

COIF CHARITIES FIXED INTEREST FUND
INTERIM REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2023

CCLA

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*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 BOARD**for the half year ended 30 June 2023 (unaudited)**

On behalf of the Board, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of the COIF Charities Fixed Interest Fund (the Fund), which includes a separate report from CCLA Fund Managers Limited (the Manager) as Manager of the Fund.

Structure and management of the Fund

The Fund is a Common Investment Fund established in 1990 and is now regulated by the Scheme dated 29 November 2000 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014 and 17 November 2015 (the Scheme). The Fund is managed by the Manager as an unregulated collective investment scheme and as a UK alternative investment fund in accordance with the Financial Conduct Authority Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation.

The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, investments, charities and the law. No Board member is required to be approved by the Financial Conduct Authority because the Board does not carry out regulated activities in relation to the Fund. The investment management, administration, registrar and secretarial functions of the Fund have been delegated to the Manager. The Board meets at least four times per annum to receive reports and monitor the progress of the Fund.

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

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

Investment objective

The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period. There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

The Board agreed and approved a major re-structuring of the Fund in 2022: the benchmark was changed to Cash + and the day-to-day investment management was delegated to Federated Hermes.

REPORT OF THE BOARD

for the half year ended 30 June 2023 (unaudited)

Target Benchmark

The target benchmark for the Fund is SONIA plus 1.75% per annum after fees and expenses. The target benchmark sets a standard against which the performance of the Fund can be assessed.

Investment policy

The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature.

The Fund is actively managed which means CCLA/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective.

The Fund will invest in instruments issued in a range of currencies and will hedge the

non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%–105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations.

The Fund may invest in instruments that are either investment grade (credit rating of BBB- or above) or non-investment grade (credit rating less than BBB-) as rated by one of S&P Global Ratings or Fitch Rating Services, or instruments with a credit rating of Baa3 or above (investment grade) or a credit rating of less than Baa3 (non-investment grade), as determined by Moody's Investors Service. Where an instrument does not have an explicit rating from one of these agencies ("Unrated Securities"), CCLA or Sub-Investment Manager is permitted to calculate a deemed rating.

The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest of S&P Global Ratings', Fitch Ratings' and Moody's Investor Service long-term ratings.

REPORT OF THE BOARD

for the half year ended 30 June 2023 (unaudited)

- The maximum exposure to securities rated less than BB- is 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that CCLA and/or Sub-Investment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property.
- The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds.

The Fund may use derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

The Fund is managed in accordance with our ethical investment exclusions policy which is set out in further detail on our website at www.ccla.co.uk.

The Sub-Investment Manager

Hermes Investment Management Limited has been appointed by CCLA as the Sub-Investment Manager of the Fund. The Sub-Investment Manager is a limited liability company incorporated in England and Wales with company registration number 02466043 whose address and details are shown in the directory.

The Sub-Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 150000.

The Sub-Investment Manager provides portfolio management services to the Fund.

CCLA is responsible for any fees payable to the Sub-Investment Manager.

Target investors

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are 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 three 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. 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).

REPORT OF THE BOARD

for the half year ended 30 June 2023 (unaudited)

Review of investment activities and policies of the Fund

The Board met quarterly during the year to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to review investment diversification, suitability and risk and to review the performance of the Fund. In addition, the Board reviewed the administration, expenses and pricing of the Fund.

The Board reviewed the progress of the Manager and approved the valuation of the investments in the Fund, which are included within the portfolio statement of these Financial Statements.

During the year, the Board also met quarterly with the Manager, to review the investments, transactions and policies of the Fund. The Manager's report, which appears later, provides further details.

Responsible investment and stewardship

The Fund is also managed in accordance with CCLA's responsible investment policy and takes a positive approach to stewardship as defined in the UK Stewardship Code for institutional investors. CCLA's response to this code is available on its website (www.ccla.co.uk). CCLA is also a signatory to the United Nations backed Principles for Responsible Investment (PRI). The annual PRI assessment is available on CCLA's website.

Ethical investment

The Fund is managed in accordance with our ethical investment exclusions policy which is set out in further detail on our website at www.ccla.co.uk.

Controls and risk management

The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

During the period, the Board, assisted by the Manager, reviewed the Fund's systems of internal controls and risk reporting.

N Morecroft
Chair
26 September 2023

REPORT OF THE INVESTMENT MANAGER

for the half year ended 30 June 2023 (unaudited)

Strategy

The Fund uses a wide range of fixed interest securities (bonds) to pursue a target return of cash plus 1.75% p.a. (net of fees and expenses) over a rolling 3-year period. There is a focus on generating returns from credit risk, with limited appetite for interest rate risk. The portfolio includes fixed and floating rate debt and debt-related instruments issued by corporate borrowers and governments including loans, inflation-linked securities, money market instruments and asset backed or other securitised products. Derivatives may be used, principally for hedging purposes, and any non-sterling exposure is hedged back to sterling.

This represents a change from the strategy in place prior to the period under review, which offered exposure to a more limited range of securities – UK government bonds and investment-grade, sterling denominated non-government bonds only – and carried significantly higher interest rate risk. The change of strategy was effected on 27 July 2022. At the same time Federated Hermes was appointed as sub-manager of the Fund to implement the new investment strategy.

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)				
COIF Charities Fixed Interest Fund				
Income Units*	2.37	2.23	0.04	2.55
Accumulation Units*	2.38	2.24	0.05	2.56
Benchmark [#]	2.88	6.39	0.66	3.02
iBoxx £ Gilts	-3.78	-15.39	-4.38	0.30
iBoxx £ Non Gilts	-1.08	-6.93	-1.51	1.98
SONIA	2.05	3.14	0.88	0.59
Consumer Price Index (CPI)	3.38	7.96	4.45	2.95

[#] Benchmark – From 27.07.22 SONIA + 1.75%. From 01.01.16 iBoxx £ Gilt 50% & iBoxx £ Non Gilt 50%. To 31.12.15 BarCap £ Gilt 50% & £ Agg 100mm Non Gilt 50%. To 31.12.12 BarCap £ Gilt 80% & £ Agg 100mm Non Gilt 20%.

