

## QUARTERLY BULLETIN

### 31 December 2019

#### 2020 Outlook

Investment markets gave strongly positive returns in 2019 and ended the year with expectations of further progress in the year ahead, despite the disappointing economic background. In this note we consider how realistic this continued optimism is.

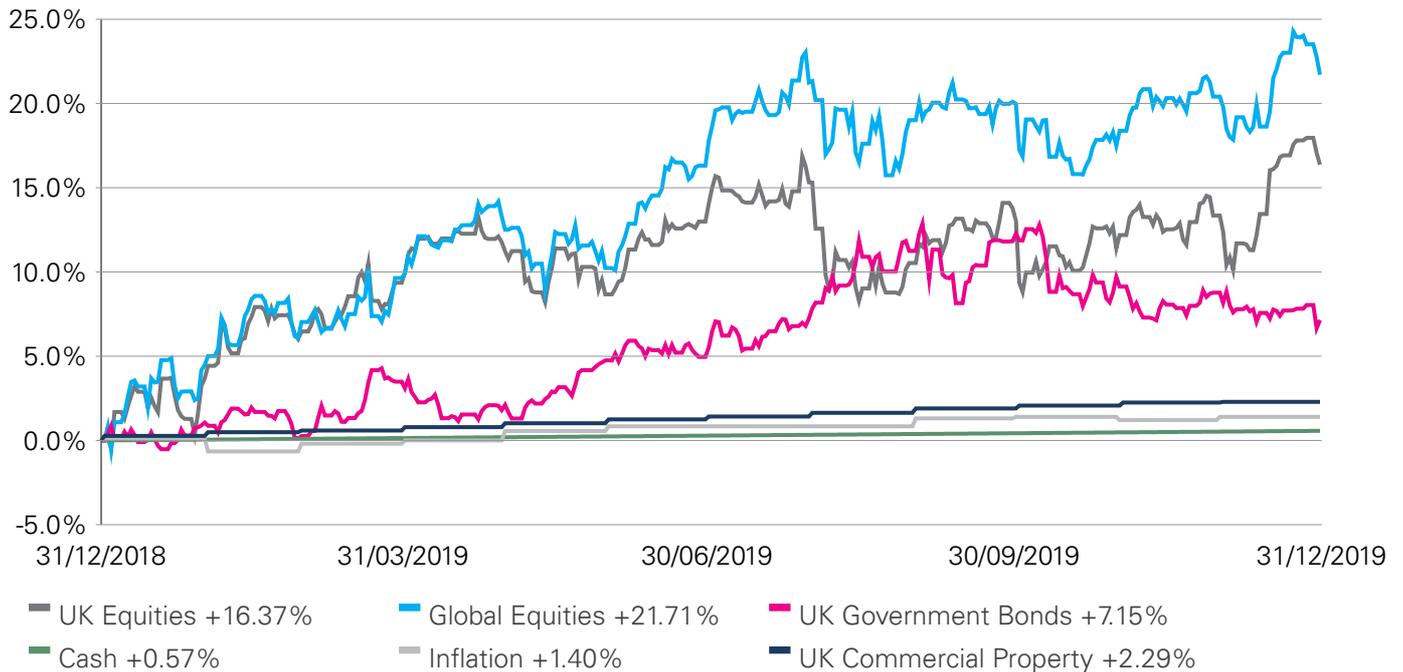
For the economy, there should be a boost to growth from the cuts made to interest rates over the past 12 months. Reductions were made in the US, Europe, China and in many other countries, too. In total 23 central banks have reduced borrowing costs in recent months, including a number of emerging economies. Of course, interest rates have been at historically low levels for an extended period and the most recent reductions will have less impact than those made earlier in the cycle. Nevertheless, the effect of cuts will be an important positive, both as a boost to confidence and because they will reverse the unhelpful policy tightening, which took place a year or so ago. Another important positive is that inflation should stay low. There is some evidence of rising costs, mainly from higher wages, but most commodity prices are flat and the hard reality at present is that, with excess capacity in many areas, companies are limited in the extent to which they can pass on cost increases. The other key issue will be developments in the trade dispute. Recent signs are positive, with an end to tit-for-tat escalation creating a calm in which negotiations towards a lasting agreement can take place. Detente makes sense for both sides. Mr Trump wants to give attention to his re-election campaign, China needs to focus on a slowing domestic growth rate.

Overall, we are optimistic. Our expectation is that we will see a worthwhile overall improvement in the global growth rate, centred in the emerging world, but becoming more broadly based as the year progresses.

What of the UK? Our expectation is for a broad improvement in activity. Following the clear election win by Mr Johnson, we can hope for political unanimity, at least on the direction of travel. Of course, creating a working relationship with Europe will take time and the process will have its share of ups and downs, but any increase in clarity will be helpful, reducing the uncertainty which has damaged sentiment and held back investment. It should also act to boost consumer activity, helped by wages which will continue to rise in real terms. UK inflation should remain at recent modest levels and may even fall further if the bounce in Sterling is maintained. A key positive for growth in 2020 is that there will be a material increase in government spending as austerity is left behind. On current plans this would add 0.4% to activity in a full year. The Bank of England has suggested that the UK economy has capacity to grow by between 1.25% and 1.50% p.a. over time and it would not be unreasonable for growth to reach these levels in the year ahead, a welcome and worthwhile improvement.

In this environment we expect another year of positive returns, supported by stronger growth and rising company earnings. At the portfolio level we will continue to favour real assets such as global equities as these are best placed to benefit from the recovery in activity.

