

THE CBF CHURCH OF ENGLAND  
SHORT DURATION BOND FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2025

**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 TRUSTEE****for the half year ended 30 June 2025 (unaudited)**

On behalf of the Trustee, I have pleasure in presenting the Interim Report and Unaudited Financial Statements of The CBF Church of England Short Duration Bond Fund (the “Fund”), which includes a separate report from CCLA Investment Management Limited (the “Manager”) as Manager of the Fund. The Manager is authorised and regulated by the Financial Conduct Authority (“FCA”).

**Structure and management of the Fund**

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) Measure 2010 (together the “Measure”) and the Trustee Act 2000. The Fund was formed in 1977. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) as amended or changed from time to time.

CBF Funds Trustee Limited (the “Trustee”) is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee.

The Manager has been appointed by the Trustee pursuant to the investment management agreement dated September 2008 to provide discretionary investment management services as well as administrative and registration services under the investment management agreement.

Under the provisions of FSMA, the Trustee is not considered to be operating the Fund “by way of business”. Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose.

As the Fund is structured as an unregulated fund, investments in the Fund are not covered by the Financial Services Compensation Scheme.

**Charitable status**

The Fund is entitled to charitable status by virtue of section 99(4) of the Charities Act 2011. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

**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.

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2025 (unaudited)****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 will be managed to ensure that the Fund's duration is less than 3.5 years, with the aim of reducing the effect of changes in interest rates on the Fund's value. The Fund's duration measures the sensitivity of the value of the Fund to a change in interest rates; the lower the duration the less impact a change in interest rates will have on the Fund's value.

The Fund is managed in line with a faith-consistent investment policy, developed by the Manager, to meet Shareholders' desire to invest in a way that reflects Christian and Anglican teachings and is grounded in the advice produced by the Church of England's Ethical Investment Advisory Group. This can include restrictions from investment (or other implications for asset selection) and/or engagement activity that goes beyond CCLA's standard approach.

The Fund is actively managed which means the Manager/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 or non-investment grade as rated by a recognised credit rating agency. Where an instrument does not have an explicit rating from a recognised credit rating agency ("Unrated Securities"), the Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

**REPORT OF THE TRUSTEE**

for the half year ended 30 June 2025 (unaudited)

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 long-term ratings of the recognised credit rating agencies used.
- The maximum exposure to non-investment grade securities with a rating assessed as being less than 'speculative' status is 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that the Manager 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 uses 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 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 benchmark**

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

**Target investors**

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2025 (unaudited)**

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).

**Review of investment activities and policies of the Fund**

The Trustee is ultimately responsible for The CBF Church of England Funds and receives reports on the published financial statements. The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund. The Trustee has appointed the custodian to hold the securities of the Fund in specially designated accounts in safe custody.

**Delegation of functions**

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the

Church Funds Investment Measure 1958 and with the investment management agreement.

**Controls and risk management**

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required. The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee 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. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight 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, the Trustee receives a report from the Chief Risk Officer of the Manager which covers 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;

**REPORT OF THE TRUSTEE****for the half year ended 30 June 2025 (unaudited)**

- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines any 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.

The Manager is currently considering the launch of a Charity Authorised Investment Fund (“CAIF”), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and investor approval. Should this be approved, on completion of the transfer, the CBF Church of England Short Duration Bond Fund would cease operations and be wound up, with the investors’ existing holdings in the CBF Church of England Short Duration Bond Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund. For existing and future investors the investment experience and service they receive will be unchanged, and the transfer will be undertaken with the minimum of disruption.

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to investors.

The Archbishops’ Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2026, the Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

**Acquisition by Jupiter Fund Management**

On 10 July 2025, it was announced that CCLA would be acquired by Jupiter Fund Management plc (‘Jupiter’), subject to regulatory approval. CCLA will become part of Jupiter, retaining the CCLA branding, investment, and client service approach.

CCLA’s teams will continue to focus on delivering investment returns and outstanding client service to all CCLA clients regardless of their size. CCLA also retains its mission, its stewardship activities, and its drive to build a better world. At the same time however, CCLA stands to benefit from Jupiter’s strength and resources. Jupiter’s investment capabilities, including its 100 plus investment professionals, will add support to CCLA’s existing investment team and product range.

CCLA remains committed to serving churches, charities and local authorities.

A Brookes, Chair  
CBF Funds Trustee Limited  
9 September 2025

## REPORT OF THE INVESTMENT MANAGER

### for the half year ended 30 June 2025 (unaudited)

#### Strategy

The Fund aims to generate a total return (income plus capital growth) of cash, represented by the Sterling Overnight Index Average (SONIA) plus 1.75% per year, after fees and expenses, measured over a rolling three-year period.

