CCLA

QUARTERLY BULLETIN
30 June 2019

Property sector update

The long uptrend in commercial property prices came to an end in the final months of 2018. Since then, capital values overall have dipped, but total returns have remained positive due to the high level of income the sector provides. In this note we review what's been happening in the property market and consider the outlook for returns in the period ahead.

The cause of the decline in prices was unusual in that it was not the result of a general fall in sector values, but instead weakness in one sub-sector; retail. In contrast, valuations elsewhere continued to rise, albeit at more modest rates. There was persistent demand for industrial assets, which benefit from the growth in internet shopping, for regional offices and for specialist areas such as hotels, which offer long-term, inflation-protected rental flows. Despite this progress, however, the fall in retail asset pricing was sufficiently severe to pull the overall sector indices into negative territory for the first time since the Referendum.

Retail asset values came under pressure from a series of specific factors. These included concerns over excess space, the long-term impact of internet-based competition, the weakness of retail tenants, and the pressure on profitability of flat sales volumes, higher wage costs and sharp rises in business rates. Initially pressure was concentrated in the high street and secondary shopping centres, but inevitably spread to related sectors, such as retail warehouses and then, beyond the boundaries of retail, to slow momentum in areas such as offices and industrials.

Compounding the problem was that these developments coincided with an increasingly challenging background of heightened Brexit concerns and weakening economic growth. Whilst these did not have a noticeable direct impact on property values, they did affect transaction volumes, which fell as investors chose to stand back from activity until the outlook became clearer. As dealing volumes fell, so valuers were forced to rely less on actual data and more on estimates and observations to provide valuations, conditions which tend to have a cautionary influence on prices.

A key comfort to investors has been that, despite the decline in capital values, total returns have remained positive due to the high level of reliable income the sector provides - property remains the highest yielding of the major asset classes.

Looking forward, we expect investment returns from property to continue along the path followed so far in 2019. The prospects for retail assets remain clouded, despite recent price weakness which has improved relative value. Finding new sources of performance within the sector will be difficult because, while there is strong underlying support for areas such as industrial assets and regional offices, in a relatively mature economic cycle, it is unlikely that any sub-sector has the potential to materially affect the prospects for the sector as a whole. This is an environment where the difference in returns between the various parts of the sector will remain wide, making asset allocation a key contributor to overall performance. With general market-sourced gains fading, active management too will be important, minimising voids and finding opportunities to create value in a fragmented and disjointed market. Income is likely to remain the dominant source of performance. An active strategy, underpinned by a secure and above average income, such as that provided by the COIF and CBF property funds, should support both absolute and relative returns in the period ahead.

A note from Michael Quicke, OBE

I retire as Chief Executive of CCLA in July and, as a result, this will be my last report to you. I wanted to thank you personally for the confidence that you have shown in CCLA by allowing us to manage these funds for you. It is a rare privilege to work with such a wide range of different organisations within the Church, help you make the most of your money and contribute to the impact that you are making on society.

The world of charity investment has evolved considerably over my thirteen years as Chief Executive, with regular changes in political and economic conditions, and an ever-tightening regulatory environment. Our job, however, remains constant, to deliver the distributions you need and grow the real value of your capital whilst respecting your ethics.

Whilst different clients will have different ethical requirements, all our funds are run with the same engaged and responsible approach. This ensures that we are good stewards of your money and reflects our strongly held belief that this will deliver enhanced and more sustainable long-term returns. In an environment where high-quality financial data is available almost instantly to all investors, analysis of corporate strategy, philosophy and behaviour helps us to identify companies more likely to make mistakes and destroy shareholder value.

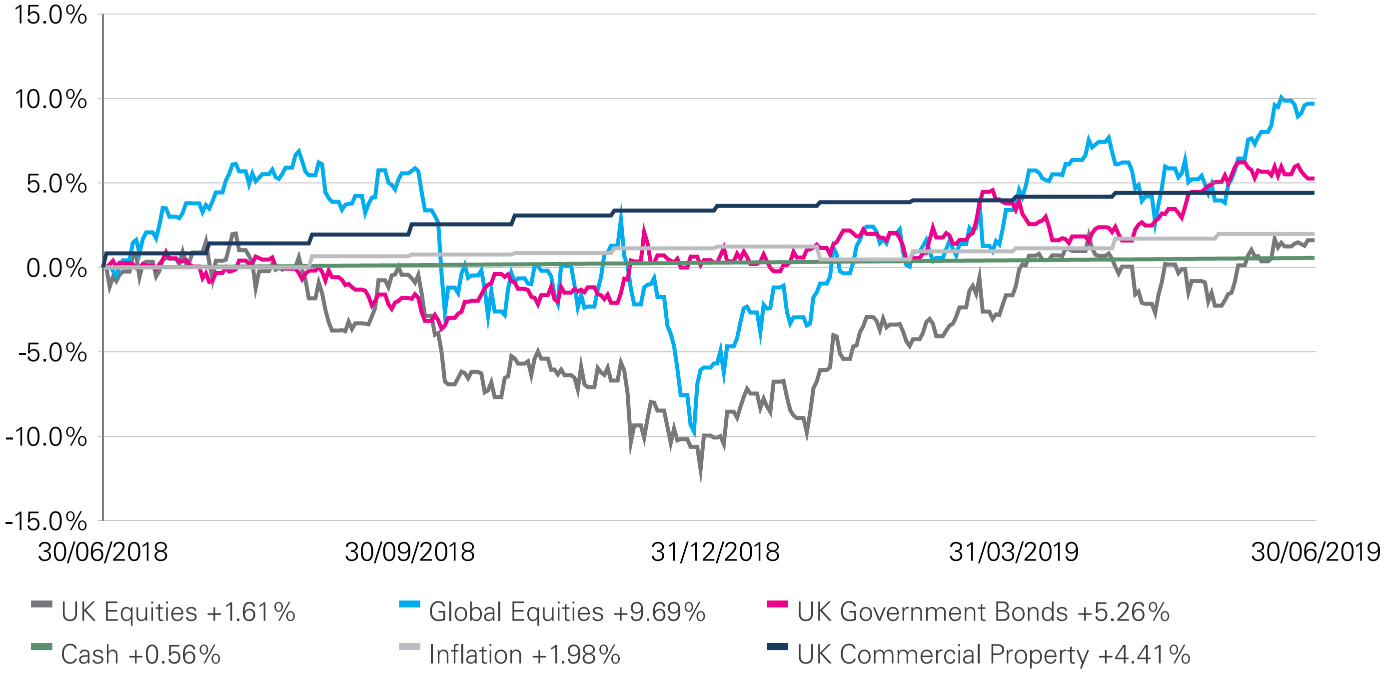
Following a very thorough recruitment process, we have appointed Peter Hugh Smith as CCLA's new Chief Executive. Peter has a wealth of experience in investment management, having held senior roles in the investment management industry both domestically and internationally. He has a strong empathy with the charity sector and is committed to continuing and improving the performance and service we provide to you and all our clients.