## Markets at a Glance - 12 Months to end December 2019



Source: Bloomberg as at 31 December 2019

### Quarterly Market Review & Outlook

Global equity markets began the quarter cautiously, rallying in the final months to produce a positive outcome for the period. The underlying economic performance was disappointing; on a global basis 2019 is likely to have been the weakest year for growth since the recession ended a decade ago. Investors, however, chose to look forward and take a positive view of economic prospects, based on the cumulative contribution to growth from more accommodative monetary policies adopted earlier in the year and hopes of progress in the trade dispute between China and the US. In this environment global equities gave a return to a UK based investor of 1.53%, bringing the return for the year to 16.37%. All the major regional markets advanced over the three months. Asia was the best performer, 2.76% higher. Elsewhere, the US gained 1.56%, Europe 0.91% and Japan 0.24%. Of the individual markets in Europe, Ireland was the strongest, 6.13% up, Belgium the weakest, down by 6.86%. In Asia, Pakistan rallied strongly, up by 15.39% and Taiwan too made good progress, 9.64% higher. Thailand was the weakest market, declining by 7.30%. The UK market outperformed its peers with a gain of 4.16%. The UK index began the quarter poorly but rallied strongly towards the end with the improved global mood amplified by a positive reaction to the general election result. Over the year UK equities gave a total return of 16.37%.

The domestic fixed income sector lost value at the start of the quarter but rather than rally, values continued to ease, to end with a net return of -4.18%. Factors contributing to the poor performance, including the uncertainties created by the election, Brexit and a concern of increased future supply as austerity gave way to a programme of fiscal expansion. Corporate bonds lost ground, but outperformed gilts and across the sector there was some support for high yield issues. Capital

values in the property sector declined, continuing the trend which began in the final months of 2018. Despite this, overall returns remained positive because of the contribution from the sector's high income-flow. Within the sector there are areas which are performing well, including distribution assets and those with secure long-term income characteristics. The problem is in the retail sector where excess supply and poor tenant trading has put downward pressure on both values and rents. In currency markets sterling rallied strongly, enjoying its best quarterly performance in a decade, achieving gains of 4.87% against the euro, 7.88% against the dollar and 8.48% against the yen.

We expect growth in the world economy to strengthen in the months ahead. Consumer activity will remain resilient, supported by low unemployment and wages that are rising in real terms. In addition, there will be a contribution from the easier monetary policies introduced earlier in the year, and potentially from reduced trade war concerns. Inflation will stay low, as will borrowing costs; we see no upward pressure on interest rates.

A background of economic expansion, plentiful liquidity and low interest rates should support investment markets. After an extended period of rising prices valuations are full but are not excessive in an environment of rising earnings. We see equities as the greatest beneficiaries of these conditions, in contrast the prospective returns from the fixed interest sector are unattractive to long term investors.

The Market review, analysis, any any projections contained in this document are the opinion of the author only and should not be relied upon to form the basis of any investment decisions.

## Distributions for the Quarter

<b>The CBF Church of England Fund</b>	<b>Distribution per Income Share</b>	<b>Payment Date</b>	
Investment Fund	13.87	29/02/20	● The payment is 6.3% more than the equivalent distribution in 2018.
Global Equity Income Fund	1.77	29/02/20	● The payment is unchanged from the equivalent payment in 2018.
UK Equity Fund	1.53	29/02/20	● The payment is unchanged from the equivalent payment in 2018.
Property Fund	1.95	29/02/20	● The payment is unchanged from the equivalent payment in 2018.
Fixed Interest Securities Fund	1.65	29/02/20	● The payment is unchanged from the equivalent payment in 2018.

### Rate for the Quarter

Interest rate at the quarter end	0.75% (0.75% A.E.R.)*	● The rate paid to investors is unchanged over the period.
Average interest rate over the quarter	0.75% (0.75% A.E.R.)*	<ul style="list-style-type: none"> <li>● The interest rate paid to investors will reflect those available from top-quality borrowers.</li> <li>● The Fund is rated AAf/S1 by Fitch Ratings. AAf/S1 is the highest fund rating available.</li> </ul>

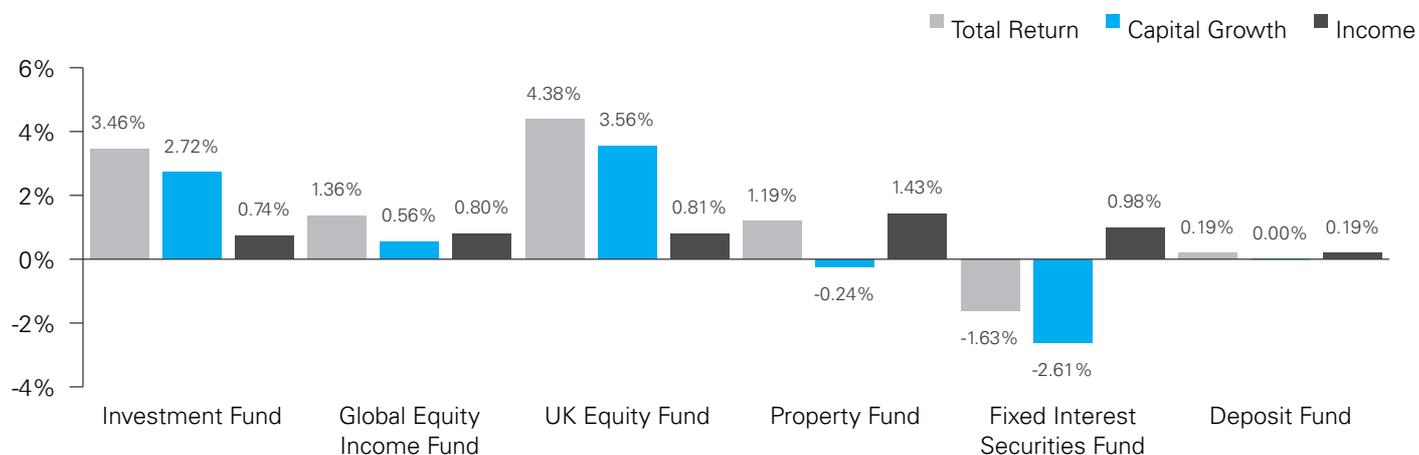
\*A.E.R. = Annual Equivalent Rate, which illustrates what the annual interest rate would be if the quarterly interest payments were compounded.

