THE CBF CHURCH OF ENGLAND PROPERTY FUND

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2023

CCLA

CONTENTS

Report of the Trustee	03
Report of the Investment Manager*	08
Summary risk indicator	14
Comparative table	15
Portfolio analysis	16
Portfolio statement*	17
Statement of total return	18
Statement of change in net assets attributable to Shareholders	18
Balance sheet	19
Cash flow statement	20
Note to the financial statements	21
Distribution table	22
Statement of Trustee and Manager responsibilities	23
Directory*	25

*Collectively, these comprise the Manager's Report.

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

Disability Discrimination Act 1995
Extracts from the Interim Report and Unaudited Financial Statements are available in large print and audio formats.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2023 (unaudited)

On behalf of the Trustee, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of The CBF Church of England Property Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the Manager) as Manager of the Fund.

Structure and management
The Fund is an Investment Fund, administered as a Common Fund and is established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) 2010, together (the Measure) and the Trustee Act 2000. The Fund was formed on 1 March 1999. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (FSMA).

CBF Funds Trustee Limited (CBFFT), a company incorporated under the Companies Act, limited by guarantee and not having a share capital, is the Trustee and Operator of the Fund. CBFFT has appointed an Audit Committee which meets twice each year to review the Financial Statements and to monitor the control environment in which the Fund operates.

CBFFT has delegated to the Manager, which is authorised and regulated by the Financial Conduct Authority, the investment management, administration, registrar, secretarial and company functions of the Fund under an Investment Management Agreement dated September 2008.

Under the provisions of the FSMA, CBFFT is not considered to be operating the Fund by way of business. In consequence, it is not required to be authorised and regulated by the Financial Conduct Authority and the trustee directors of CBFFT are not required to be approved by the Financial Conduct Authority for this purpose.

Investments in the Fund are not covered by the Financial Services Compensation Scheme.

Charitable status of the Fund
The Fund is entitled to charitable status by virtue of section 99(4) of the Charities Act 2011. In the administration of the Fund, CBFFT is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Measure.

Investment objective
The Fund aims to provide investors with a high level of income and long-term capital appreciation.

REPORT OF THE TRUSTEE

for the half year ended 30 June 2023 (unaudited)

Investment policy

The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties, but may invest in other assets, which may be either liquid or illiquid in nature. It will gain this exposure by investing primarily in the COIF Charities Property Fund.

Comparator Benchmark

The comparator benchmark for the Fund is MSCI/AREF UK Other Balanced Open Ended Quarterly Property Fund Index.

Target investors

The Fund is intended for eligible charity investors, with at least a basic knowledge of property related investments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise. The Fund has indirect holdings in direct property, which is inherently illiquid, and investors should take particular note of the risk sections of the Scheme Information, and the actions the Manager may have to take in stressed market conditions, such as suspending or delaying Fund dealings. The Fund also has a minimum redemption notice period of 180 days. The Fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments. Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor. Investors may be either retail or professional clients (both per se and elective).

Responsibilities of the Trustee

CBFFT receives and reviews a report on the published Financial Statements prepared on its behalf by the Manager twice a year. CBFFT is wholly responsible for the Fund.

CBFFT reviews the property and cash management, administration, registrar, secretarial and company secretarial services provided by the Manager under the Investment Management Agreement. It meets quarterly with the Manager to monitor investment strategy, distribution policy, investment diversification, risk and to review the Fund's performance.

In addition, CBFFT reviews the objectives of the Fund annually and is responsible for appointing an Audit Committee, the Auditor and the Custodian.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2023 (unaudited)

Delegation of functions
Following its regular meetings and consideration of the reports and papers it has received, CBFFT is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Measure and with the Investment Management Agreement.

Ethical investment
The Fund is managed in accordance with ethical investment policies developed by the three National Investing Bodies (the Church Commissioners and Church of England Pensions Board being the other two) based on the advice of the Church's Ethical Investment Advisory Group (EIAG). Responsibility for accepting National Investing Bodies (NIBs) policy and EIAG recommendations rests with the Trustee. The Trustee is represented on the EIAG by C Chan, a director of the Trustee. The Ethical Investment Policy embraces stewardship, engagement and investment exclusions.