Many thanks for your support in the past, and we look forward to working with you long into the future.

Michael Quicke, OBE

Chief Executive

Markets at a Glance - 12 Months to end June 2019



Source: CCLA

Quarterly Market Review & Outlook

Global equity markets rose over the quarter. Strong initial progress was pared-back in the middle of the period due to trade friction concerns, but sentiment gradually recovered as investors increasingly looked forward to lower interest rates, initially in the US, but more widely over time. Ironically, one factor supporting the expectation of lower borrowing costs to come was the disappointing lack of momentum in the world economy. Weak manufacturing volumes proved to be a particular challenge for Europe, whilst Asian economies were held back by slower growth in China and the concerns for future regional activity, if the trade dispute between China and the US should worsen. In the UK, economic data continued to reflect Brexit factors, which made an analysis of the underlying trends difficult. What is clear, however, is that underlying activity levels are flat, with little or no growth expected for the current period. Against this background, the global equity market gave a total return to a UK-based investor of 6.22%, a level boosted by currency factors following sterling's weakness. All the major regional indices rose, but progress was not even. Europe was the strongest performer, gaining 8.83%, followed by the US, 6.75% higher. Asia improved too, by 3.36% and in Japan the market was up by 2.88%. At the individual country level, four European markets returned more than 10%, with Greece, up by 22.83%, leading the way. In Asia only one country, Thailand, made double digit gains, improving by 12.18%. At the other end of the list, values in China dipped by -1.47% and prices fell more substantially in Pakistan, reflecting the financial crisis in that country. The UK indices rose by 3.26%, a gain which brings the return for 2019 to date to 12.97% and to 1.61% for the past 12 months.

The domestic fixed interest market also gave positive returns. In the early weeks of the period investors were unsettled by political issues, but prices then improved, reflecting the growing conviction that global interest rates would move lower. Government bonds rose, but the gains in corporate issues were greater as investors favoured longer-dated and lower credit-rated issues. Property values declined, due principally to the weakness in the retail sub-sector. Conditions were more stable elsewhere in the sector and this, together with the steady flow of income, kept overall returns positive. Sterling weakened, losing -2.60% against the dollar, -3.91% against the euro and -5.20% against the yen.

We expect the world economy to continue to expand for the balance of 2019, albeit at a moderate level. The rate of growth will slow in the US, as the benefits of tax cuts pass, but reduced trade concerns and the gradual benefits of lower interest rates should support activity, as will higher consumer expenditure, boosted by low unemployment and wages that are rising in real terms.

An environment of a supportive monetary policy and continued growth should provide a foundation for positive investment returns. Confidence will remain exposed to developments in issues such as trade and interest rates, which could result in periods of increased volatility, but economic growth, and the rising earnings it provides, should support equities over time. Fixed interest markets will also benefit from falling interest rates, but yields are too low to provide supportive returns for those seeking to protect real values from inflation.

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

The CBF Church of England Fund	Distribution per Income Share	Payment Date	
Investment Fund	14.40p	30/08/2019	• The payment has been maintained at the rate paid for the equivalent period in 2018.
Global Equity Income Fund	1.76p	30/08/2019	• The payment has been maintained at the rate paid for the equivalent period in 2018.
UK Equity Fund	1.52p	30/08/2019	• The payment has been maintained at the rate paid for the equivalent period in 2018.
Property Fund	1.83p	30/08/2019	• The payment has been maintained at the rate paid for the equivalent period in 2018.
Fixed Interest Securities Fund	1.65p	30/08/2019	• The payment has been maintained at the rate paid for the equivalent period in 2018.