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)



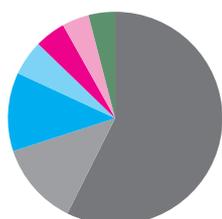
Source: CCLA Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

## Fund Report

### The CBF Church of England Investment Fund

- The global economy expanded in the final three months of 2019 but modestly, reflecting a loss of momentum over the year. The strongest sectors were those associated with the consumer, where activity was supported by low rates of unemployment and real growth in wages. In contrast, manufacturing continued to weaken, held back in particular by concerns over the impact of the trade dispute between China and the US. On a geographical basis, all areas experienced some pressure on growth, but Europe was hit relatively hard, a reflection of the importance of exports to overall activity levels. Inflation remained modest and interest rates stayed low. Of the major asset classes, equities were the best performers, reflecting investor hopes that activity would rebound in the new year. Of the major regional indices, the UK was the strongest performer with a total return of 4.16%, an improvement which brought the gain for the year to 16.37%. In contrast to this strength, the domestic fixed interest sector saw values fall as confidence, already frail on Brexit considerations, was weakened further by political uncertainties. In the property sector, a poor performance by retail assets kept capital values under pressure. Total returns stayed positive because of the contribution from income.
- On a gross basis, the Fund returned 3.61% during the quarter compared to a return on the comparator of 0.88%. Over the past 12 months the respective returns are 23.16% and 17.07%. Over the quarter, both stock selection and asset allocation had an impact on returns. In the stock portfolio some financial and consumer stocks performed well, but the increased support for lower rated 'value' stocks was unhelpful. At the asset level, the portfolio had a low exposure to a fixed income sector which performed strongly.

### \*Asset Allocation



Overseas Equities	57.34%
UK Equities	12.65%
Infrastructure & Operating Assets	11.96%
Cash and Near Cash	5.33%
Private Equity & Other	4.64%
Contractual & Other Income	4.08%
Property	4.00%

### Overseas Equities

Region	%
North America	37.72
Developed Europe	11.59
Asia Pacific ex Japan	5.57
Japan	2.46
<b>Total</b>	<b>57.34</b>

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) %

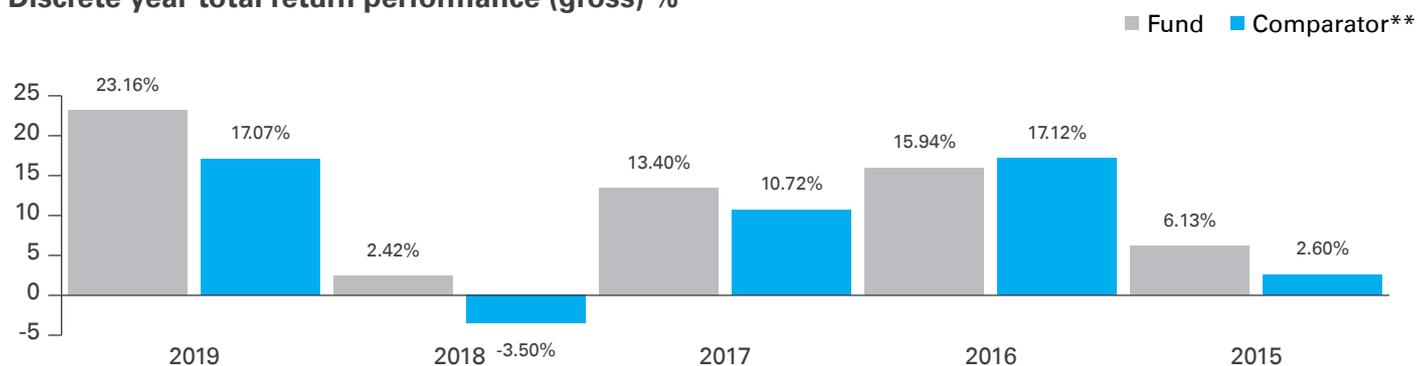
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England Investment Fund	23.16	2.42	13.40	15.94	6.13
Comparator**	17.07	-3.50	10.72	17.12	2.60

## Annualised total return performance (gross) %

Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England Investment Fund	23.16	12.67	11.97
Comparator**	17.07	7.75	8.49

Comparator - composite: from 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, Markit iBoxx £ Gilts 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%, IPD UK Monthly Property 5%, Markit iBoxx £ Gilts 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 UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5% \*\* (Property returns are estimated for the last month)

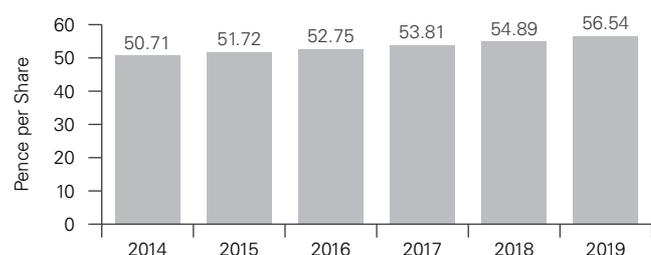
## Discrete year total return performance (gross) %