Responsible investment and stewardship
The Fund also implements CCLA's responsible investment policy, which we believe will improve long-term Shareholder returns. This includes policies to integrate Environmental, Social and Governance (ESG) factors into the investment decision making process and stewardship activities associated with the Fund's holdings, more details can be found at https://www.ccla.co.uk/sustainability/corporate-governance/approach-esg.

The Manager is a signatory to both the UK Stewardship Code and the United Nations Principles for Responsible Investment (PRI) and is a member of CDP (formerly the Carbon Disclosure Project), the Institutional Investors Group on Climate Change (IIGCC) and UK Sustainable Investment and Finance Association (UKSIF).

Investment exclusions
The NIBs do not wish to directly profit from, or provide capital to, activities that are materially inconsistent with Christian values, and are also mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were they to do so. A range of investment exclusions is therefore maintained. The EIAG or the NIBs may, exceptionally, recommend exclusion from investment of any individual company in any line of business on ethical grounds – normally if, after sustained dialogue, the company does not respond positively to concerns about its practices. In such cases the NIBs will determine individually whether to disinvest if they hold securities issued by the company. The EIAG and NIBs expect a recognition of responsibility and a resolve to improve, rather than perfection.

Direct investments in equities and corporate debt:
The NIBs do not invest in any company involved in indiscriminate weaponry. Moreover, they do not invest in companies involved in conventional weapons if their strategic military

REPORT OF THE TRUSTEE
for the half year ended 30 June 2023 (unaudited)

supplies exceed 10% of turnover. The NIBs do not invest in any company that derives more than 3% of revenues from the production or distribution of pornography or in any company, a major part of whose business activity or focus (defined as more than 10% of group revenues) is tobacco, gambling, non-military firearms, or high interest rate lending. The National Investing Bodies will exclude from their investments any company deriving more than 25% of its turnover from the production or licensed sale of alcoholic drinks, except in the case of companies who sole business is the provision of alcoholic drinks with food. The climate change policy (2015) does not allow investments in companies that derive more than 10% of revenue from tar sands or thermal coal. Individual policy documents are published separately – or are under development – setting out the criteria employed in each area to determine whether companies breach the Church's policy and to explain the theology, ethics and reasoning underlying the policies. More information can be found at https://www.churchofengland.org/about/leader sh ip-and-governance/ethical-investment-advisorygroup/policies-and-reviews.

Direct investments in property:
The NIBs apply the same exclusions to direct property investments as are used for equities and corporate debt investments. To implement this policy, we seek to screen properties prior to investing in them. We do this by assessing the activities undertaken by the underlying tenants. Full details on how the policy is applied can be found in our values based screening policy which can be accessed at https://www.ccla.co.uk/about-us/policies-andreports/policies/values-basedscreening-policy.

Our approach to ESG integration in property
Pre-purchase due diligence: When reviewing potential investments, we consider relevant ESG issues including environmental and social risks and opportunities, regulatory compliance, green building accreditation or value-add innovation. As part of the due diligence process for selected assets, potentially significant environmental and governance factors are identified and considered when making the final investment decision.
Active Management: Where we have management control of property holdings, our agents engage with the tenants and adopt initiatives to improve energy, waste, and water efficiency. By integrating sustainability into property management practices, we can improve and enhance the assets in our ownership, reduce operation costs and improve tenant satisfaction. Where appropriate and possible our agents also seek to engage tenants on social issues.
Refurbishments: We integrate sustainability into property management practices and projects to ensure we can continue to achieve targets and add value. With the assistance and advice of our specialist teams, where appropriate we integrate ESG considerations into the earliest stages of the design and construction processes when undertaking asset development, refurbishment or fit-out.

REPORT OF THE TRUSTEE
for the half year ended 30 June 2023 (unaudited)

Controls and risk management
CBFFT receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

CBFFT has appointed HSBC Bank plc to monitor the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. This monitoring provides an additional layer of comfort for Shareholders.

The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

At its periodic audit committee meetings, CBFFT receives a report from the Chief Risk Officer of the Manager which includes the following areas amongst others:

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;
- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines an operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

A Brookes, Chair
CBF Funds Trustee Limited
4 September 2023

The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is currently Chaired by Barbara Ridpath who took over from the Right Reverend David Walker, The Bishop of Manchester, on the 8 July 2020. More information about the EIAG is available at www.churchofengland.org/eiag.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

Performance
The total return performance record of the CBF Church of England Property Fund is noted below and compared to the Benchmark over longer term periods to 30 June 2023. The Benchmark for the Fund is the MSCI/AREF UK Other Balanced Open-Ended Property Fund Index. The Fund continues to produce a competitive set of results in terms of both its income distribution record and the total return.

