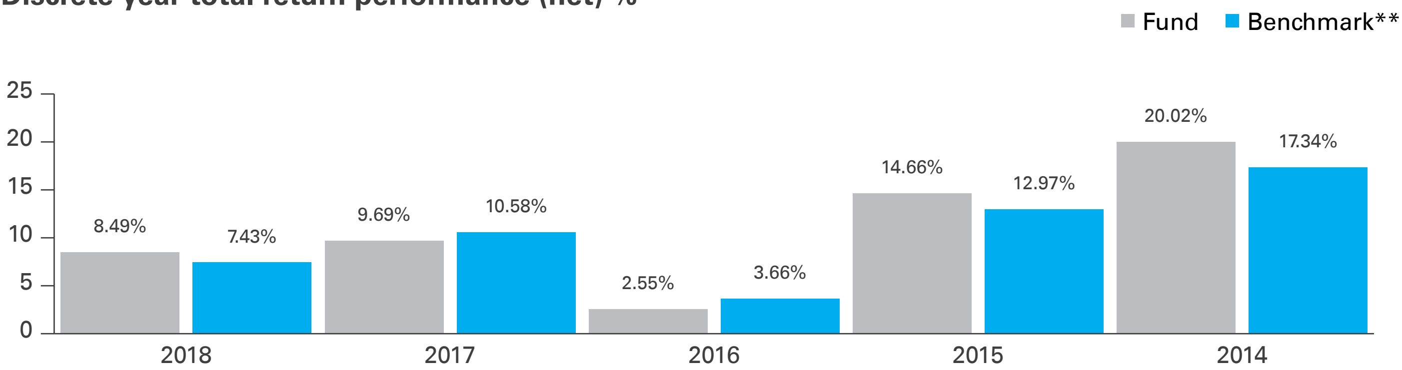
12 months to 31 December	2018	2017	2016	2015	2014
The CBF Church of England Property Fund	8.49	9.69	2.55	14.66	20.02
Benchmark**	7.43	10.58	3.66	12.97	17.34

Annualised total return performance (net) %

Performance to 31 December 2018	1 year	3 years	5 years
The CBF Church of England Property Fund	8.49	6.86	10.93
Benchmark**	7.43	6.99	10.75

Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index **(estimated for the last quarter). Property performance is shown after management fees and other expenses (net)

Discrete year total return performance (net) %

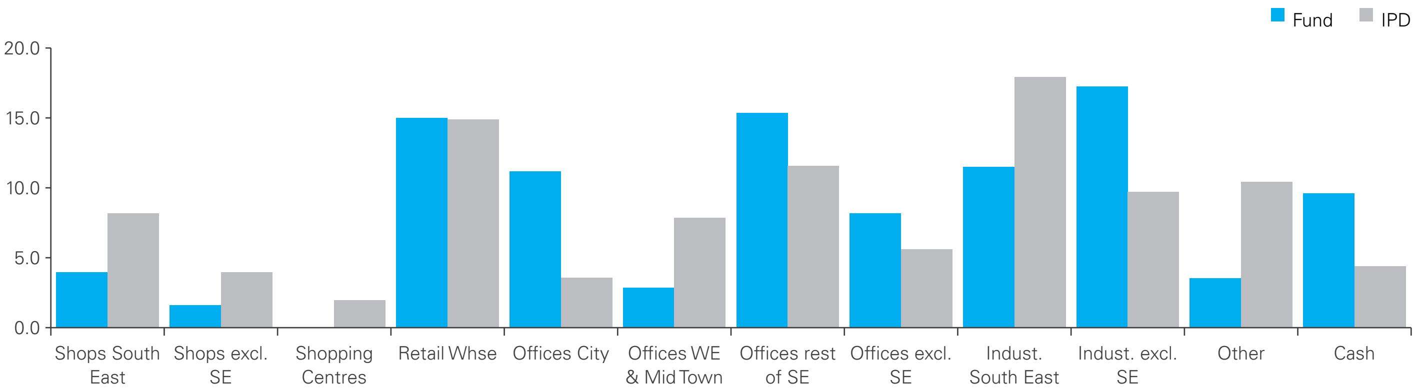


Source: CCLA
The annual management fee is 0.65% and is deducted from capital. Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Top ten underlying property holdings – total 39.15%

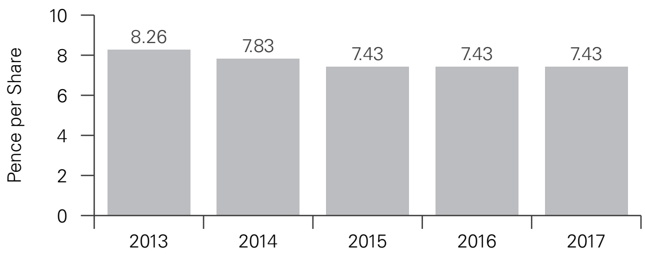
London, Cannon Street
Mendlesham, Ind. Est.
Bracknell, Arlington Sq.
London, Fetter Lane
Bath, Westside Hotel
London, College Hill
Crawley, Manor Royal
Chertsey, Syward Place
Bristol, Aztec West
Northampton, B'Mills

Underlying gross asset allocation



Fund Data as at end September 2018 and AREF/IPD™ Other Balanced Property Fund Index as at end September 2018.