## Most overweight companies relative to equity indices

Adobe	1.79%	Agilent Technologies	1.52%
Roche Holding	1.79%	Tencent Holdings	1.45%
Visa	1.61%	Danaher	1.40%
Unilever	1.57%	AIA Group	1.39%
PayPal	1.55%	Fidelity Nat Info	1.27%

## 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.

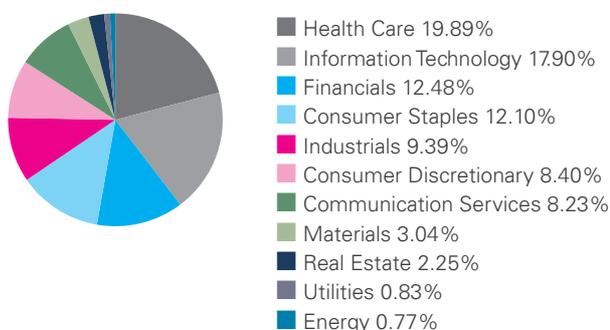
## The CBF Church of England Global Equity Income Fund

- The global economy grew in the final quarter of 2019, but only modestly. Consumer expenditure remained resilient, supported by lower unemployment and wages increasing at a pace above the inflation rate. In contrast, both manufacturing output and investment were weak. This reflected general concerns over the longevity of the economic cycle and on the specific impact of the trade dispute between China and the US. On a regional basis, no area stood out in a positive way. In contrast, Europe and the UK both disappointed, held back by Brexit uncertainties and weak manufacturing. Despite a lacklustre economic performance, global equity markets gave positive returns, reflecting optimism for stronger rates of expansion in 2020. The global index gave a return of 1.53% to a UK based investor and all the regional economies improved. The UK was the best performing of the major markets, rising strongly at the end of the period to give a gain of 4.16%. The Asian index improved by 2.76%, the US by 1.56%, Europe by 0.91% and Japan by 0.24%.
- On a gross basis, the Fund returned 1.60% during the quarter compared to a return on the comparator of 0.98%. Over the past 12 months the respective returns are 28.64% and 22.74%. Relative performance was helped by the portfolio's greater than benchmark exposure to the UK. At the sector level, stock selection was helpful with strong performances in sectors including financials and communication services. The high weighting to the health sector detracted from returns as did the holdings in energy, even though the exposure is less than that of the market as a whole.

### \*Asset Allocation



### \*Sector Allocation



### Discrete year total return performance (gross) %

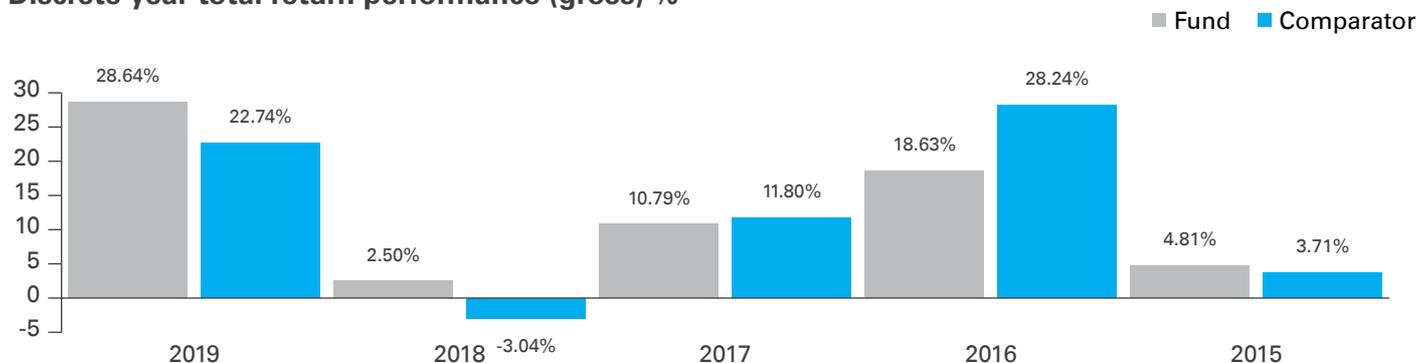
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England Global Equity Income Fund	28.64	2.50	10.79	18.63	4.81
Comparator	22.74	-3.04	11.80	28.24	3.71

### Annualised total return performance (gross) %

Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England Global Equity Income Fund	28.64	13.46	12.68
Comparator	22.74	9.99	12.09

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

### Discrete year total return performance (gross) %



Source: CCLA

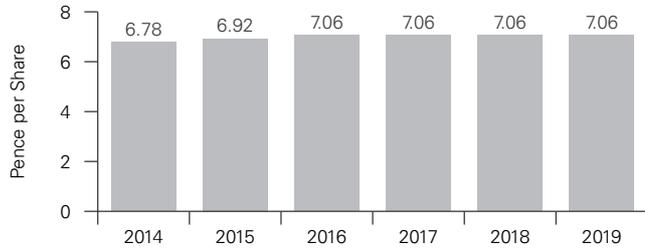
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### Most overweight companies relative to equity indices

Unilever	2.05%	Agilent Technologies	1.67%
Tencent Holdings	1.85%	London Stock Exchange	1.65%
RELX	1.85%	Kao Corp	1.64%
Adobe	1.80%	Wolters Kluwer	1.51%
Danaher	1.71%	Roche Holding	1.49%