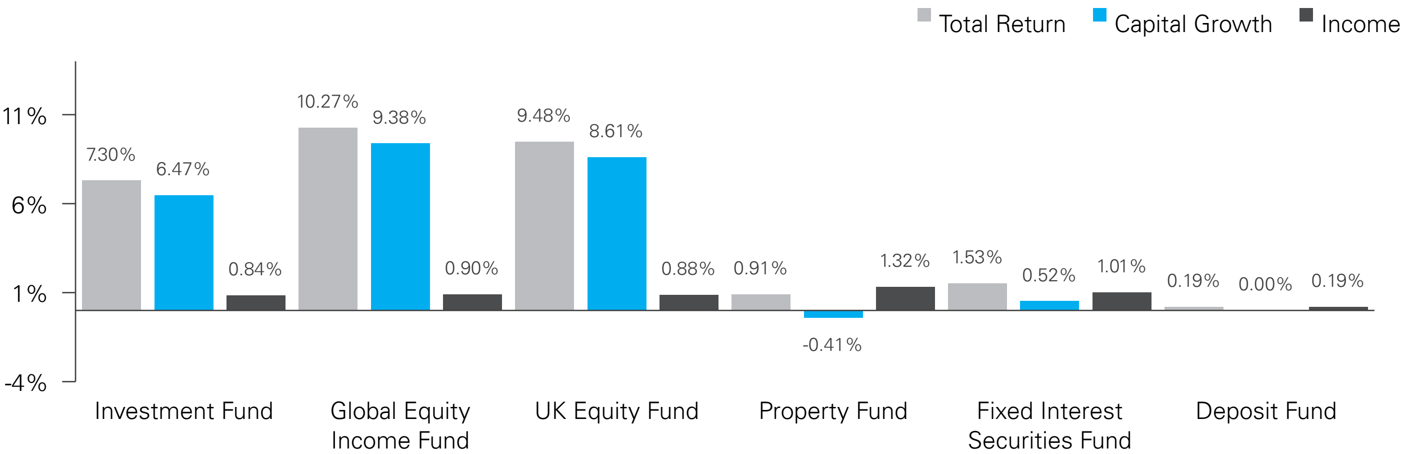
Rate for the Quarter

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.)*	• Interest rates will reflect those available from top-quality borrowers.
		• The Fund is rated AAAf/S1 by Fitch Ratings. AAAf/S1 is the highest fund 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)



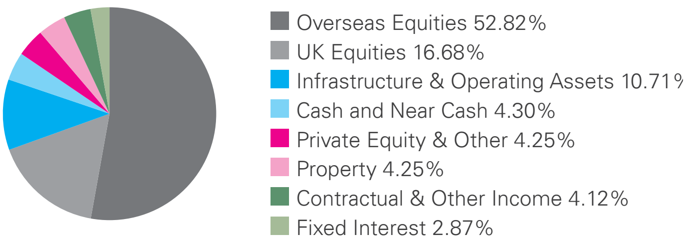
Source: CCLA Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Fund Report

The CBF Church of England Investment Fund

- The economic backcloth to the period was one of growth, but at a moderating pace as the rate of expansion in the US slowed and activity continued below expected levels in Europe and China. Inflation remained subdued and expectations for interest rates changed to anticipate reductions, first in the US and then more widely. An environment of growth and falling borrowing costs proved to be supportive for investment markets and all the major asset classes achieved positive returns. Equities were the strongest performers. The global equity index gave a total return to a sterling-based investor of 6.22%; the domestic UK index, 3.26%. Fixed interest securities also proved popular, pushing bond yields lower in the process. In the UK, the sector suffered initially from political uncertainty, but rallied later to give positive returns overall. In the property sector, values eased back, but total returns were supported by the sector's high income.
- On a gross basis, the Fund returned 7.48% during the quarter compared to a return on the comparator of 4.22%. Over the past 12 months the respective returns are 13.54% and 6.21%. Asset allocation had a positive impact on relative returns, but the dominant contribution came from stock selection; there was broad investor support for good-quality growth companies, of the sort which dominate the portfolio. In particular, there were strong performances from holdings in the health, I.T., and consumer staples sectors. The low weighting to banks was also a positive, as this sector underperformed.

*Asset Allocation



Overseas Equities	%
North America	29.77
Developed Europe	11.82
Multi Geography	5.47
Asia Pacific ex Japan	3.98
Japan	1.78
Total	52.8

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) %

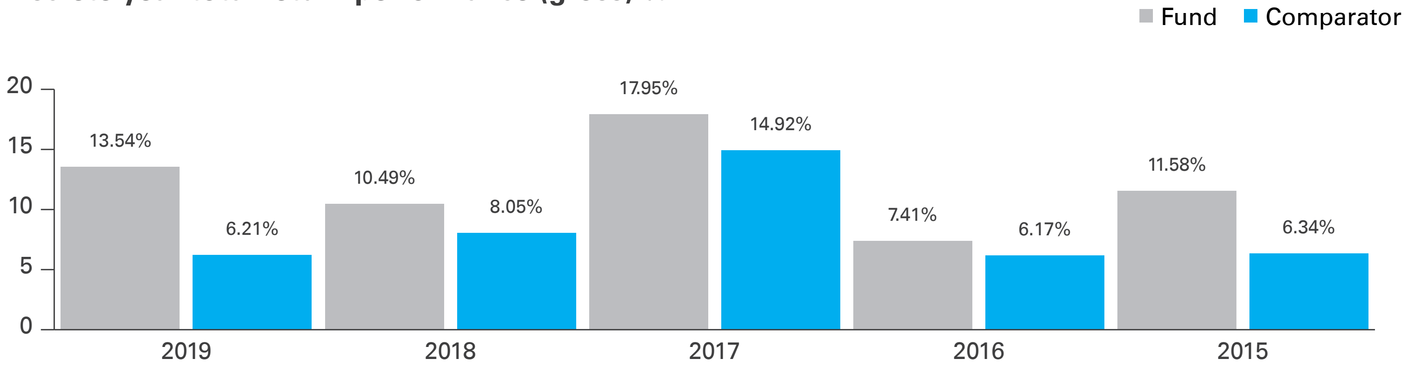
12 months to 30 June	2019	2018	2017	2016	2015
The CBF Church of England Investment Fund	13.54	10.49	17.95	7.41	11.58
Comparator	6.21	8.05	14.92	6.17	6.34