Having experienced a sharp decline in valuations during the second half of 2022, total returns from commercial property returned, albeit marginally, to positive territory over the first six months of 2023. The Fund also performed well in relative terms: its total return for the period was +0.6% compared to the Benchmark at +0.1%.

The uncertainty and current weakness surrounding capital returns underlines the strategic importance of the more reliable and attractive income return as a firm foundation for long term performance. The Fund's income distribution yield as at 30 June 2023 was 5.1%, comfortably higher than the 3.6% average as recorded by the MSCI/AREF UK Other Balanced Open-Ended Property Funds Benchmark. Income generation within the Fund overall has been stable and the net income for distribution to Shareholders maintained.
Two quarterly income payments to Shareholders in the period produced a distribution over six months of 3.34p per Share and maintains the twelve-month distribution rate at 6.51p. A busy programme of portfolio management activity helps to protect income, which is a significant and reliable contributor to total returns from year to year, as well as long-term capital value.

Annualised total capital and income return

To 30 June 2023	6 months %	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)				
The CBF Church of England Property Fund*	**0.61**	**-16.53**	**3.48**	**7.28**
Comparator benchmark#	0.09	-17.14	2.28	6.60
Consumer Price Index (CPI)	3.38	7.96	4.45	2.95

Comparator benchmark: AREF/MSCI UK Other Balanced Open Ended Property Fund Index.
* NAV to NAV plus income re-invested for Income Shares.
Source: CCLA.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

As at 30 June 2023 the Fund was £160.4m in size, slightly smaller than the £164.0m at the beginning of the year. This decline came from valuation movements and from a modest net outflow of investor capital amounting to £0.3m. The cash holding within the COIF Charities Property Fund, which provides liquidity for CBF Property Fund Shareholders, currently amounts to £8.4m compared to £13.7m six months ago and the current liquidity rate is 1.5%. For the time being, and in the best interests of all unitholders, the notice period for redemption requests remains at six months. At the half-year end, outstanding redemption requests directly from the CBF Property Fund subject to the notice period was £4.8m whilst the total amount notified within the COIF Property Fund was £11.2m.

Strategy

The strategy focuses on portfolio structure, asset selection and active management to target a competitive performance advantage and control risk over the long term. The Fund's investment objectives combine a relatively high income yield plus some capital appreciation over the longer term. Gearing is not used to boost investment returns.

In terms of structure the aim is to maintain a well diversified portfolio which captures sub-sector strength, navigating short term sub-sector and asset difficulties, whilst gaining from long term trends. The portfolio is weighted in favour of industrial warehouse property, where occupier market fundamentals are the most attractive and rental growth by far the strongest, and to the retail warehouse sub-sector which continues to offer good value and defensive qualities.

In contrast, the Fund's portfolio is under-weight offices, which is underperforming and remains challenging. While some office settings continue to thrive, others are more challenged by changing working practices and ESG requirements and more of the portfolio's office assets are likely to be sold in the future. Elsewhere there have been growing allocations to the 'Other' category, which includes a range of alternative property uses such as hotels, gyms, and car showrooms. These assets typically offer attractive and long-term income streams and assured growth mechanisms, while further helping to diversify the portfolio.

Market review

Markets were a good deal more settled during the period under review than in the previous six months, when the steep climb in bond yields precipitated savage downgrades in property valuations. Capital declines were much more modest in the first half of 2023, while resilient income flows resulted in total returns being marginally positive.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

Investment transaction volumes across the UK commercial property market remained at historically low levels with both buyers and sellers exercising caution in the face of uncertainty over valuation. The office sector was the worst-hit, with volumes in the second quarter of 2023 being less than half of the quarterly average. Industrial & logistics properties, having suffered a particularly severe pricing correction in 2022, recovered significantly and volumes in the latest quarter were only 20% below the five-year quarterly average. Retail warehousing, meanwhile, continued to attract demand with volumes only 3% below average. Overseas buyers continued to dominate the market, and representing 56% of total volume.