* Mid to mid plus income re-invested.

Source: CCLA.

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

As at 30 June 2023 approximately 50% of the portfolio was in corporate bonds, predominantly investment grade but with a smaller allocation to high yield bonds, while 45% was in overseas government bonds (principally US treasuries) and 1.5% in UK government bonds; the remainder was in cash and derivatives. The portfolio duration, a measure of exposure to interest rate risk, was 1.9 years.

Performance

Over the six-month period under review the Fund achieved a return after expenses of +2.4% on the income shares and +2.4% on the accumulation shares. This compares with a return of +2.9% on the benchmark. The Fund is actively managed and it is common for performance to be either above or below that of the benchmark over any given reporting period. At year end the running yield on the portfolio was 4.9% while the gross redemption yield (yield to maturity) was 5.7%. The distribution yield, meanwhile, was 2.4%.

The Fund's exposure to higher yielding bonds, which carry a greater degree of investment risk, is carefully limited. This contributed to the Fund's total return over the period being below that of the performance benchmark, because the

riskier end of the market performed relatively well during the six-month period. Meanwhile for much of the period under review the portfolio included a sizeable weighting in the lowest-risk AAA-rated securities, which were comparatively weak over this time. Nevertheless the Fund's returns were favourable relative to the wider bond market.

Market review

Bond markets began 2023 on a positive note but fell back again in the second quarter of the year. The change in mood was prompted by growing anxiety over the persistence of inflation, prompting policy makers and market participants to price in 'higher for longer' interest rate expectations. Rising interest rates are generally negative for bonds because prices move inversely to yields. For example, over the six-month period the yield on the 10-year UK government bond or 'gilt' rose from 3.7% to 4.4%; while total returns from the UK government bond market as a whole were -3.8%. At a time when risk assets such as equities were more in favour than fixed interest assets, the only part of the UK bond market to provide positive returns was the riskiest 'high yield' or sub-investment grade sector: the sterling high yield index gained +4.7% over the same period.

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

Outlook

Policy makers and market observers have been surprised by the continued resilience in economic activity, with the widespread recession that was expected by many having so far not materialised.

However growth is decidedly subdued and there are reasons to expect that recession will affect individual economies in coming periods, even if such downturns are relatively shallow and shortlived and if at the global level growth remains positive. Activity has been supported by consumer demand for services in particular, and it is likely that this in turn has benefited from pandemic-era savings which are now being run down.

The UK has joined the US in having an inverted yield curve, meaning that the yield on long-dated government debt is lower than on short-dated bonds. Historically this has been a very reliable indicator of an impending recession.

Economic growth appears set to take some time to recover from the shock of surging inflation and the tighter monetary policy intended to control it. The peak of the interest rate cycle, which currently appears set to be reached in the coming months, could mark the beginning of a more positive trend. Now that we have left behind the ultra-loose monetary conditions and the support that they provided for asset prices, investors can expect markets to be volatile at times; but for bond investors, higher yields across the asset class present opportunities which were lacking prior to the onset of tighter policy.

C Ryland
Head of Investment
CCLA Fund Managers Limited
26 September 2023

REPORT OF THE INVESTMENT MANAGER

for the half year ended 30 June 2023 (unaudited)

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
US Treasury 0.25% 2024	38,123	UK Treasury 0.125% 2024	1,942
US Treasury 0.25% 2025	37,293	US Treasury 0.125% 2023	1,486
US Treasury 0.75% 2025	2,970	Catalent Pharma Solutions 2.375% 2028	438
UK Treasury 0.625% 2025	2,298	Royal Bank of Scotland 2.359%	
Atlas Funding 2021–1 FRN 2058	1,755	VRN 2024	402
Mortimer BTL 2021–1 FRN 2053	1,150	HSBC Bank FRN Perpetual	396
Marks Spencer 4.5% 2027	1,084	New Zealand Government	
HCA 3.125% 2027	971	Bond 0.5% 2024	361
Together Asset–Backed		Seagate HDD Cayman 9.625% 2032	353
Securitisation FRN 2063	880	Lagardere 1.75% 2027	256
Cooperatieve Rabobank 3.25%		SIG Combibloc 1.875% 2023	256
VRN Perpetual	749	International Consolidated 1.125% 2028	227

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

Portfolio composition by credit rating

Rating category	% Fund
AAA	41.63
AA	4.54
A	7.31
BBB	36.93
Non investment grade	9.66
Not rated (Debentures/Preference Shares)	-0.07

Risk warning

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

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

The gross redemption yield is an estimate of total return over the long term. The Fund's gross dividend yield and gross redemption yield are not guaranteed and will change over time. When the Fund's distribution yield is higher than the gross redemption yield, some revenue is being paid at the expense of capital.