Annualised total return performance (gross) %

Performance to 30 June 2019	1 year	3 years	5 years
The CBF Church of England Investment Fund	13.54	13.95	12.14
Comparator	6.21	9.66	8.29

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%, IPD UK Monthly Property 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 UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5% *(Property returns are estimated for the last month)

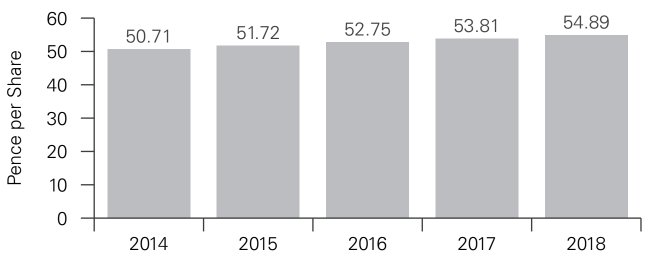
Discrete year total return performance (gross) %



Most overweight companies relative to equity indices

Nestle	2.68%	SAP SE	1.49%
Unilever	2.27%	Tencent Holdings	1.48%
AIA Group	1.78%	CME Group	1.44%
Fidelity Nat Info	1.58%	Adidas	1.43%
Nasdaq	1.54%	Mastercard	1.42%

Past distributions

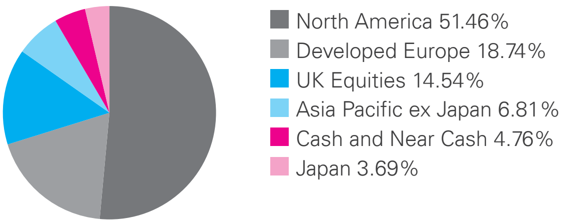


Source: CCLA
The annual management fee is 0.55% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

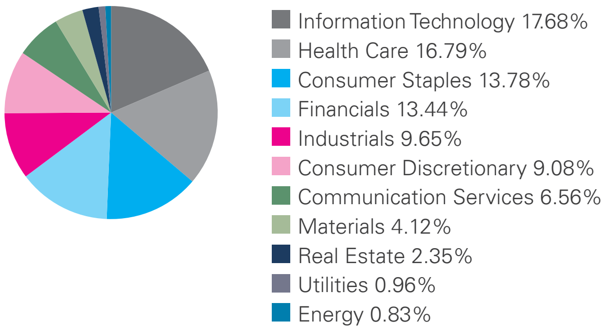
The CBF Church of England Global Equity Income Fund

- The global economy grew over the period, but at a pace which did not match earlier, optimistic, expectations. Growth in the US moderated as the boost from tax cuts and increased government spending passed, while activity levels in Europe, including the UK, disappointed. Inflation remained subdued and, against this background, investors increasingly discounted moves to lower interest rates, initially in the US and then more widely. Expectations of lower borrowing costs and optimism for an easing of the trade tension between China and the US, gave strong support to equity prices and all the major indices achieved progress. Europe gave the strongest returns to a UK-based investor, at 8.83%; the return from the US was 6.75%, from Asia 3.36% and from Japan, 2.88%. Returns from the UK totalled 3.67%. At the individual country level, Greece led the way in Europe, up by 22.83%. Four other markets were up by 10% or more. Most Asian markets also moved ahead with Thailand, 12.18% higher, the best performer.
- On a gross basis, the Fund returned 10.57% during the quarter compared to a return on the comparator of 6.48%. Over the past 12 months the respective returns are 18.14% and 10.30%. Relative performance was primarily supported by stock selection, with strong returns from companies in I.T. and health industries, parts of the financial sector and consumer staples related stocks.

*Asset Allocation



*Sector Allocation



Discrete year total return performance (gross) %

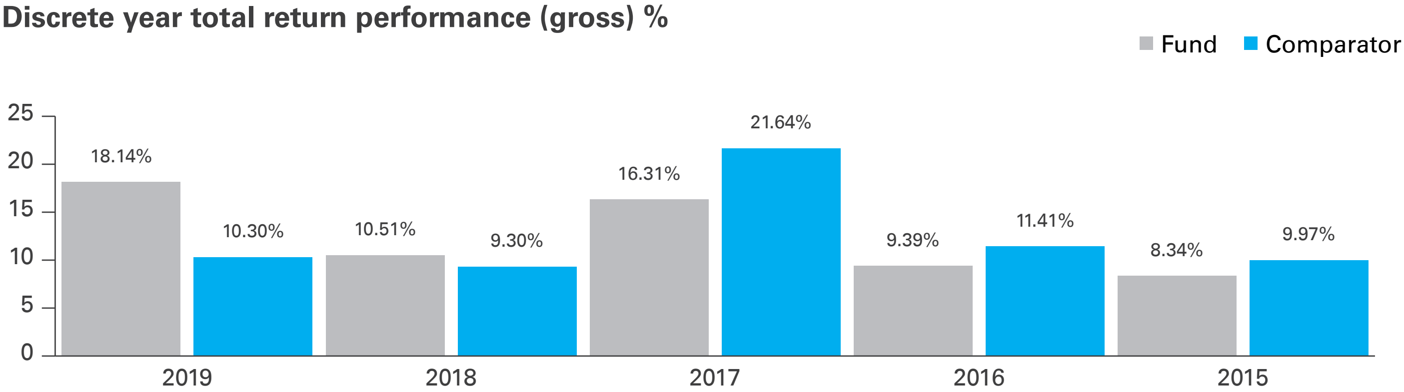
12 months to 30 June	2019	2018	2017	2016	2015
The CBF Church of England Global Equity Income Fund	18.14	10.51	16.31	9.39	8.34
Comparator	10.30	9.30	21.64	11.41	9.97