Despite the challenging economic outlook, occupier markets remained firm and income returns at the market level were encouraging. The MSCI Quarterly Rental Growth Indices added 1.8% over the half year with twelve-month rental growth still attractive at 3.5%. However, there is a wide range in outcomes for different sectors and this overall rental growth is still almost entirely driven by industrial property. Industrial warehouse rents increased by 3.5% over the period and 7.7% over twelve months.

Activity
The CBF Church of England Property Fund achieves its exposure to the UK property investment sector indirectly via a holding in the COIF Charities Property Fund, providing enhanced diversification benefits and risk control. The cash holding and liquidity are also managed via the COIF fund. The size of the holding in this fund will vary subject to valuation movements, and changes in the size of the CBF Property Fund from investor capital flows in and out over time.

Investment management activities over the period within the COIF Property Fund portfolio of direct property assets were dominated by a programme of asset sales. This reflects two developments. Firstly, there is a strategic plan to reshape the portfolio, notably by re-allocating capital away from office assets. Secondly, there has been a higher-than-usual volume of redemption requests. Some of these requests have been prompted by investor uncertainty about the outlook for property returns; in other cases, investors reported that they needed to realise capital in response to tough financial circumstances.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

Two asset sales were concluded during the half year, while several others were advanced during the period and completed shortly after the period end. The assets sales included three small shops (two in Truro, one in Newcastle-upon-Tyne), a retail warehouse unit in Bristol and an office building in Leicester. All these sales achieved prices ahead of the external valuations. A further seven assets are currently in legal hands, including several office sales. Our expectation for 2023 as a whole is to raise around £60m in sales receipts, supporting liquidity and providing funds for new investment opportunities.

Compared to UK property capital markets, occupier markets have remained more supportive, and it has been a busy period for portfolio management activities too guided by our aims to build and secure asset income streams. With the rent collection function largely returning to pre-Covid normality, asset and lease event management can now focus on opportunities to improve letting terms and support portfolio income.

This activity has included the completion of new leases of previously vacant accommodation at the Fund's largest holding, the office building on Cannon Street in the City of London. Several other new leases, rent renewals and reviews were also completed, most of which resulted in enhanced and/or more secure income streams.

Typically, positive lease management activity is counterbalanced by new vacancies and during the half year significant leases expired on the offices in Bracknell and Aberdeen, and an industrial warehouse property at Stakehill in Greater Manchester. This demonstrates the nature of the ongoing risks to be managed within a typical property investment portfolio and the benefits of diversification and a pro-active approach. As a result, the portfolio investment void rate has increased temporarily to 11.8% compared to 9.4% at the end of 2022. The development void rate is unchanged at 4.2%. The MSCI Monthly Index investment void rate increased to 10.4%, whilst the total reversionary potential from voids on this Index, which includes developments, also marginally increased to 20.1%.

Our approach to ESG in managing the property portfolio

Responsible property investment, sustainability, impact and ESG considerations are at the core of our management approach and the investment process. This includes improving existing holdings, investing in new assets offering supportive ESG credentials and specifications, and disposing of assets that do not meet standards and for which improvement are not viable.

In terms of capital transactions, our strategic re-allocation away from office assets is partly motivated by the fact that this sector is exposed to significant obsolescence risk and the demands of the ESG challenge, especially those connected to energy efficiency and carbon reduction ambitions.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

ESG considerations also play an important role in our management of portfolio assets during their life cycle. Our standard lease terms feature green lease clauses which support our access to data across a range of metrics such as tenants' energy and water consumption, and waste and recycling regimes. In multi-let properties we expect to retain a direct involvement in the management of the asset and implement planned improvements.

Over the past six months work has continued on the Fund's approach and management systems. Energy Performance Certificates (EPCs) are an important focus with an aim to ensure compliance with the Minimum Energy Efficiency Standards (MEES) regulations, which requires valid EPCs to certify a minimum rating of an E. EPC ratings last for ten years and often do not correctly reflect current property conditions and specifications, especially where energy saving features such as LED lights have been installed. As part the Fund's approach, costings are being obtained to improve the sustainability credentials and EPC rating of the poorer rated properties.