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 COIF Charities Fixed Interest 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 three to five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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

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

COMPARATIVE TABLE

Change in net assets per Unit

		Income Units		
	Half year to 30.06.2023 pence per Unit	Year to 31.12.2022 pence per Unit	Year to 31.12.2021 pence per Unit	Year to 31.12.2020 pence per Unit
Opening net asset value per Unit	115.89	132.53	141.77	137.24
Return before operating charges*	3.05	(13.04)	(5.22)	9.40
Operating charges	(0.17)	(0.38)	(0.42)	(0.43)
Return after operating charges*	2.88	(13.42)	(5.64)	8.97
Distributions on Income Units	(1.36)	(3.22)	(3.60)	(4.44)
Closing net asset value per Unit	117.41	115.89	132.53	141.77
* after direct transaction costs of:	0.01	—	—	—

Performance

Return after charges	2.49%	(10.13%)	(3.98%)	6.54%
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Other information

Closing net asset value (£'000)	169,471	60,395	65,897	77,831
Closing number of Units	144,338,112	52,115,975	49,724,190	54,898,707
Operating charges**	0.29%	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.00%	0.00%	0.00%

Prices (pence per Unit)

Highest Unit price (offer)	119.61	132.30	142.76	144.07
Lowest Unit price (bid)	116.02	112.42	131.29	132.64

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

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period.

COMPARATIVE TABLE

Change in net assets per Unit

	Half year to 30.06.2023 pence per Unit	Accumulation Units Year to 31.12.2022 pence per Unit	Year to 31.12.2021 pence per Unit	Year to 31.12.2020 pence per Unit
Opening net asset value per Unit	837.92	932.60	971.32	911.09
Return before operating charges*	21.67	(91.95)	(35.82)	63.14
Operating charges	(1.24)	(2.73)	(2.90)	(2.91)
Return after operating charges*	20.43	(94.68)	(38.72)	60.23
Distributions on Accumulation Units	(9.05)	(24.47)	(26.72)	(28.16)
Retained distributions on Accumulation Units	9.05	24.47	26.72	28.16
Closing net asset value per Unit	858.35	837.92	932.60	971.32

* after direct transaction costs of: 0.10 0.01 – –

Performance

Return after charges 2.44% (10.15%) (3.99%) 6.61%

Other information

Closing net asset value (£'000)	14,761	13,038	15,004	21,339
Closing number of Units	1,719,720	1,555,917	1,608,815	2,196,946
Operating charges**	0.29%	0.31%	0.31%	0.31%
Direct transaction costs	0.01%	0.00%	0.00%	0.00%

Prices (pence per Unit)

Highest Unit price (offer)	864.83	931.03	978.10	977.21
Lowest Unit price (bid)	838.87	807.66	917.67	880.54

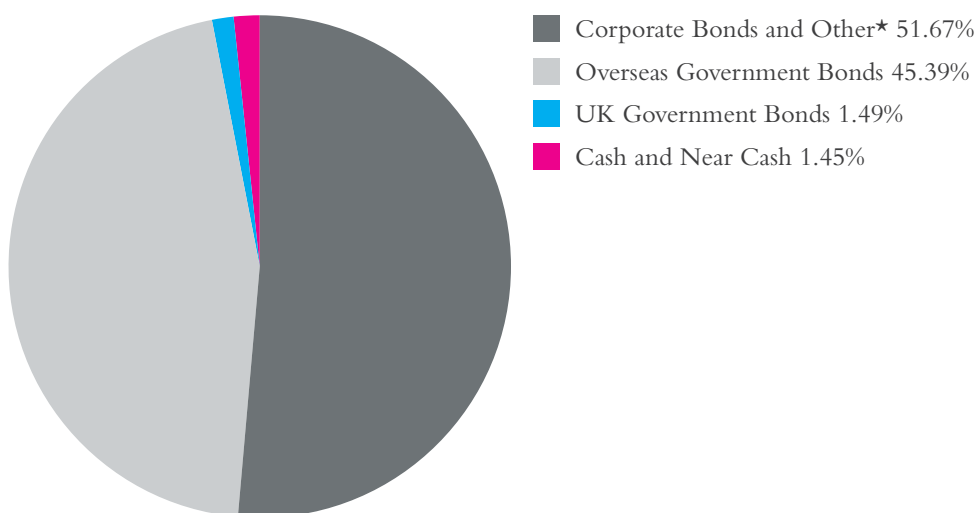
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** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period.

PORTFOLIO ANALYSIS

at 30 June 2023 (unaudited)

Portfolio Allocation



By term to maturity

Period	% Fund
0-5 years	70.05
5-10 years	21.99
10-15 years	1.52
Over 15 years	6.44
Duration (modified)	1.94 yrs
Average term to maturity	10.20 yrs

The portfolio analyses above differ from the following portfolio statement because prices used here are mid-market rather than bid.

* Includes investments in derivatives.

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Government Bonds – 1.24% (31.12.2022 – 2.62%)			
UK Treasury 0.625% 2025	£2,500,000	2,289	1.24
Non-Government Bonds – 95.27% (31.12.2022 – 92.61%)			
AbbVie 4.55% 2035	\$1,500,000	1,124	0.61
ABN AMRO Bank 4.375% VRN Perpetual	€400,000	309	0.17
ABN AMRO Bank 4.75% VRN Perpetual	€500,000	362	0.20
Alcoa Nederland Holding 4.125% 2029	\$600,000	422	0.23
Allianz Finance II 0.5% 2031	€400,000	281	0.15
Alpha Bank 7.5% VRN 2027	€400,000	351	0.19
Altice Financing 2.25% 2025	€200,000	160	0.09
Altice France Holding 4% 2028	€300,000	125	0.07
América Móvil 5% 2026	£800,000	764	0.41
Apple 2.65% 2051	\$1,700,000	926	0.50
Aptiv 3.1% 2051	\$725,000	358	0.19
Arcelik 3% 2026	€500,000	392	0.21
Ardagh Metal Packaging Finance 3% 2029	€200,000	128	0.07
Ardagh Metal Packaging Finance 4.75% 2027	£500,000	396	0.22
Ardagh Packaging Finance 2.125% 2026	€200,000	152	0.08
Argentum Netherlands 4.625% VRN Perpetual	\$900,000	613	0.33
Ashland 3.375% 2031	\$270,000	170	0.09
Assicurazioni Generali 1.713% 2032	€550,000	359	0.20
AstraZeneca 2.125% 2050	\$500,000	245	0.13
Atlas Funding 2021-1 FRN 2058	£2,212,000	2,197	1.19
Australia & New Zealand Banking 0.75% 2026	€600,000	464	0.25
AutoFlorence 3 FRN 2046	€102,000	88	0.05
AutoFlorence 3 FRN 2046	€117,000	100	0.05
Aviva 6.875% VRN Perpetual	£200,000	166	0.09
AXA 3.625% 2033	€500,000	430	0.23
Ball Corporation 0.875% 2024	€470,000	393	0.21
Ball Corporation 2.875% 2030	\$750,000	490	0.27
Ball Corporation 4% 2023	\$150,000	117	0.06
Banco BPM 1.625% 2025	€250,000	202	0.11
Banco BPM 2.875% VRN 2031	€100,000	75	0.04
Banco BTG Pactual 2.75% 2026	\$500,000	358	0.19
Banco Mercantil del Norte 6.625% VRN Perpetual	\$400,000	243	0.13
Banco Santander 1.722% VRN 2027	\$400,000	273	0.15
Bank of Ireland Group 1% VRN 2025	€100,000	82	0.04