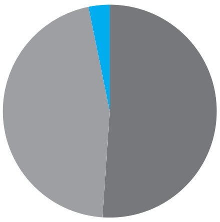
Past distributions



The CBF Church of England Fixed Interest Securities Fund

- The UK economy grew over the period, but at a modest pace as Brexit uncertainly was reflected in reduced consumer confidence and there was a sharp decline in investment activity. Inflation edged lower due mainly to a lower oil price, despite evidence of strengthening wage growth, particularly in the public sector. The Bank of England left interest rates unchanged, but indicated a wish to raise rates in 2019, assuming a smooth Brexit at the end of March.
- Fixed interest markets traded sideways, moving higher towards year end as equity weakness increased demand for 'safe-haven' assets.
- On a gross basis, the Fund returned 0.65% during the quarter compared to a return on the benchmark of 1.09%. Over the past 12 months the respective returns are -0.28% and -0.47%. The bias to corporate bonds, which lagged the government issues was the main drag on performance.

*Asset Allocation



By term to maturity Period	% Fund
0 - 5 years	39.7
5 - 10 years	32.9
10 - 15 years	6.16
Over 15 years	21.2
Duration (modified)	7.0 yrs
Ave term to maturity	8.9 yrs

Discrete year total return performance (gross) %

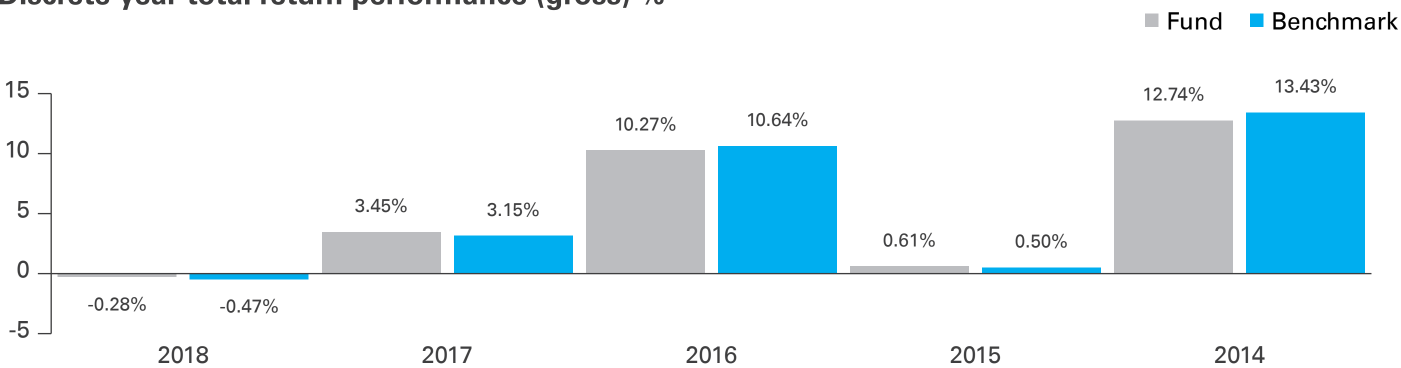
12 months to 31 December	2018	2017	2016	2015	2014
The CBF Church of England Fixed Interest Sec Fund	-0.28	3.45	10.27	0.61	12.74
Benchmark	-0.47	3.15	10.64	0.50	13.43

Annualised total return performance (gross) %

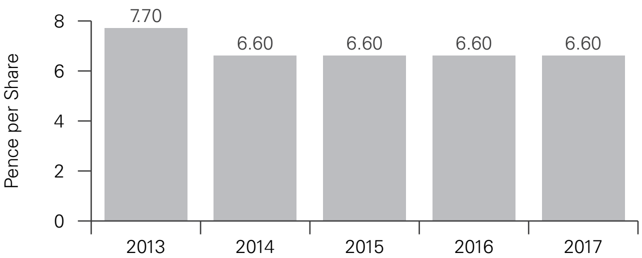
Performance to 31 December 2018	1 year	3 years	5 years
The CBF Church of England Fixed Interest Sec Fund	-0.28	4.39	5.23
Benchmark	-0.47	4.34	5.31

Benchmark – composite: from 01.01.16 iBoxx £ Gilt 50% and iBoxx £ Non Gilt 50%. To 31.12.15 Barcap £ Gilt 50% and £ Agg 100mm Non Gilt 50%.