Outlook

We expect that capital performance will remain weak given that asset valuations are expected to decline further over the remainder of this year. The pace of decline should be much more modest than in 2022 but the higher yield environment and uncertainty over property valuations are likely to leave sentiment, confidence, and investor appetite fragile. This will keep a lid on property investment market activity, hampering price discovery and limiting motivation among buyers and sellers for the time being.

Once the financial backdrop settles, we can expect a growing appetite for new buying opportunities at more attractive prices and yields to underpin valuations and commence a period of modest recovery. Market conditions will remain challenging, unsettled by the economic and financial backdrop that is likely to include higher interest rates for longer and inevitably suppressing transaction volume. The potential for a further shock linked to the macro environment, combined with ongoing structural issues that present more fundamental challenges for parts of the property investment sector, and notably in the office sub-sectors, is likely to push prospects for a recovery back and into 2024, and is unhelpful for liquidity.

A return to pricing and valuation movements based on property fundamentals should mean sectors benefitting from rental growth, such as industrial warehouse will remain resilient, while low yielding income secure investments and more exposed parts of the market, in particular secondary offices, may see further correction.

REPORT OF THE INVESTMENT MANAGER
for the half year ended 30 June 2023 (unaudited)

Property specific risk will be high, and some parts of the market will inevitably prove more resilient than others. Assets compromised by structural or environmental factors will continue to face significant adjustments to value to allow for viable repositioning or redevelopment, and this means offices will drive the further decline in capital performance overall. In contrast, industrial and retail warehouse assets are anticipated to dominate market demand whilst investment and occupier market fundamentals remain attractive. Overall, the variable capital performance will be uncertain and limited but income will continue to support total returns even if relatively flat for 2023.

This outlook indicates that investors should remain focused on the fundamentals, asset management and the longer-term investment objectives, positioning their portfolios accordingly as beyond this period of uncertainty and disruption a more attractive total returns picture can emerge but still driven by income.

Paul Hannam
Head of Property
CCLA Investment Management Limited
4 September 2023

Risk warning
Investors should consider the risk factors identified in the Scheme Information. Past performance is not a reliable indicator of future results. The price of the Fund's Shares and any income distributions from them may fall as well as rise and an investor may not get back the amount originally invested.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved, even where such sale occurs shortly after the valuation point.

The performance of the Fund could be affected adversely by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants.

Rental revenues and property values are affected by changes in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The Fund's Shares are intended only for long term investment and are not suitable for money liable to be spent in the near future. The Shares are realisable only on each monthly dealing day and whilst investors can request a redemption at any time, all such requests are subject to a minimum notice period of 180 calendar days.

SUMMARY RISK INDICATOR

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

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

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

Property is recognised as an illiquid asset and is thus most suited to long-term investment. Whilst investors can request redemption at any time, all such requests are subject to a minimum notice period of 90 calendar days*. The Fund normally deals on a monthly basis. The Fund normally does not include any protection from future market performance, so you could lose some or all your investment.

Property can be an illiquid asset class and the Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the Fund to meet redemptions and, in agreement with the Trustee, may suspend the buying and selling of Shares in the Fund due to stressed market conditions. Where an investor makes an application to sell or cancel Shares the Manager may, with the agreement of the Trustee, arrange to transfer scheme property out of the Fund in place of payment in cash for the Shares, but only if it is judged by the Manager not to disadvantage the remaining investors.

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

* With effect from 18 October 2022 and until further notice, the Manager has exercised its discretion (as provided for in the Scheme Information) to extend the redemption notice period from 90 days to 6 months.

COMPARATIVE TABLE

Change in net assets per Share

	Income Shares			
	Half year to 30.06.2023 pence per Share	Year to 31.12.2022 pence per Share	Year to 31.12.2021 pence per Share	Year to 31.12.2020 pence per Share
Opening net asset value per Share	**128.50**	145.59	127.42	134.08
Return before operating charges*	**0.85**	(10.56)	24.71	(0.58)
Operating charges	**(0.02)**	(0.02)	(0.03)	(0.03)
Return after operating charges*	**0.83**	(10.58)	24.68	(0.61)
Distributions on Income Shares	**(3.34)**	(6.51)	(6.51)	(6.05)
Closing net asset value per Share	**125.99**	128.50	145.59	127.42
* after direct transaction costs of:	**–**	–	–	–
Performance				
Return after charges	**0.65%**	(7.27%)	19.37%	(0.45%)
Other information				
Closing net asset value (£'000)	**157,964**	161,519	188,060	173,633
Closing number of Shares	**125,378,463**	125,692,322	129,174,921	136,267,971
Operating charges**	**0.69%**	0.65%	0.66%	0.65%
Direct transaction costs	**–**	–	–	–
Prices (pence per Share)				
Highest Share price (offer)	**132.01**	165.15	151.96	139.72
Lowest Share price (bid)	**125.98**	128.50	128.29	125.74