### Past distributions



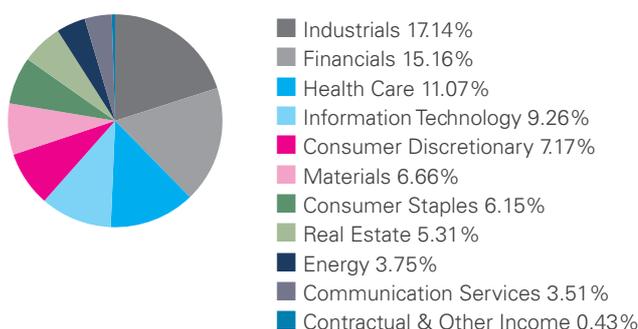
Source: CCLA

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## The CBF Church of England UK Equity Fund

- The UK Economy was broadly flat over the latest quarter. Consumer activity held up reasonably well, supported by rising real wages and unemployment down at levels last experienced in the 1970s. Manufacturing, however, was weak and investment decisions were consistently put on hold in an environment of Brexit and political uncertainty. Inflation edged below the Bank of England's 2% target at the end of the quarter, but interest rates were unchanged, despite a split on the MPC with two members seeking a shift to lower borrowing costs. Despite the lacklustre economic performance, the UK market produced a positive total return of 4.16%, outperforming the major international peers in the process. The gains were achieved most strongly at the end of the period, when the general election result was known.
- On a gross basis, the Fund returned 4.54% during the quarter compared to a return on the benchmark of 3.61%. Over the past 12 months the respective returns are 27.78% and 18.41%. Relative performance was supported by good returns from companies in the technology and consumer sectors.

### \*Asset allocation



### Discrete year total return performance (gross) %

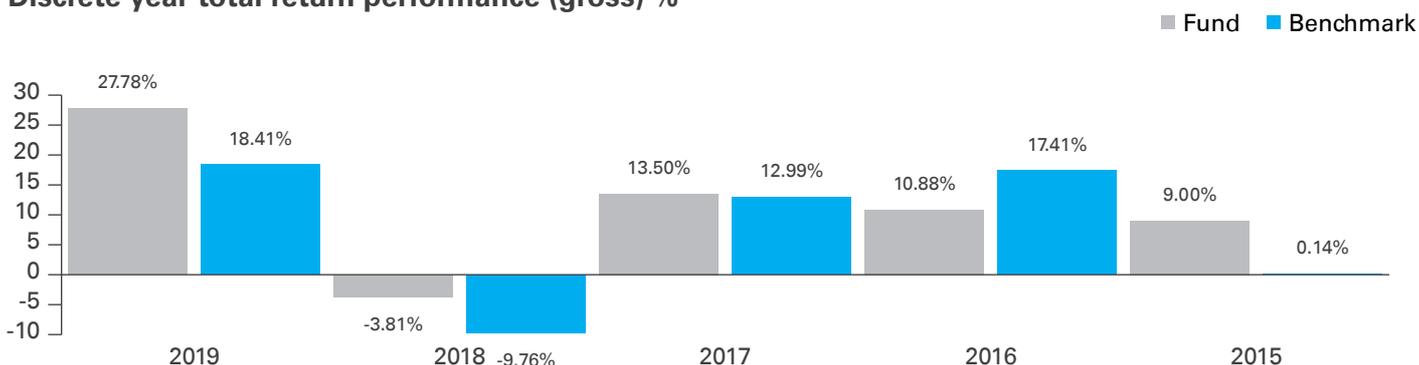
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England UK Equity Fund	27.78	-3.81	13.50	10.88	9.00
Benchmark	18.41	-9.76	12.99	17.41	0.14

Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England UK Equity Fund	27.78	11.74	11.01
Benchmark	18.41	6.48	7.26

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

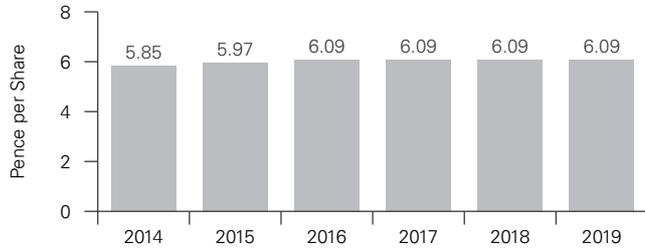
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. \*Asset allocation as at end of period.

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## Most overweight companies relative to equity indices

London Stock Exchange	3.35%	Bunzl	2.65%
Abcam	3.14%	Safestore	2.48%
Dechra Pharmaceuticals	3.02%	RWS Holdings	2.30%
Unilever	2.90%	Experian	2.29%
Intermediate Cap	2.67%	Microsoft	2.22%

## Past distributions



Source: CCLA

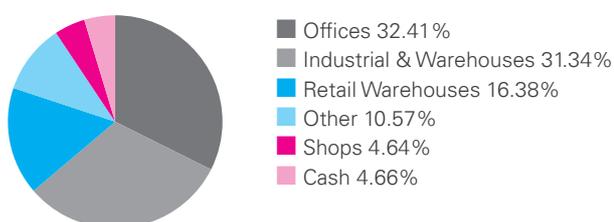
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

## The CBF Church of England Property Fund

- Commercial property values declined through the period, continuing the trend which began at the end of 2018. Total returns, however, remained positive, due to the contribution from income received. The main source of the decline was further weakness in the retail sub-sectors, where the effects of excess supply and changing shopping behaviours were exacerbated by selling pressure and a shortage of buyer support. Elsewhere in the sector conditions were better. Office returns were mixed and there was continued demand for industrial assets and those with secure income prospects, strong enough to generate capital and income growth. Transaction volumes remained at low levels and the scarcity of market data meant that valuations became more subjective and more volatile at the individual asset level.
- On a net basis, the Fund returned 1.19% during the quarter compared to a return on the benchmark of 0.31%. Over the past 12 months the respective returns are 2.76% and 1.78%. Over the quarter, relative performance was supported by the portfolio's low weighting to retail assets and the contribution from asset disposals at prices above valuation.