Annualised total return performance (gross) %

Performance to 30 June 2019	1 year	3 years	5 years
The CBF Church of England Global Equity Income Fund	18.14	14.94	12.47
Comparator	10.30	13.61	12.43

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

Discrete year total return performance (gross) %

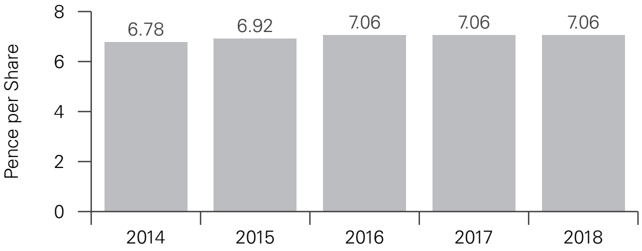


Source: CCLA
The annual management fee is 0.75% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Most overweight companies relative to equity indices

Unilever	2.98%	Tencent Holdings	1.77%
RELX	2.14%	Adidas	1.75%
Kao Corp	2.08%	London Stock Exchange	1.74%
Danaher Corp	1.82%	AIA Group	1.72%
Nasdaq	1.78%	Nestle	1.69%

Past distributions



Source: CCLA
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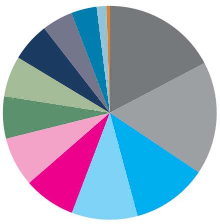
The CBF Church of England UK Equity Fund

- The UK economy experienced difficult conditions over the quarter, as Brexit uncertainty and a slower pace of growth in Europe put pressure on activity levels. Consumer spending increases were muted, despite low unemployment and higher wages in real terms, whilst manufacturing output was disappointingly weak, impacted in particular by a much-reduced level of output from the motor sector. Inflation remained close to Bank of England target levels and interest rates were unchanged. The domestic equity market began the period brightly, but gave up the early gains on political concerns and international worries over the worsening relationship between China and the US. Prices then rallied to end the quarter on a positive note as global equity prices rose in anticipation of lower interest rates.
- On a gross basis, the Fund returned 9.67% during the quarter compared to a return on the benchmark of 3.14%. Over the past 12 months the respective returns are 12.82% and 0.47%. The main support to relative performance came from stock selection. Holdings in a diverse range of companies, including RELX, Spirax Sarco and the London Stock Exchange, all made significant contributions to return, as did those listed directly on overseas exchanges.

*Asset allocation



- Industrials 16.28%
- Financials 16.09%
- Consumer Discretionary 10.75%
- Health Care 9.39%
- Consumer Staples 7.37%
- Materials 7.06%
- Real Estate 6.00%
- Information Technology 5.80%
- Infrastructure & Operating Assets 5.51%
- Energy 4.40%
- Communication Services 3.62%
- Utilities 1.43%
- Contractual & Other Income 0.44%

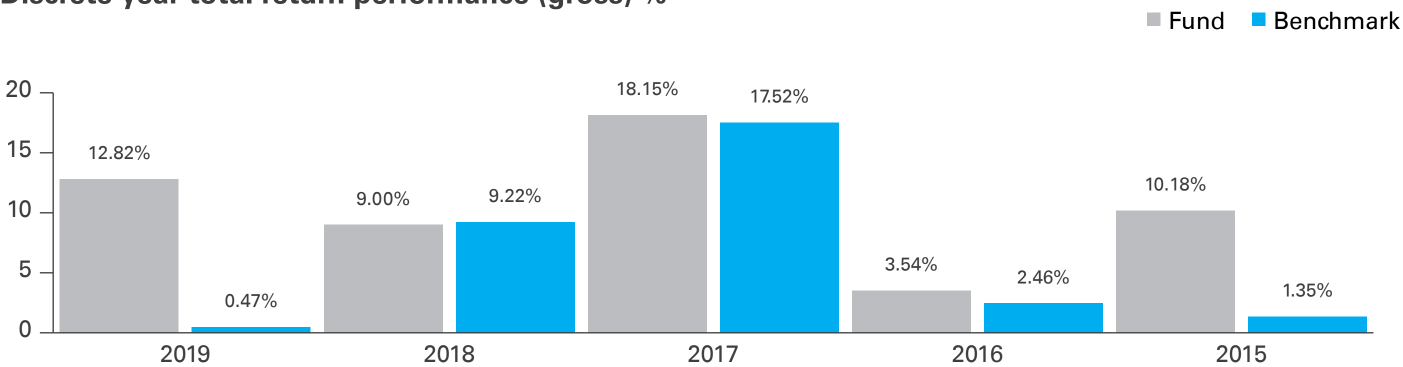
Discrete year total return performance (gross) %

12 months to 30 June	**2019**	**2018**	**2017**	**2016**	**2015**
The CBF Church of England UK Equity Fund	12.82	9.00	18.15	3.54	10.18
Benchmark	0.47	9.22	17.52	2.46	1.35

Performance to 30 June 2019	**1 year**	**3 years**	**5 years**
The CBF Church of England UK Equity Fund	12.82	13.26	10.63
Benchmark	0.47	8.84	6.01

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) %

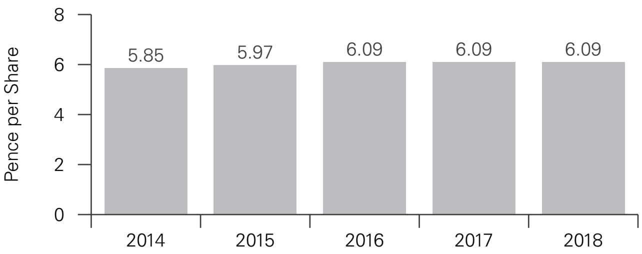


Source: CCLA
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. *Asset allocation as at end of period.