Discrete year total return performance (gross) %



Past distributions



Source: CCLA
The annual management fee of the Fixed Interest Securities Fund is 0.22% and is deducted from income. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

The CBF Church of England Deposit Fund

- The domestic economy grew over the period, but at a modest pace and one below that achieved in the summer. Activity was affected by a reduced pace of global expansion and, more specifically, by the effects of Brexit uncertainty on consumer spending and investment. Inflation eased, but remained above the Bank of England's target. Official interest rates were unchanged, but the Bank did signal its preference to increase rates in the New Year, albeit on the assumption of a smooth exit.
- Against this background, it was possible to increase the rate payable to investors and at the end of the quarter the interest was 0.70%.

Discrete year total return performance (gross) %

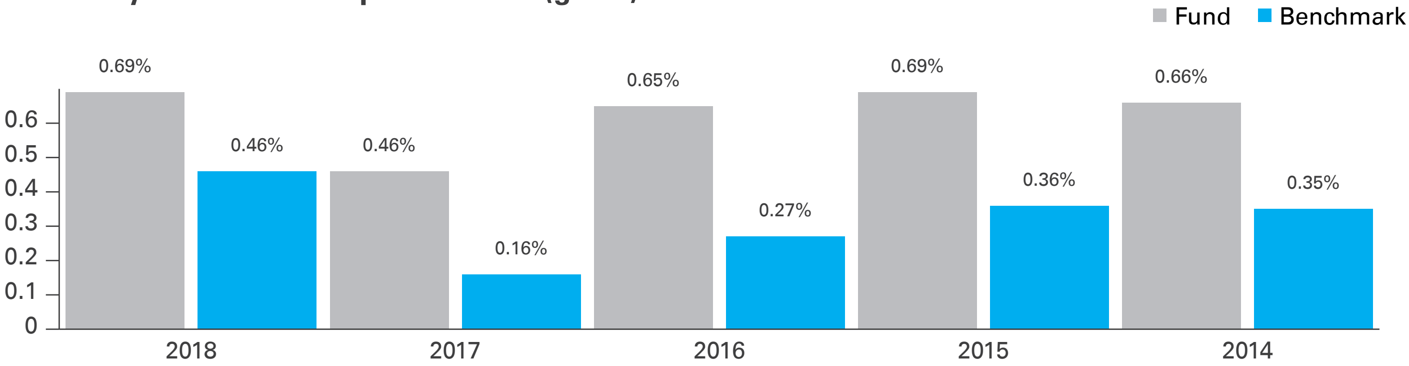
12 months to 31 December	2018	2017	2016	2015	2014
The CBF Church of England Deposit Fund	0.69	0.46	0.65	0.69	0.66
Benchmark	0.46	0.16	0.27	0.36	0.35

Annualised total return performance (gross) %

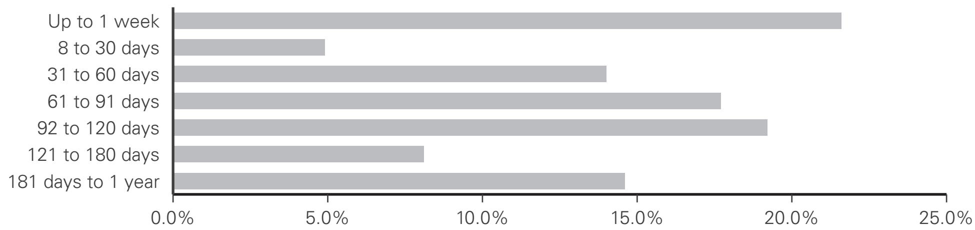
Performance to 31 December 2018	1 year	3 years	5 years
The CBF Church of England Deposit Fund	0.69	0.60	0.63
Benchmark	0.46	0.29	0.32

Benchmark – London Interbank Sterling 7 Day Bid Rate

Discrete year total return performance (gross) %



The Fund's maturity profile



Source: CCLA
The annual management fee of the Deposit Fund is 0.20% and is deducted from income. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed.