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Bank of Ireland Group 1.375% VRN 2031	€275,000	205	0.11
Barclays 3.75% VRN 2030	£500,000	447	0.24
Barclays 4.375% VRN Perpetual	\$400,000	214	0.12
Bath & Body Works 6.875% 2035	\$250,000	180	0.10
BAWAG Group 2.375% VRN 2029	€500,000	396	0.22
Berry Global 1% 2025	€1,020,000	830	0.45
Berry Global 1.5% 2027	€300,000	231	0.13
Bharti Airtel 4.375% 2025	\$900,000	688	0.37
BNP Paribas 2% VRN 2031	£500,000	420	0.23
BNP Paribas 4.625% VRN Perpetual	\$450,000	253	0.14
Caisse Nationale de Reassurance 0.75% 2028	€500,000	352	0.19
Caixa Bank 8.25% VRN Perpetual	€200,000	165	0.09
Caixa Geral de Depositos 0.375% VRN 2027	€400,000	298	0.16
CaixaBank 3.625% VRN Perpetual	€400,000	233	0.13
CANPACK SA Eastern PA Land 2.375% 2027	€250,000	178	0.10
CCO Holdings 4.25% 2031	\$425,000	271	0.15
Cellnex Telecom 0.75% 2031	€1,500,000	1,027	0.56
Cemex 3.125% 2026	€500,000	412	0.22
Centene Corporation 2.625% 2031	\$1,500,000	939	0.51
CF Industries 4.5% 01/12/2026	\$150,000	114	0.06
CF Industries 4.95% 2043	\$525,000	358	0.19
Charter Communications 4.5% 2024	\$475,000	370	0.20
Cigna Corporation 2.375% 2031	\$1,000,000	660	0.36
Cisco Systems 2.5% 2026	\$1,500,000	1,104	0.60
Citigroup 4.125% 2028	\$300,000	222	0.12
Citigroup 5.15% 2026	£1,300,000	1,256	0.68
Comcast Corporation 1.5% 2031	\$1,100,000	688	0.37
Commerzbank 1.375% VRN 2031	€300,000	212	0.12
Commerzbank 1.75% 2025	£500,000	457	0.25
Cooperatieve Rabobank 3.25% VRN Perpetual	€1,200,000	852	0.46
Credit Agricole 5.75% VRN 2027	£700,000	672	0.36
Crown Americas 4.25% 2026	\$58,000	43	0.02
Crown European Holdings 2.875% 2026	€810,000	668	0.36
Deutsche Bank 4.5% VRN Perpetual	€200,000	121	0.07
Deutsche Postbank Funding Trust FRN Perpetual	€650,000	385	0.21
DNB Bank 4.875% VRN Perpetual	\$600,000	443	0.24
Dow Chemical 1.875% 2040	€475,000	282	0.15
Dowson 2021-2 FRN 2028	£400,000	392	0.21
Électricité de France 3.625% 2025	\$100,000	75	0.04

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Électricité de France 6%VRN Perpetual	£800,000	725	0.39
Elis 1.625% 2028	€300,000	226	0.12
Eurofins Scientific 0.875% 2031	€500,000	326	0.18
Eurofins Scientific 2.125% 2024	€400,000	335	0.18
Falabella 3.375% 2032	\$550,000	338	0.18
First Citizens BancShares 5.8009%VRN Perpetual	\$800,000	604	0.33
Ford Motor Credit 4.535% 2025	£250,000	237	0.13
Ford Motor Credit 6.86% 2026	£730,000	711	0.39
Fresenius 0% 2024	€600,000	502	0.27
Fresenius Medical Care 3.875% 2027	€74,000	63	0.03
Friary No 6 FRN 2067	£450,000	200	0.11
Gemgarto 2021-1 FRN 2067	£860,000	834	0.45
General Accident 7.875% Preference Shares	£490,000	500	0.27
GlaxoSmithKline Capital 1.625% 2035	£850,000	572	0.31
Goldman Sachs 3.102%VRN 2033	\$500,000	333	0.18
Goodyear Europe 2.75% 2028	€200,000	144	0.08
Graphic Packaging International 2.625% 2029	€900,000	677	0.37
Greenko Power II 4.3% 2028	\$600,000	380	0.21
Grifols Escrow Issuer 3.875% 2028	€600,000	440	0.24
GUSAP III LP 4.25% 2030	\$400,000	291	0.16
Hanesbrands 4.875% 2026	\$300,000	220	0.12
HCA 3.125% 2027	\$1,300,000	939	0.51
HCA 3.5% 2051	\$400,000	217	0.12
Hill FL 2023-1 FRN 2031	€200,000	173	0.09
Hops Hill No 1 FRN 2054	£700,000	686	0.37
Huntsman International 4.25% 2025	€700,000	593	0.32
Ibercaja Banco 2.75%VRN 2030	€200,000	152	0.08
Iliad 1.875% 2028	€600,000	437	0.24
Infrastrutture Wireless Italian 1.625% 2028	€670,000	504	0.27
Infrastrutture Wireless Italiane 1.75% 2031	€500,000	361	0.20
ING Groep 2% 2028	€500,000	387	0.21
ING Groep 4.25%VRN Perpetual	\$260,000	136	0.07
International Consolidated Airlines 3.75% 2029	€700,000	523	0.28
Intesa Sanpaolo 1.625% 2025	€332,000	271	0.15
Intesa Sanpaolo 5.017% 2024	\$400,000	305	0.17
IQVIA 2.25% 2029	€1,300,000	952	0.52
Iron Mountain 4.5% 2031	\$603,000	407	0.22
Iron Mountain 5.25% 2030	\$175,000	124	0.07
Itau Unibanco Holding 4.5%VRN 2029	\$200,000	151	0.08