Most overweight companies relative to equity indices

Unilever	3.47%	Experian	2.33%
London Stock Exchange	3.16%	RWS Holdings	2.31%
Abcam	2.71%	Intermediate Cap	2.25%
Moneysupermarket	2.58%	Microsoft	2.17%
Bunzl	2.38%	RELX	2.07%

Past distributions



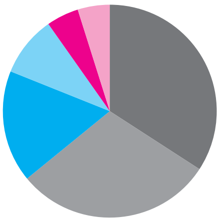
Source: CCLA
The annual management fee is 0.50% and is deducted from capital. Performance is shown before management fees and other expenses: net returns will differ. Past performance is not a guide to future performance and future returns are not guaranteed. Holdings as at end of period.

The CBF Church of England Property Fund

- Commercial property valuations fell over the period, due mainly to weakness in the retail sub-sectors where over supply, poor trading and increased costs all combined to put pressure on profitability. Elsewhere in the sector, although support continued at a high level for industrials and sectors providing assured long-term income, such as hotels, the overall rate of value growth slowed and the pace of rental increases also reduced. Transaction volumes, which fell in the previous quarter, remained at the lower levels as potential sellers, particularly of retail assets, withdrew instructions in unhelpful conditions. The reduced flow of market data made valuations more subjective and increased volatility at the individual asset level.
- On a net basis, the Fund returned 0.91% during the quarter compared to a return on the benchmark of 0.52%. Over the past 12 months the respective returns are 5.66% and 3.93%. Performance was supported by the portfolio's structural bias towards industrials and away from traditional shops and shopping centres.

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

*Underlying gross asset allocation



Property portfolio details
Top 5 properties: 28.1% of portfolio
Top 5 tenants: 18.6% of rental income
Weighted unexpired lease: 6.4yrs
Void rate including developments in progress 6.6% (excl. 4.9%)

Discrete year total return performance (net) %

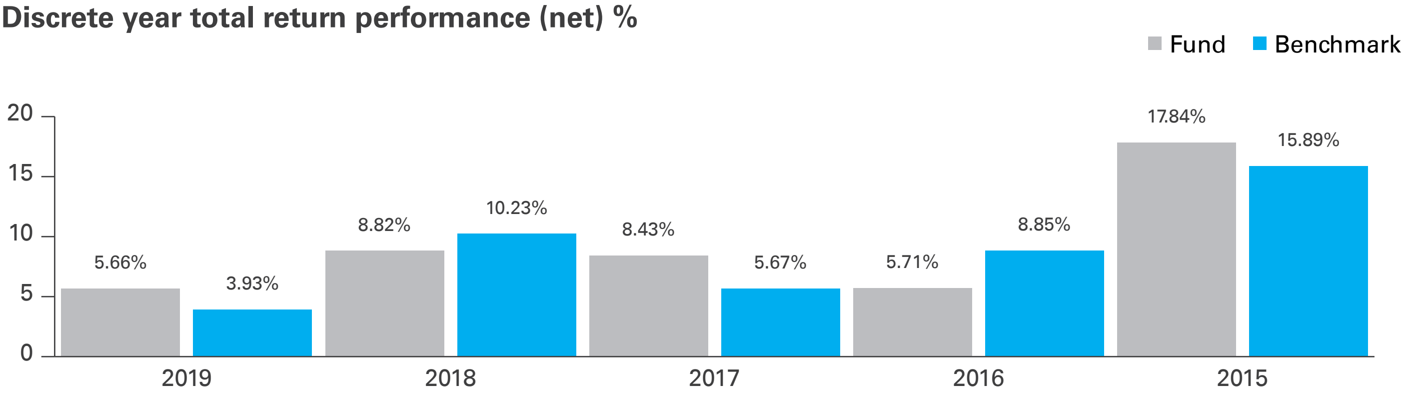
12 months to 30 June	2019	2018	2017	2016	2015
The CBF Church of England Property Fund	5.66	8.82	8.43	5.71	17.84
Benchmark	3.93	10.23	5.67	8.85	15.89

Annualised total return performance (net) %

Performance to 30 June 2019	1 year	3 years	5 years
The CBF Church of England Property Fund	5.66	7.63	9.21
Benchmark	3.93	6.58	8.84

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

Discrete year total return performance (net) %



Top ten underlying property holdings – total 43.19%

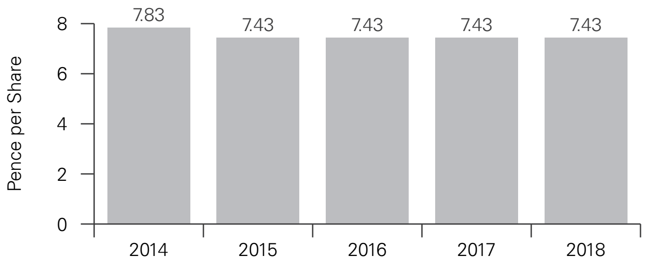
London, Cannon Street
Pavilion Centre Brighton
Bracknell, Arlington Sq.
Mendlesham, Ind. Est.
London, Fetter Lane
Bath, Westside Hotel
London, College Hill
Magna Park Lutterworth
Solihull, Gate Retail Park
Bristol, Aztec West

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 June 2019 and MSCI/AREF UK Other Balanced Quarterly Property Fund Index as at end March 2019.