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

### \*Underlying gross asset allocation



### Property portfolio details

Top 5 properties: 29.2% of portfolio  
 Top 5 tenants: 19.5% of rental income  
 Weighted unexpired lease: 6.7yrs  
 Void rate including developments in progress  
 9.9% (excl. 7.4%)

### Discrete year total return performance (net) %

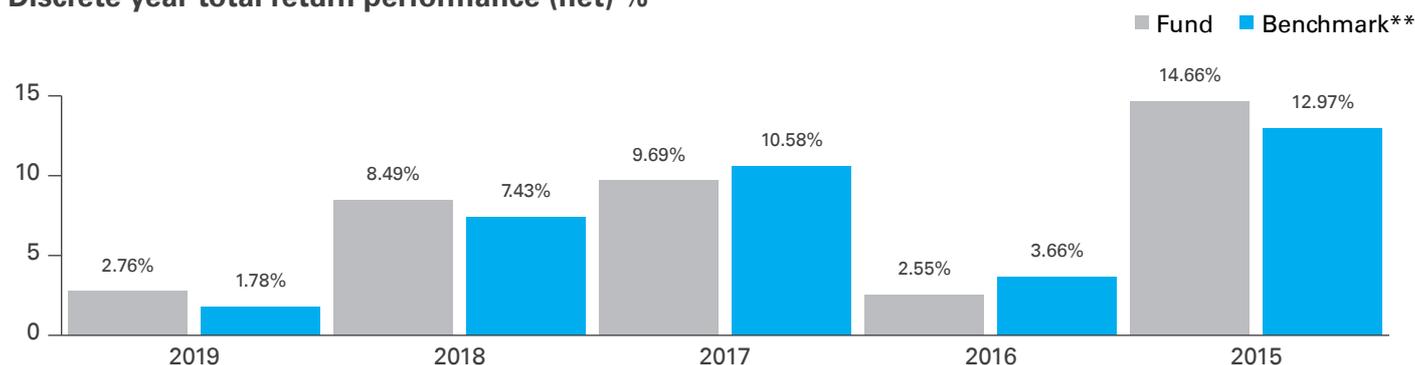
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England Property Fund	2.76	8.49	9.69	2.55	14.66
Benchmark**	1.78	7.43	10.58	3.66	12.97

### Annualised total return performance (net) %

Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England Property Fund	2.76	6.94	7.53
Benchmark**	1.78	6.53	7.20

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) %



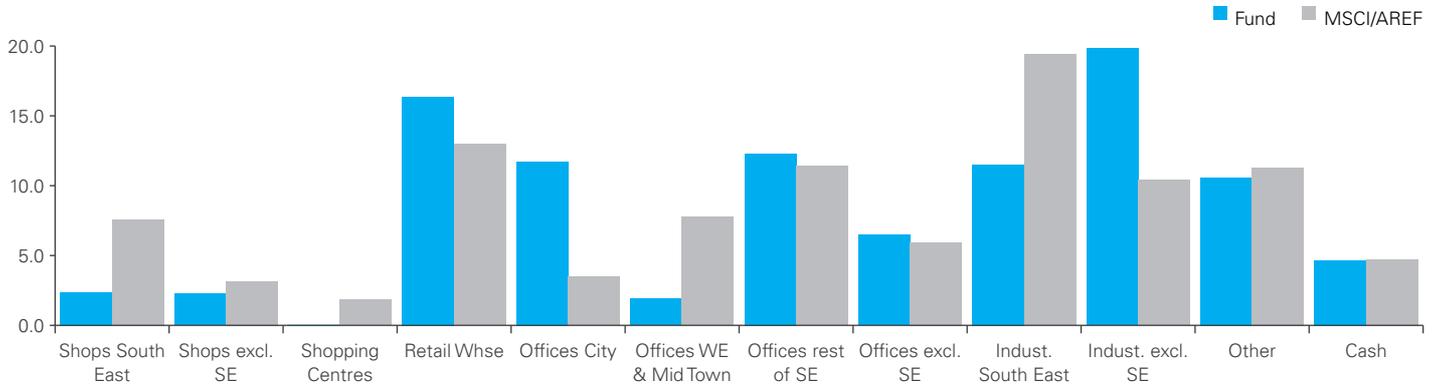
### Top ten underlying property holdings – total 43.44%

London, Cannon Street	London, College Hill
Brighton Pavilion Centre	Magna Park Lutterworth
Bracknell, Arlington Sq.	Bristol, Aztec West
Mendlesham, Ind. Est.	Solihull, Gate Retail Park
Bath, Westside Hotel	Crawley, Manor Gate

Source: CCLA

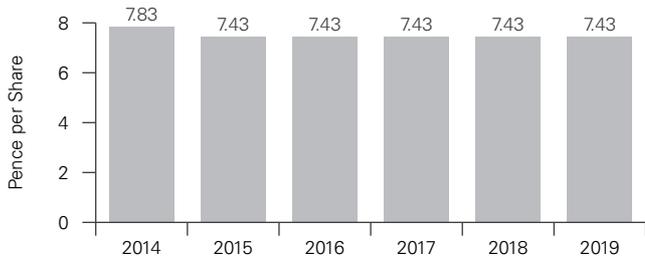
The annual management fee is 0.65% and is deducted from capital. Performance is shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed. \*Asset allocation as at end of period.

## Underlying gross asset allocation



Fund Data as at end December 2019 and MSCI/AREF UK Other Balanced Quarterly Property Fund Index as at end September 2019.