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
JPMorgan Chase 4.625% VRN Perpetual	\$300,000	233	0.13
Klabn Austria 3.2% 2031	\$500,000	314	0.17
La Banque Postale 3% VRN Perpetual	€1,200,000	677	0.37
Lagardere 1.75% 2027	€300,000	250	0.14
Lanebrook Mortgage Transaction FRN 2058	£376,000	354	0.19
Levi Strauss 3.5% 2031	\$600,000	390	0.21
Liberty Mutual Group 4.3% 2061	\$500,000	247	0.13
LKQ Italia Bondco 3.875% 2024	€770,000	657	0.36
Lloyds Bank 5.125% 2025	£1,700,000	1,668	0.91
Logicor Financing 1.5% 2026	€150,000	111	0.06
Lorca Telecom Bondco 4% 2027	€600,000	469	0.25
Macquarie Bank 3.052% VRN 2036	\$1,040,000	621	0.34
Marks Spencer 4.5% 2027	£1,500,000	1,323	0.72
Metropolitan Life Global Funding 2.95% 2030	\$650,000	442	0.24
Millicom International Cellular 4.5% 2031	\$320,000	193	0.11
Mondi Finance 1.625% 2026	€500,000	400	0.22
Mortimer BTL 2021-1 FRN 2053	£1,500,000	1,147	0.62
Mozart Debt Merger 3.875% 2029	\$300,000	205	0.11
Muenchener Rueckversicherun 5.875% VRN 2042	\$600,000	472	0.26
National Grid 0.553% 2029	€800,000	554	0.30
NatWest Group 4.6% VRN Perpetual	\$200,000	109	0.06
Netflix 3% 2025	€150,000	126	0.07
Netflix 3.625% 2030	€1,450,000	1,182	0.64
Network i2i 5.65% VRN Perpetual	\$400,000	305	0.17
New Zealand Government Bond 2.75% 2025	NZD750,000	346	0.19
Nexans 2.75% 2024	€300,000	254	0.14
Nexans 5.5% 2028	€200,000	176	0.10
Nexi 0% 2028	€500,000	323	0.18
Nexi 1.75% 2024	€200,000	166	0.09
Norsk Hydro 1.125% 2025	€271,000	219	0.12
Norsk Hydro 2% 2029	€475,000	357	0.19
Novelis Corporation 3.875% 2031	\$400,000	259	0.14
Nutrien 2.95% 2030	\$750,000	513	0.28
NXP Funding 2.7% 2025	\$1,000,000	745	0.40
Ocado Group 0.75% 2027	£200,000	139	0.08
OI European Group 6.25% 2028	€250,000	219	0.12
Olympus Water US Holding Corporation 5.375% 2029	€400,000	238	0.13
OneMain Finance Corporation 3.875% 2028	\$200,000	129	0.07
Orbia Advance Corporation 1.875% 2026	\$500,000	352	0.19

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Orbia Advance Corporation 2.875% 2031	\$700,000	437	0.24
Orsted 1.5% VRN 3021	€690,000	434	0.24
Orsted 2.125% 2027	£690,000	597	0.32
PCL Funding VIII FRN 2028	£100,000	100	0.05
Pension Insurance 3.625% 2032	£420,000	303	0.17
Phoenix Group Holdings 5.75% VRN Perpetual	£400,000	311	0.17
Post Holdings 4.5% 2031	\$350,000	235	0.13
Prudential 2.95% VRN 2033	\$470,000	311	0.17
PVH Corporation 3.125% 2027	€100,000	82	0.04
PVH Corporation 3.625% 2024	€800,000	682	0.37
QBE Insurance Group 2.5% VRN 2038	£250,000	191	0.10
Rexel 2.125% 2028	€300,000	225	0.12
Rothsay Life 3.375% 2026	£750,000	665	0.36
Royal KPN 5% 2026	£125,000	119	0.07
Santander UK 5.75% 2026	£1,850,000	1,834	1.00
Sappi Papier Holding 7.5% 2032	\$75,000	53	0.03
SC Germany SA Compartment Consume FRN 2034	€500,000	185	0.10
Seagate HDD Cayman 4.091% 2029	\$629,000	435	0.24
Seagate HDD Cayman 4.125% 2031	\$154,000	99	0.05
Sealed Air Corporation 4% 2027	\$1,180,000	847	0.46
SIG Combibloc 2.125% 2025	€1,300,000	1,074	0.58
Silgan Holdings 2.25% 2028	€550,000	406	0.22
Smurfit Kappa Treasury 1% 2033	€1,050,000	669	0.36
Solvay 2.5% VRN Perpetual	€500,000	394	0.21
SPCM 3.375% 2030	\$600,000	393	0.21
SSE 4% VRN Perpetual	€500,000	394	0.21
Steel Dynamics 2.4% 2025	\$400,000	294	0.16
Stora Enso 7.25% 2036	\$300,000	243	0.13
Summit Digital Infrastructure 2.875% 2031	\$1,100,000	684	0.37
Suzano Austria 3.125% 2032	\$400,000	252	0.14
Taylor Morrison Communities 5.125% 2030	\$500,000	363	0.20
TDC Net 5.056% 2028	€100,000	84	0.05
TDC Net 6.5% 2031	€400,000	342	0.19
Telecom Italia Capital 6% 2034	\$200,000	127	0.07
Telefonica Europe 2.376% VRN Perpetual	€300,000	202	0.11
Telenet Finance Luxembourg 5.5% 2028	\$600,000	433	0.24
Telia 2.75% VRN 2083	€550,000	415	0.23
Tenet Healthcare Corporation 4.375% 2030	\$450,000	319	0.17
Terna Rete Elettrica Nazionale 2.375% VRN Perpetual	€400,000	292	0.16