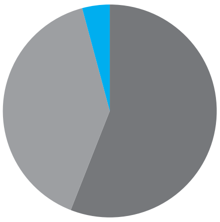
Past distributions



The CBF Church of England Fixed Interest Securities Fund

- UK economic activity slowed in the quarter, under the influence of Brexit-related uncertainty and the impact of shutdowns in the car industry. Inflation bobbed higher initially, but dipped as Easter-related factors fell out of the comparisons. The Bank of England warned of future interest rate rises, but these were largely ignored by investors. Fixed interest markets fell at the start of the period, but values improved later as the sector rallied on expectations of falling international interest rates. In this environment, corporate bonds outperformed gilts, with longer dated and lower credit rated bonds giving the strongest returns.
- On a gross basis, the Fund returned 1.61% during the quarter compared to a return on the benchmark of 1.70%. Over the past 12 months the respective returns are 4.69% and 5.58%. The key driver of relative performance was the relatively cautious strategy, in place to protect from the negative impact of increased borrowing costs.

*Asset Allocation



By term to maturity Period	% Fund
0 - 5 years	33.52
5 - 10 years	34.29
10 - 15 years	8.64
Over 15 years	23.6
Duration (modified)	7.7 yrs
Ave term to maturity	9.8 yrs

Discrete year total return performance (gross) %

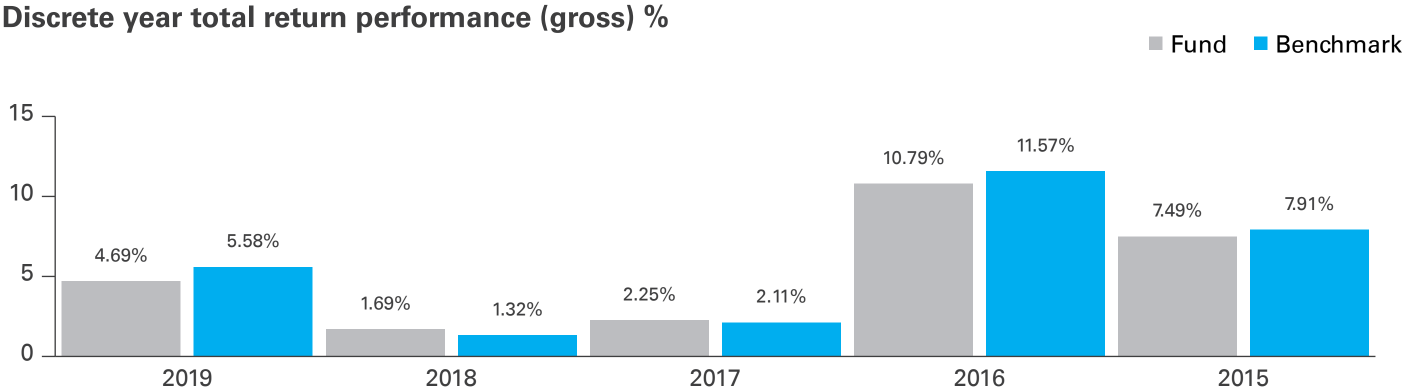
12 months to 30 June	2019	2018	2017	2016	2015
The CBF Church of England Fixed Interest Sec Fund	4.69	1.69	2.25	10.79	7.49
Benchmark	5.58	1.32	2.11	11.57	7.91

Annualised total return performance (gross) %

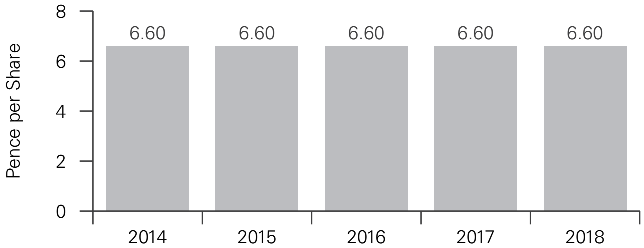
Performance to 30 June 2019	1 year	3 years	5 years
The CBF Church of England Fixed Interest Sec Fund	4.69	2.87	5.33
Benchmark	5.58	2.99	5.63

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

- UK economic growth faltered in the quarter, held back by Brexit uncertainty and a slowing of growth rates globally. Consumer expenditure was supported by high employment and real wage growth, but investment fell and manufacturing activity weakened significantly.
- Official interest rates were unchanged, despite repeated warnings from the Bank of England that borrowing costs should be expected to rise at some point. In fact, investors, considering the low current level of growth and continued Brexit uncertainties, increasingly took the view that the next move in borrowing costs would be down rather than up.