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

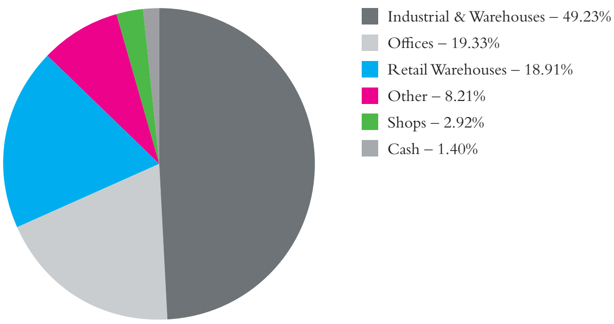
** Operating charges reflect the Manager's annual management charge and other expenses annualised and divided by average net assets for the period/year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a substantial proportion of its assets in other funds.
As substantially all of the Fund's assets are held in the COIF Charities Property Fund, the operating charge figure comprises the operating charge figure in the COIF Charities Property Fund (0.72%), less rebates (0.05%) plus expenses in the Fund (0.02%).

PORTFOLIO ANALYSIS
at 30 June 2023 (unaudited)

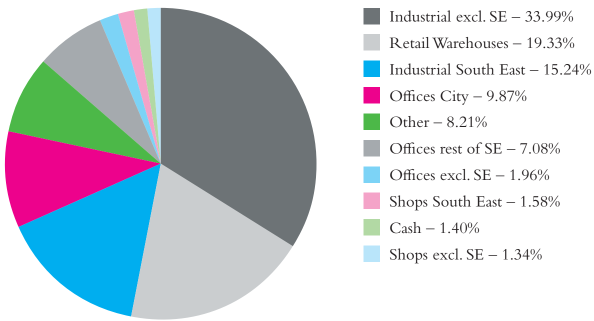
Top Ten Property Holdings

Property		% of Fund
London, 80 Cannon Street	Office/Shops	8.25%
Mendlesham, Norwich Road	Industrial	6.33%
Brighton, Pavilion Retail Park	Retail Warehouses	6.08%
Ashby-de-la-Zouch, 15 Coalfield Way	Industrial	5.52%
Lutterworth, 3320 Hunter Boulevard	Industrial	4.00%
BATH, Rossiter Road	Other	3.76%
Bristol, 1400-1600 Aztec West Business	Industrial	3.55%
Lutterworth, 3220 Wellington Parkway	Industrial	3.52%
Bow, 7 St Andrews Way	Industrial	2.93%
Northampton, 100 Pavilion Drive	Industrial	2.86%

Asset by type



Regional and sector analysis



Portfolio turnover

	Period to 30.06.2023	Period to 30.06.2022
Portfolio turnover rate	0.01%	0.00%

The portfolio turnover rates are calculated by the total sales or purchases (excluding cash), whichever is less, divided by average monthly assets during the period.

PORTFOLIO STATEMENT
at 30 June 2023 (unaudited)

	Holding	Fair value £'000
COIF Charities Property Fund Income units	146,141,357	156,985
INVESTMENT ASSETS		156,985
NET OTHER ASSETS		979
TOTAL NET ASSETS		157,964

STATEMENT OF TOTAL RETURN
for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Period ended 30.06.2022	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(2,644)		17,354
Revenue	4,276		4,609	
Expenses	(606)		(724)	
Net revenue before taxation	3,670		3,885	
Taxation	–		–	
Net revenue after taxation		3,670		3,885
Total return before distributions		1,026		21,239
Distributions		(4,195)		(4,508)
Change in net assets attributable to Shareholders from investment activities		(3,169)		16,731

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Period ended 30.06.2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		161,519		188,060
Amounts receivable on issue of Shares	489		12,555	
Amounts payable on cancellation of Shares	(875)		(3,659)	
		(386)		8,896
Change in net assets attributable to Shareholders from investment activities		(3,169)		16,731
Closing net assets attributable to Shareholders		157,964		213,687

The note on page 21 and distribution table on page 22 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2022, whereas the opening net assets for the current accounting period commenced on 1 January 2023.