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
TerraForm Power Operating 4.75% 2030	\$800,000	555	0.30
Thames Water Utilities Finance 2.625% 2032	£975,000	718	0.39
Thermo Fisher Scientific 2% 2031	\$145,000	93	0.05
TMobile USA 2.25% 2031	\$2,300,000	1,452	0.79
Together Asset Backed Securitisation FRN 2063	£1,500,000	878	0.48
Together Asset-Backed Securitisation FRN 2063	£485,000	466	0.25
Toll Brothers Finance Corporation 3.8% 2029	\$400,000	282	0.15
Trivium Packaging Finance 3.75% 2026	€100,000	79	0.04
Turk Telekomunikasyon 4.875% 2024	\$200,000	150	0.08
Twin Bridges 2021-2 FRN 2055	£450,000	415	0.23
UniCredit 2.731% VRN 2032	€625,000	468	0.25
Unilever 1.5% 2026	£1,125,000	995	0.54
Unione di Banche Italiane 4.375% VRN 2029	€250,000	212	0.12
UnipolSai Assicurazioni 6.375% VRN Perpetual	€450,000	332	0.18
United Utilities Water Finance 0.875% 2029	£700,000	511	0.28
Universal Health Services 2.65% 2030	\$500,000	320	0.17
UPC Broadband Finco 4.875% 2031	\$600,000	388	0.21
US Treasury 0.25% 2024	\$58,178,300	44,145	23.96
US Treasury 0.25% 2025	\$50,000,000	35,681	19.37
US Treasury 0.75% 2023	\$3,936,000	3,027	1.64
Veolia Environnement 2% VRN Perpetual	€500,000	356	0.19
Veolia Environnement 2.5% VRN Perpetual	€600,000	425	0.23
Verallia 1.875% 2031	€1,000,000	689	0.37
Vmed O2 UK Financing 4.5% 2031	£320,000	242	0.13
VMware 0.6% 2023	\$1,450,000	1,134	0.62
Volvo Car 2.125% 2024	€800,000	672	0.36
VZ Secured Financing 3.5% 2032	€700,000	462	0.25
VZ Vendor Financing II 2.875% 2029	€100,000	66	0.04
Western Digital Corporation 2.85% 2029	\$810,000	509	0.28
Western Digital Corporation 4.75% 2026	\$100,000	75	0.04
ZF Finance 2% 2027	€200,000	149	0.08
Zurich Finance (Ireland) Designated 3% VRN 2051	\$1,200,000	744	0.40

Derivatives – 0.93% (31.12.2022 – (0.06%))

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Credit Default Swaps^ – 1.40% (31.12.2022 – 0.84%)			
Goldman Sachs 1% 20/12/2028	500,000	(12)	(0.01)
Goldman Sachs 5% 20/12/2028	280,000	17	0.01
JPMorgan 5% 20/12/2028	250,000	21	0.01
Morgan Stanley 1% 20/12/2025	2,600,000	12	0.01
Morgan Stanley 1% 20/12/2025	3,250,000	14	0.01
Morgan Stanley 1% 20/06/2026	980,000	9	0.00
Morgan Stanley 1% 20/06/2026	2,500,000	47	0.02
Morgan Stanley 1% 20/06/2026	2,550,000	31	0.02
Morgan Stanley 1% 20/06/2026	1,650,000	19	0.01
Morgan Stanley 1% 20/06/2026	550,000	4	0.00
Morgan Stanley 1% 20/06/2026	500,000	7	0.00
Morgan Stanley 1% 20/06/2026	250,000	(5)	0.00
Morgan Stanley 1% 20/12/2026	980,000	7	0.00
Morgan Stanley 1% 20/12/2026	500,000	7	0.00
Morgan Stanley 1% 20/12/2026	2,500,000	52	0.03
Morgan Stanley 1% 20/12/2026	550,000	3	0.00
Morgan Stanley 1% 20/12/2026	1,650,000	17	0.01
Morgan Stanley 1% 20/12/2026	2,550,000	31	0.02
Morgan Stanley 5% 20/06/2026	800,000	83	0.05
Morgan Stanley 5% 20/06/2026	500,000	51	0.03
Morgan Stanley 5% 20/12/2026	800,000	94	0.05
Morgan Stanley 5% 20/12/2026	500,000	56	0.03
Morgan Stanley 1% 20/12/2027	280,000	(28)	(0.02)
Morgan Stanley 5% 20/12/2027	500,000	53	0.03
Morgan Stanley 1% 20/06/2028	1,500,000	(5)	0.00
Morgan Stanley 1% 20/06/2028	450,000	(1)	0.00
Morgan Stanley 1% 20/06/2028	350,000	(19)	(0.01)
Morgan Stanley 1% 20/06/2028	500,000	(46)	(0.02)
Morgan Stanley 1% 20/06/2028	(9,880,000)	370	0.20
Morgan Stanley 1% 20/06/2028	1,800,000	(11)	(0.01)
Morgan Stanley 1% 20/06/2028	25,600,000	293	0.16
Morgan Stanley 1% 20/12/2028	1,700,000	19	0.01
Morgan Stanley 1% 20/12/2028	350,000	(23)	(0.01)
Morgan Stanley 1% 20/12/2028	850,000	(10)	(0.01)
Morgan Stanley 1% 20/12/2028	1,500,000	(11)	(0.01)
Morgan Stanley 1% 20/12/2028	450,000	(2)	0.00
Morgan Stanley 1% 20/12/2028	1,800,000	(20)	(0.01)
Morgan Stanley 5% 20/06/2028	582,000	9	0.00