Discrete year total return performance (gross) %

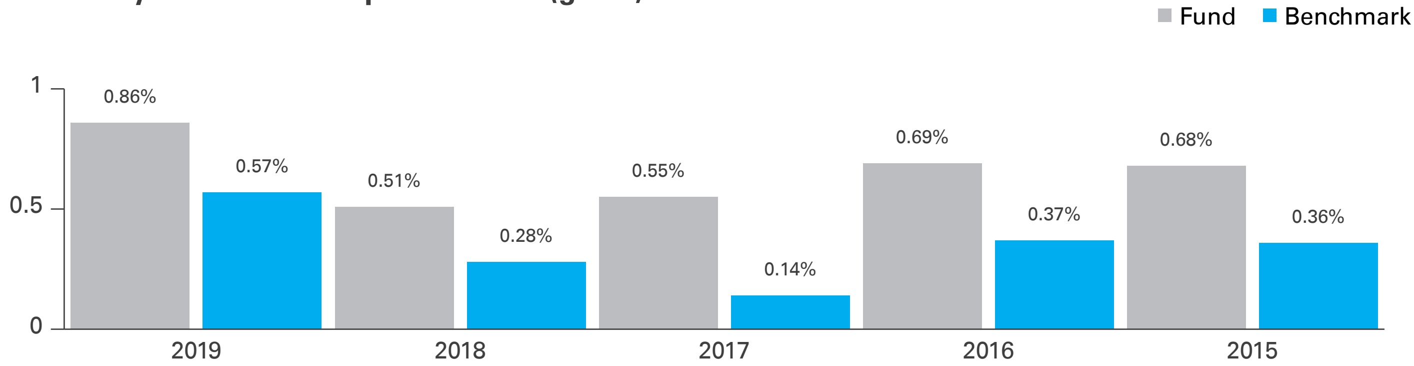
12 months to 30 June	2019	2018	2017	2016	2015
The CBF Church of England Deposit Fund	0.86	0.51	0.55	0.69	0.68
Benchmark	0.57	0.28	0.14	0.37	0.36

Annualised total return performance (gross) %

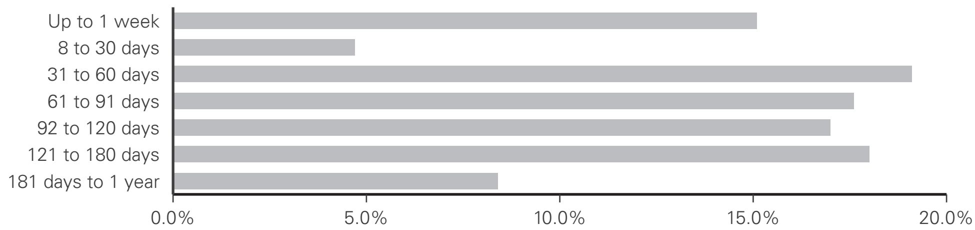
Performance to 30 June 2019	1 year	3 years	5 years
The CBF Church of England Deposit Fund	0.86	0.64	0.66
Benchmark	0.57	0.33	0.34

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 four 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. Responsibilities under the UK Stewardship Code and the UN Principles for Responsible Investment.

Quarterly highlights:

- We met the Chairman of Rio Tinto to discuss issues relating to carbon intensity and climate lobbying and to thank the company for its decision to cease involvement in coal extraction. We also continued our support for the UK Government's 'Powering Past Coal Alliance' and supported an investor letter to G20 leaders that called them to take steps to limit temperature rises.
- Alongside an expert advisory committee, we finalised our Mental Health engagement principles. This engagement will encourage large UK employers to take further steps to safeguard their staff's health and safety.
- We spoke about the importance of voting rights at the Cambridge Endowment for Research in Finance's annual 'In the City' event.

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 18.6% of the resolutions proposed by management at our investee companies this quarter (13.1% for the UK Equity Fund, 22% for the Global Equity Income Fund).
- We were pleased to see an increase in the level of opposition to 'say on pay' resolutions at US companies. Data from ISS, our proxy voting provider, suggested that one in ten resolutions were opposed by at least 20% of shareholders.
- We were particularly concerned about the remuneration report issued by JP Morgan Chase, due to the discretion exercised by the company's Remuneration Committee in awarding the CEO total compensation of over $31m.
- We also supported shareholder-filed resolutions calling on Adobe, Alphabet, Amazon, Bank of America, JP Morgan Chase and Mastercard to publish a gender pay report.

Ethical investment:

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

The ethical investment advisory group
In Summary:

- The Church of England's National Investing Bodies have undergone a process of reviewing the Church's Ethical Investment Advisory Group (EIAG). This has led to changes in the form and function of the Group.
- Over the next few years, the EIAG will produce ethical investment advice on 'big technology' companies, review our approach to gambling and look at human rights.

Introducing the ethical investment advisory group

- The CBF Funds are managed in accordance with the ethical investment advice developed for the Church by the Ethical Investment Advisory Group.
- To ensure that it remains fit for purpose we have completed a review of the form and function of the Group. This has led to the appointment of more independent directors and retained the Group's focus on providing high-quality, theologically-led advice.
- In addition to representatives of the National Investing Bodies (NIBs) and the Church's Mission and Public Affairs Department, the Group now includes a well-respected academic theologian and has expertise in a variety of different business and investment sectors.

Ethical investment priorities

- Moving forwards, the NIBs will be responsible for developing practical investment policies that implement the EIAG's advice. To this end, we benefit from a comprehensive suite of existing policies including, but not limited to, issues as diverse as climate change, adult entertainment, armaments and high-interest rate lending.
- Alongside the review of the EIAG itself, the NIBs conducted a gap analysis of their ethical investment policies. Looking forwards, the EIAG will focus on reviewing the ethical issues associated with investment in 'big technology' companies such as Alphabet, Facebook and Twitter.
- The Group is also going to review the current advice surrounding gambling and look at internationally agreed norms, such as the Guiding Principles on Business and Human Rights.

Next steps

- Full details of the EIAG, and an overview of its members, are available in the Group's Annual Report. This is available on the Church of England's website.

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

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