BALANCE SHEET
at 30 June 2023 (unaudited)

	30.06.2023		31.12.2022	
	£'000	£'000	£'000	£'000
ASSETS				
Fixed assets:				
Investments		156,985		160,576
Current assets:				
Debtors	2,078		2,127	
Cash equivalents	726		715	
Cash and bank balances	253		233	
Total current assets		3,057		3,075
Total assets		160,042		163,651
LIABILITIES				
Creditors:				
Other creditors	110		121	
Distribution payable on Income Shares	1,968		2,011	
Total creditors		2,078		2,132
Total liabilities		2,078		2,132
Net assets attributable to Shareholders		157,964		161,519

The financial statements on pages 18 to 22 have been approved by the Trustee.

Approved on behalf of the Trustee
4 September 2023

A Brookes, Chair
CBF Funds Trustee Limited

The note on page 21 and distribution table on page 22 form part of these financial statements.

CASH FLOW STATEMENT
for the half year ended 30 June 2023 (unaudited)

	Period ended 30.06.2023		Period ended 30.06.2022	
	£'000	**£'000**	£'000	£'000
Net cash inflow from operating activities		**3,709**		3,812
Net cash inflow/(outflow) from investment activities				
Payments to acquire investments	**(324)**		(9,243)	
Proceeds on disposal of investment	**687**		278	
Manager's periodic charge rebate	**583**		709	
		946		(8,256)
Net cash (outflow)/inflow from financing activities				
Issue of shares	**489**		12,555	
Cancellation of shares	**(875)**		(3,659)	
Distributions paid	**(4,238)**		(4,456)	
		(4,624)		4,440
Increase/(Decrease) in cash		**31**		(4)

NOTE TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2023 (unaudited)

1. **Accounting policies**

   Basis of preparation

   The financial statements have been prepared on a going concern basis, in compliance with FRS 102, the Trust Deed, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

   The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

   Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 and are described in those financial statements.

DISTRIBUTION TABLE

for the half year ended 30 June 2023 (unaudited)

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2023	2022	**2023**	2022
Income Shares				
31 March	**31 May**	31 May	**1.77**	1.77
30 June	**31 August**	31 August	**1.57**	1.57
			3.34	3.34

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Measure (as amended from time to time) and the Trustee Act 2000 to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Measure and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Measure and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Measure and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Measure;
- make distributions to investors holding Income Shares; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Preparation of financial statements
The Trustee of the Fund is required, by the Measure, to prepare Financial Statements which give a true and fair view of the financial position of the Fund at each interim and year end valuation date. The net revenue for the period, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Measure. In preparing the financial statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;
- makes judgments and estimates that are prudent and reasonable; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Measure and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Measure.

Manager responsibilities
The Manager is required to carry out these duties in accordance with the Measure and take reasonable steps for the prevention and detection of fraud and other irregularities.

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

DIRECTORY

Trustee Directors
A Brookes (Chair)
C Chan*
P Chandler
G Dixon* – resigned on 22 May 2023
O Home – appointed on 4 September 2023
C Johnson
N Lewis*
A Milligan – appointed on 4 September 2023
M Orr – appointed on 4 September 2023
D Rees*
* *Members of the Audit Committee*

Manager and Registrar
CCLA Investment Management Limited
Registered Office
One Angel Lane
London
EC4R 3AB
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

Administrator
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ
HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Executive Directors of the Manager
P Hugh Smith (Chief Executive Officer)
E Sheldon (Chief Operating Officer)
A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager
R Horlick (Chair)
J Jesty
C Johnson
A Roughead
C West
J Hobart

Fund Manager
Paul Hannam

Company Secretary
J Fox

Chief Risk Officer
J-P Lim

Head of Sustainability
J Corah

Third Party Advisers
Banker
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Custodian
HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ

Independent Auditor
Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

Founded in 1958, CCLA is now the UK's largest charity fund manager. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

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

CCLA

CCLA Investment Management Limited
One Angel Lane, London EC4R 3AB
T: 0800 022 3505 E: clientservices@ccla.co.uk

www.ccla.co.uk

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