PORTFOLIO STATEMENT

at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Morgan Stanley 5% 20/06/2028	1,100,000	139	0.08
Morgan Stanley 5% 20/06/2028	450,000	60	0.03
Morgan Stanley 5% 20/06/2028	800,000	57	0.03
Morgan Stanley 5% 20/06/2028	280,000	30	0.02
Morgan Stanley 5% 20/06/2028	1,120,000	155	0.08
Morgan Stanley 5% 20/06/2028	900,000	97	0.05
Morgan Stanley 5% 20/06/2028	122,000	12	0.01
Morgan Stanley 5% 20/06/2028	(700,000)	(14)	(0.01)
Morgan Stanley 5% 20/06/2028	400,000	31	0.02
Morgan Stanley 5% 20/06/2028	300,000	18	0.01
Morgan Stanley 5% 20/12/2028	1,100,000	160	0.09
Morgan Stanley 5% 20/12/2028	550,000	74	0.04
Morgan Stanley 5% 20/12/2028	220,000	35	0.02
Morgan Stanley 5% 20/12/2028	900,000	101	0.05
Morgan Stanley 5% 20/12/2028	(900,000)	(101)	(0.05)
Morgan Stanley 5% 20/12/2028	900,000	101	0.05
Morgan Stanley 5% 20/12/2028	300,000	17	0.01
Morgan Stanley 5% 20/12/2028	500,000	56	0.03
Morgan Stanley 5% 20/12/2028	400,000	31	0.02
Morgan Stanley 5% 20/12/2028	800,000	58	0.03
Morgan Stanley 5% 20/12/2028	1,120,000	163	0.09
Morgan Stanley 5% 20/12/2028	1,100,000	142	0.08
Morgan Stanley 5% 20/12/2028	280,000	31	0.02
Futures – 0.12% (31.12.2022 – 0.12%)			
CBT US 5Years Note (CBT) September 2023	27	(27)	(0.01)
CBT US 10Years Note (CBT) September 2023	(184)	285	0.15
CBT US Ultra Bond CBT September 2023	(10)	(9)	0.00
EUX Euro-Bund Future September 2023	52	0	0.00
EUX Euro-OAT Future September 2023	(60)	(15)	(0.01)
OSE JPN 10Years Bond (OSE) Septemebr 2023	(8)	(14)	(0.01)
Options – 0.01% (31.12.2022 – 0.04%)			
CDX.NA.IG.40 (5Y) Default 20/06/2028			
MLILUK 0.90	10,250,000	2	0.00
ITRAXX Europe Crossover 39 (5Y) Default 20/06/2028 GSILUK 5.75	16,750,000	11	0.01
ITRAXX Europe Crossover 39 (5Y) Default 20/06/2028 MLILUK 5.5	8,750,000	7	0.00

PORTFOLIO STATEMENT
at 30 June 2023 (unaudited)

	Holding	Fair value £'000	% of total net assets
Forward Foreign Exchange Contracts[^] –			
(0.60%)(31.12.2022 (1.07%))			
GBP Forward Currency Contract 21/09/2023	GBP34,255,276		
EUR Forward Currency Contract 21/09/2023	(EUR40,000,000)	(205)	(0.11)
GBP Forward Currency Contract 21/09/2023	GBP362,965		
NZD Forward Currency Contract 21/09/2023	(NZD750,000)	2	0.00
GBP Forward Currency Contract 21/09/2023	GBP116,312,201		
USD Forward Currency Contract 21/09/2023	(USD149,000,000)	(869)	(0.47)
GBP Forward Currency Contract 21/09/2023	GBP5,023,453		
USD Forward Currency Contract 21/09/2023	(USD6,400,000)	(10)	0.00
USD Forward Currency Contract 21/09/2023	USD1,000,000		
GBP Forward Currency Contract 21/09/2023	(GBP786,331)	–	0.00
USD Forward Currency Contract 21/09/2023	USD1,500,000		
GBP Forward Currency Contract 21/09/2023	(GBP1,189,825)	(10)	(0.01)
GBP Forward Currency Contract 21/09/2023	GBP688,993		
EUR Forward Currency Contract 21/09/2023	(EUR800,000)	–	0.00
USD Forward Currency Contract 21/09/2023	USD2,900,000		
GBP Forward Currency Contract 21/09/2023	(GBP2,292,242)	(12)	(0.01)
INVESTMENT ASSETS		179,514	97.44
NET OTHER ASSETS		4,718	2.56
TOTAL NET ASSETS		184,232	100.00

All investments, except for the Credit Default Swaps and Forward Foreign Exchange Contracts, are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

[^] Unlisted

The counterparties for the Credit Default Swaps are Goldman Sachs, JPMorgan and Morgan Stanley.