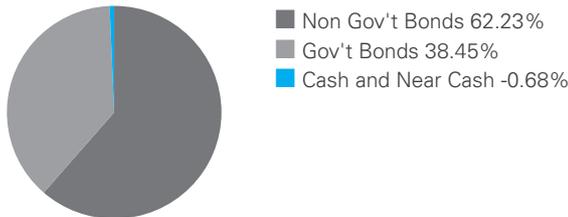
## Past distributions



## The CBF Church of England Fixed Interest Securities Fund

- The domestic fixed income sector weakened in the early weeks of the quarter and then traded broadly sideways at the lower levels. Sector sentiment weakened as a general election was announced. Another factor was the likelihood of increased bond supply to finance the end to austerity and higher levels of public spending which featured on all major party manifestos. Within the sector, government bonds were the weakest performers. Corporate bonds performed better and there was some support for higher yielding issues across the market.
- On a gross basis, the Fund returned -1.56% during the quarter compared to a return on the benchmark of -2.46%. Over the past 12 months the respective returns are 6.74% and 8.22%. In the quarter, the relative return of the Fund was supported by a portfolio bias towards corporate bonds and a defensive strategic stance designed to mitigate the effects of an increase in sector yields.

### \*Asset Allocation



By term to maturity Period	% Fund
0 - 5 years	31.4
5 - 10 years	35.9
10 - 15 years	10.7
Over 15 years	22.1
Duration (modified)	7.9 yrs
Ave term to maturity	9.9 yrs

### Discrete year total return performance (gross) %

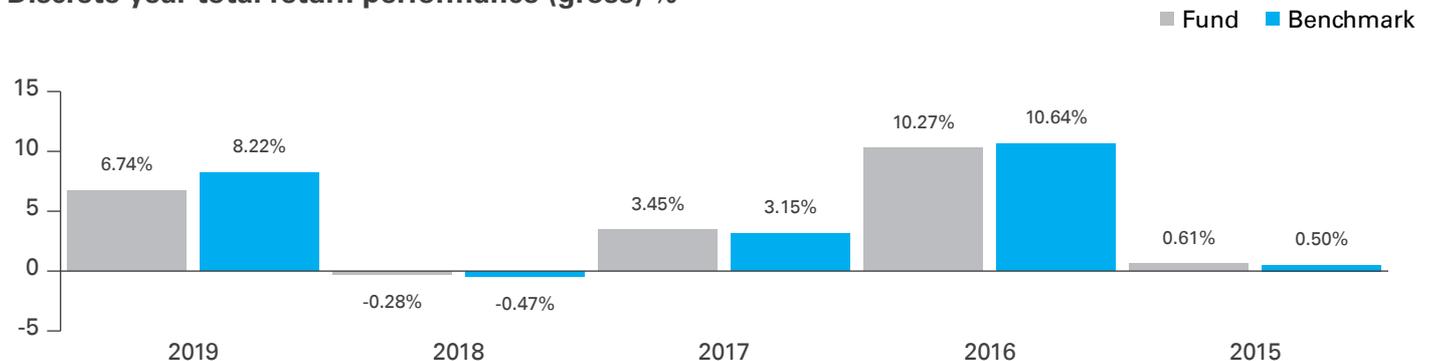
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England Fixed Interest Sec Fund	6.74	-0.28	3.45	10.27	0.61
Benchmark	8.22	-0.47	3.15	10.64	0.50

### Annualised total return performance (gross) %

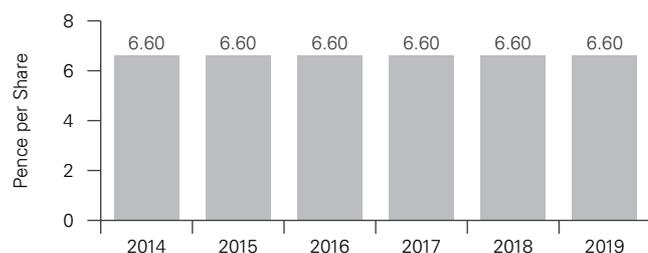
Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England Fixed Interest Sec Fund	6.74	3.26	4.09
Benchmark	8.22	3.57	4.32

Benchmark – composite: from 01.01.16 Markit iBoxx £ Gilts 50% and Markit iBoxx £ Non Gilts 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 UK produced a flat economic performance in the final quarter of 2019. Consumer activity remained resilient, supported by low unemployment and wages which were rising in real terms. Once again, however, manufacturing and investment disappointed as political uncertainties compounded the Brexit issues which have impacted on sentiment through the year. Inflation remained low and interest rates were unchanged, although the support for maintained borrowing costs on the Bank of England's MPC was not unanimous.

### Discrete year total return performance (gross) %

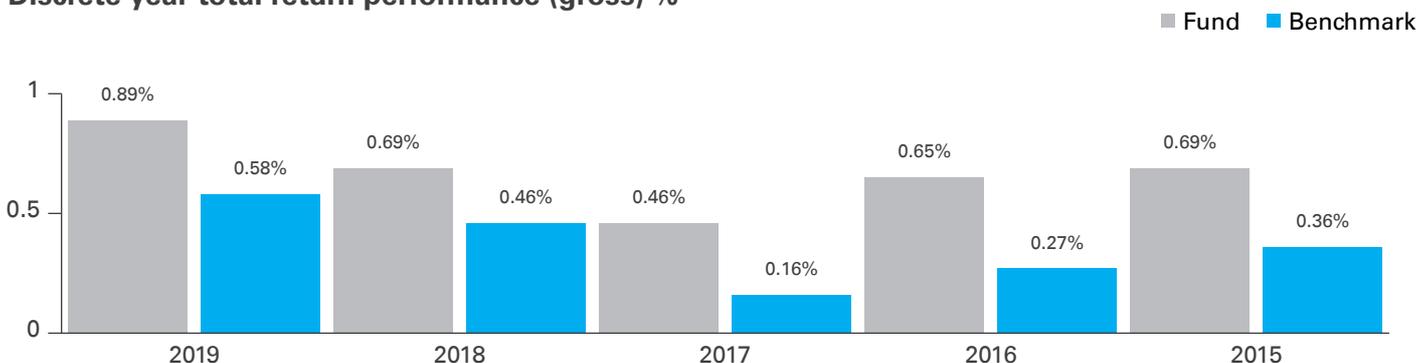
12 months to 31 December	2019	2018	2017	2016	2015
The CBF Church of England Deposit Fund	0.89	0.69	0.46	0.65	0.69
Benchmark	0.58	0.46	0.16	0.27	0.36