Ethical and Responsible Investment Report

Our work has five strands:

1 Engagement focused on social and environmental issues in the context of Christian mission and witness.
2 Setting appropriate constraints on investment and exposure to activities considered unacceptable by the Church of England's Ethical Investment Advisory Group (EIAG) and the CBF Funds' Trustee.
3 Proxy voting on corporate governance issues to protect shareholder value and address excessive remuneration.
4 Selecting investments that deliver social or environmental benefits, plus market-level, risk-adjusted returns.
5 Responsibilities under the UK Stewardship Code and the UN Principles for Responsible Investment.

Quarterly highlights:

- Following engagement, Royal Dutch Shell agreed to set regular targets for the decarbonisation of their product portfolio. This will shrink their footprint by 50% by 2050.
- During the quarter, we also engaged with Duke Energy, Rio Tinto and Chevron on the low carbon transition and spoke at the UN COP 24 Conference (see following page).
- Following a letter from a coalition of investors, including CCLA, BRC Global Standards have agreed to include 'plastic pellet management' in their revised packaging standard. Poor pellet practices are one of the main causes of the increase of plastics in the ocean.
- We began our engagement with Amazon on their approach to labour standards in the UK and visited one of their fulfilment centres to see their approach at first-hand.

Voting in more detail:

- CCLA aims to vote at all UK and overseas company meetings where we have portfolio holdings.
- The CBF Church of England Investment Fund did not support 8.4% of the resolutions proposed by management at our investee companies this quarter (16.5% for the UK Equity Fund, 22.0% for the Global Equity Income Fund).
- We continued our longstanding focus on addressing inappropriate executive remuneration. During the quarter, the CBF Church of England Investment Fund did not support 55% of remuneration reports and policies. .
- We were particularly concerned about the Remuneration Report issued by Microsoft. This offered the ability for the CEO to earn 600% of salary in annual bonus. We believe that this may overly incentivise short-term decision making, to the detriment of long-term investment and growth.
- We also voted against the re-election of the Nomination Committee Chair at Genus, due to concerns about the company's approach to gender diversity in senior management.

Ethical investment:

- We confirm that the CBF Funds have been managed to their ethical exclusion policies this quarter.

Public policy and climate change
In Summary:

- Given the risk posed to the value of our clients' investments, accelerating the transition to a low-carbon economy is our highest responsible investment priority.
- As part of this approach, we actively participated in the recent UN Framework Convention on Climate Change's Conference in Poland (COP 24).

Why we focus on public policy

- Whilst charities have adopted a variety of different approaches, most trustees recognise that a failure to address climate change will have a negative impact on investment returns. For this reason, accelerating the transition to a low-carbon economy is our highest responsible investment priority.
- A key part of our approach is supporting the development of progressive public policy. This is essential for setting the framework for both companies and investors to manage their businesses into the future.
- To this end, we participated in the UN Framework Convention on Climate Change's COP 24 Conference. This brought together 200 countries to agree the processes that will underpin the Paris Agreement.

CCLA at COP 24

- Our policy at the Conference was to support the Powering Past Coal Alliance. Led by the UK and Canadian governments, this calls upon OECD countries to phase out unabated coal-fired electricity generation, the most carbon intensive form of production, by 2030.
- Helen Wildsmith, CCLA's Stewardship Director for Climate Change, promoted the initiative on a panel with Claire Perry, Minister of State at the UK Department for Business, Energy and Industrial Strategy, and Catherine McKenna, the Canadian Minister of the Environment and Climate Change.
- Delegates at COP 24 also agreed the 'rulebook' for implementing 2015's Paris Agreement to limit global warming. This provided clarity on how countries should report progress against their existing commitments and increase their ambition for the future.
- Whilst short-term government policies may vary, the agreement in Poland shows that the international community continues to act to limit emissions and that companies who fall behind this transition are likely to destroy shareholder value.

Risk Warning

Performance is shown before management fees and other expenses: net returns will differ, except the Property Fund which is shown net and the graph on the Fund Performance page. Exchange rate changes may have an adverse effect on the value, price or income of investments. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice. All sources are CCLA, unless otherwise indicated.

Disclosures

Investment is only available to charities with objects connected with the work of the Church of England. Past performance is not an indicator of future performance. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Depositors in The CBF Church of England Deposit Fund should note that CCLA may change the fund documentation to allow for negative interest rates to be passed on to depositors. This means that in the event that interest rates on sterling deposits and instruments become negative, depositors may be charged these negative interest rates instead of earning interest. The CBF Church of England Funds are Common Funds established under The Church Funds Investment Measure 1958 (as amended or replaced from time to time). The Funds are not regulated Funds nor recognised as an Alternative Investment Fund. Investments in the Funds and Investments or Deposits in The CBF Church of England Deposit Funds and the Funds are not covered by the Financial Services Compensation Scheme (FSCS). However, the Manager may pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Funds.

GDPR

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