The counterparties for the Options Contracts are Merrill Lynch and Morgan Stanley.

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are JPMorgan, Lloyds Bank, Northern Trust, Royal Bank of Canada and State Street Bank.

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		(861)		(9,074)
Revenue	3,651		879	
Expenses	(220)		(122)	
Interest payable and similar charges	(12)		–	
Net revenue before taxation	3,419		757	
Taxation	(5)		–	
Net revenue after taxation		3,414		757
Total return/(deficit) before distributions		2,553		(8,317)
Distributions		(1,722)		(1,134)
Change in net assets attributable to Unitholders from investment activities		831		(9,451)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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 Unitholders		73,433		80,901
Amounts receivable on issue of Units	114,047		9,633	
Amounts payable on cancellation of Units	(4,227)		(4,065)	
		109,820		5,568
Change in net assets attributable to Unitholders from investment activities		831		(9,451)
Retained distributions on Accumulation Units		148		207
Closing net assets attributable to Unitholders		184,232		77,225

The note on page 26 and the distribution tables on page 27 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		180,993		70,898
Current assets				
Debtors	1,412		757	
Cash and bank balances	9,296		4,245	
Total current assets		10,708		5,002
Total assets		191,701		75,900
LIABILITIES				
Investment liabilities		1,479		1,019
Creditors:				
Other creditors	2,250		35	
Bank overdraft	2,759		1,022	
Distribution payable on Income Units	981		391	
Total creditors		5,990		1,448
Total liabilities		7,469		2,467
Net assets attributable to Unitholders		184,232		73,433

The financial statements on pages 24 to 27 have been approved by the Board.

Approved on behalf of the Board
26 September 2023

N Morecroft, Chair

The note on page 26 and the distribution tables on page 27 form part of these financial statements.

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 United Kingdom Generally Accepted Accounting Practice including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), the Charities Act 2011, and Alternatives Investment Fund Managers Directive (AIFMD). The financial statements have been prepared under the historical basis, as modified by the revaluation of investments.

The Fund is exempt from preparing a statement of cash flows under FRS 102 as substantially all of the Fund’s investments are highly liquid, substantially all of the Fund’s investments are carried at market value and the Fund provides a statement of change in net assets.

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 TABLES

for the half year ended 30 June 2023 (unaudited)

Period ended	Date payable/paid		Dividends payable/paid pence per Unit	
	2023	2022	2023	2022
Income Units				
31 March	31 May	31 May	0.68	0.90
30 June	31 August	31 August	0.68	0.90
			1.36	1.80

Period ended	Revenue accumulated pence per Unit	
	2023	2022
Accumulation Units		
31 March	4.77	6.57
30 June	4.28	6.42
	9.05	12.99

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

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

- making and revising the written statement of the investment objectives of the Fund and ensuring that details of such investment objectives will be included in the Scheme Particulars;
- determining the criteria and methods for evaluating the performance of the Fund;
- granting prior written approval to the Manager should the Manager wish to enter into certain types of investment or a specific course of borrowing on behalf of the Fund;
- appointing the Auditor of the Fund and agreeing their terms of engagement;
- making an annual report on the discharge of the Board's responsibilities;
- determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- applying to the Charity Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme;

- making representations to the Trustee on the winding up of the Fund: provided that any Board member who has any interests in the Trustee or the Manager shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- informing the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

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

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee

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

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

- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and

- winding up the Fund.

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

The Trustee shall maintain such records as are necessary to enable it to comply with the Scheme and with section 130 of the Charities Act 2011 and to demonstrate that such compliance has been achieved.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Depositary

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

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

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

The Depositary must ensure that:

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

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

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

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

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

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

- prepare and submit to the Charity Commission a statement of accounts and annual report complying with the requirements of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, as amended or replaced from time to time; and
- prepare and submit to the Charity Commission a half- yearly report and accounts for the Fund made up to the date of the interim balance sheet.

The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of FRS 102;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the Financial Statements as prepared comply with the above requirements;

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

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

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

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

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

(Charity Registration No. 803610)

DIRECTORY

Board

N Morecroft, ASIP (Chair)
 K Corrigan, FCCA
 J Hobart, MA
 S Niven, CFA
 C Ong, MBA
 A Watson, CBE – deceased – resigned on 6 March 2023
 K Shenton – appointed on 6 June 2023

**Manager, Alternative Investment Fund Manager
 (AIFM), and Registrar**
 CCLA Fund Managers Limited

Investment Manager

CCLA Investment Management Limited
*Both CCLA Fund Managers Limited and CCLA Investment
 Management Limited are authorised and regulated by the
 Financial Conduct Authority*
 Registered Office Address
 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

Sub-Investment Manager

Hermes Investment Management Limited
 150 Cheapside
 London
 EC2V 6ET

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

E Sheldon (Chief Operating Officer)
 D Sloper (Chief Executive Officer)
 J Berens – appointed on 9 February 2023

Non-Executive Directors of the Manager

R Horlick (Chair)
 J Jesty
 A Roughead

Fund Manager (CCLA Investment Management Limited)

C Ryland
 J Ayre
 S Freeman
 R Evans
 S Mehta

Company Secretary

J Fox

Chief Risk Officer

J-P Lim

Head of Sustainability

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

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

Banker

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.



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CCLA is the trading name for CCLA Investment Management Limited (Registered in England and Wales No. 2183088) and CCLA Fund Managers Limited (Registered in England and Wales No. 8735639).

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