### Annualised total return performance (gross) %

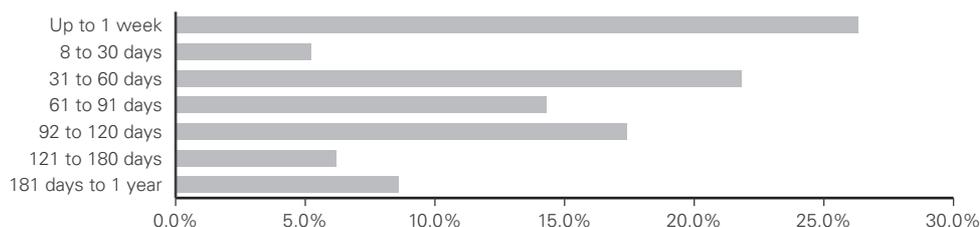
Performance to 31 December 2019	1 year	3 years	5 years
The CBF Church of England Deposit Fund	0.89	0.68	0.68
Benchmark	0.58	0.40	0.36

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.

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# 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:

- We hosted the annual Church Investors Group Conference. The Agenda included keynote speeches from the Bishop of St Albans on issues relating to problem gambling, and Lord Dennis Stevenson on Mental Health and Business.
- We continued to push for better regulation to fight climate change by attending the UN Framework on Climate Change's COP 25 Conference. Whilst we are disappointed with the outcome of the talks, we have started to plan how we can enhance the voice of long-term investors when the UK hosts COP 26 next year.
- We launched the 'Find It, Fix It, Prevent It' initiative that aims to address Modern Slavery in company supply chains (see below).

## 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% of the resolutions proposed by management at our investee companies this quarter (7% for the UK Equity Fund, 12% for the Global Equity Income Fund).
- Whilst we continued our long-standing focus on voting against excessive and poorly aligned executive pay, we were pleased that CCLA-led engagement led to Genus (a UK-listed biotech company) making positive changes to their approach. This included, amending their executive pension plan to better reflect that offered to other employees. As a result of these changes we were able to vote for their executive remuneration policy.
- We were disappointed that a shareholder resolution asking Microsoft to produce more information on gender and race pay gaps did not pass at the company's AGM. This was supported by less than 30% of the company's shareholders. We continue to use our votes to promote diversity in company management.

## Ethical investment:

- We confirm that the CBF Funds have been managed to their ethical exclusion policies this quarter.
- The EIAG continue to undertake several policy reviews. These include the 'Big Tech' industry and updating the existing Gambling Investment Policy.

## Why we are asking companies to 'Find, Fix and Prevent' modern slavery

### In Summary:

- The ILO estimates that there are over 25 million modern slaves in the world. This is more people living in a state of slavery than there were at the height of the transatlantic slave trade. In addition to being a human tragedy, this is a problem for business. We believe that nearly every firm has modern slavery in its supply chain somewhere.
- For this reason, we have launched the 'Find It, Fix It, Prevent It' initiative. This brings together a coalition of investors, NGOs and academics to encourage companies to increase the effectiveness of their actions to find, and then provide remedy to, victims of this horrific crime.

### Modern slavery and business

- Although illegal, modern slavery has a significant impact on our economy. In the UK we import an estimated £14bn worth of goods every year that are highly likely to have included slave labour in their production\*.
- When surveyed anonymously by the Ashridge Hult Business School, 77% of UK retailers stated that they thought that modern slavery existed somewhere in their supply chain. We believe that this underestimates the extent of the problem.

### Introducing 'Find it, Fix it, Prevent it'

- Under the UK Modern Slavery Act (2015) companies, that derive more than £36m in the UK, must produce an annual statement detailing the steps that they have taken to address modern slavery in their supply chain.
- However, not all FTSE100 companies meet the Act's minimum standards\*\* and very few businesses report on the effectiveness of their actions against slavery.
- For this reason, we have worked with partners including the UN-backed Principles of Responsible Investment, the Investment Association, the University of Nottingham's Rights Lab, and the Business and Human Rights Resource Centre to launch 'Find It, Fix It, Prevent It'.
- Initially, the project will lead detailed engagement with companies in the hospitality industry, lobby government for better regulation, and work with ESG data providers to develop readily available data on corporate responses to modern slavery.
- The initiative was launched at the London Stock Exchange in November and we hope that it will be a catalyst for further action by the UK Investment Industry on this important issue.
- Source: \*Global Slavery Index \*\*Business and Human Rights Resource Centre

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## 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 in the Funds is only available to charitable trusts with objects closely connected with the work of the Church of England. Past performance is not a reliable indicator of future results. 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 and are not Alternative Investment Funds. Investments in The CBF Church of England Funds and 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).

## GDPR

For information about how we obtain and use your personal data, please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.

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