The Fund will invest in a range of fixed interest and variable-rate debt securities (also known as bonds) and other debt-related instruments issued in a range of currencies by companies (known as corporate bonds) and governments, including loans, inflation-linked securities, money-market instruments, and asset-backed or other securitised products (financial instruments

backed by assets that generate an income, for example, mortgages or student loans).

The Fund focuses on generating returns from credit risk, meaning that the manager aims to identify individual bonds that will deliver high returns, relative to the level of risk associated with a particular borrower at the corporate level. Conversely, the Fund has limited appetite for interest rate risk ('duration'), which describes how a bond's returns are likely to be affected by general changes in interest rates. For that reason, we manage the fund so that its duration is less than 3.5 years. The Fund minimises currency risk.

#### Annualised total capital and income return

To 30 June 2025	6 months %	1 year %	5 years % p.a.	10 years % p.a.
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#### Performance against benchmark (after expenses)

##### The CBF Church of England Short Duration Bond Fund

Income Shares*	3.09	6.83	0.45	2.65
Accumulation Shares*	3.08	6.83	0.45	2.65
Target benchmark <sup>#</sup>	3.04	6.47	0.41	3.12
Consumer Price Index (CPI)	2.43	3.58	5.04	3.32

<sup>#</sup> Target benchmark – Composite: From 27.07.22 SONIA + 1.75%. From 01.01.16 iBoxx £ Gilt 50% and iBoxx £ Non Gilt 50%. To 31.12.15 Barcap £ Gilt 50% and £ Agg 100mm Non Gilt 50%.

\* NAV to NAV plus income re-invested.

Past performance is not a reliable indicator of future results.

Source: CCLA, Bloomberg & HSBC.



## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2025 (unaudited)

The Fund may invest in instruments that are either investment grade or non-investment grade (the latter up to a maximum of 20% of the fund) as rated by a recognised credit rating agency that the investment manager or sub-investment manager has determined meets appropriate regulatory standards.

The Fund uses derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management (for example, hedging to reduce currency risk). The Fund follows a set of client-driven, values-based investment restrictions

As of 30 June 2025, approximately 64% of the Fund's portfolio was in corporate bonds, predominantly investment grade but with a smaller allocation to high-yield bonds, while 28% was in government bonds (principally US Treasuries but also UK and other government bonds). The remainder was in cash, derivatives, mortgage-backed or securitised bonds. The portfolio's modified duration, a measure of its exposure to interest rate risk, was 1.83%. Modified duration is the effect that a 1% change in interest rates is projected to have on the price of a bond.

### Performance

Over the six months under review, the Fund returned 3.09%, net of expenses, compared with its target benchmark's return of 3.04%.

During the six months under review, UK bonds and those of French, Italian and Spanish issuers were the main contributors to the fund's returns. By corporate segment, bonds of banks and capital goods producers helped the fund's returns the most.

By contrast, US bonds, especially US Treasuries, weighed on the fund's performance. By corporate segment, bonds of technology firms and basic industrial firms detracted most from returns. But corporate bonds generally outperformed government bonds during the review period.

The weaker US dollar detracted from the fund's returns in local currency. But the currency hedges we put in place largely neutralised this effect in pounds sterling.

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. As of 30 June 2025, the weighted average gross redemption yield (yield to maturity) of the securities in the Fund was 5.29%. The gross redemption yield indicates what the total return would be if the Fund's investments were held to maturity, i.e. the aggregate of gross interest received and capital gain or loss at redemption, annualised.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2025 (unaudited)

### Market review

During the six-months under review, inflation continued to trend above target in most countries, but central banks cut interest rates nonetheless. By contrast, most governments' budget deficits and debt are expected to increase, putting upward pressure on bond yields. As a result, the difference between short-dated interest rates (e.g. on two-year bonds) and longer-dated bond yields (e.g. on 10-year bonds) increased. In technical parlance: the yield curve (a graph that shows the yields of bonds of different maturities) became steeper during the period under review.

In the US, investors and policymakers initially took a wait-and-see approach to President Trump's barrage of policy statements on, e.g., immigration, government efficiency and annexing Greenland. America's central bank, the Federal Reserve ('Fed'), kept interest rates on hold, despite some pressure from the Trump administration to lower rates, and even after Trump announced his 'retaliatory tariffs' on 2 April.

Nevertheless, two-year US Treasury yields fell from 4.25% at the start of 2025, to 3.72% by the middle of the year. Core Personal Consumption Expenditure (PCE) inflation, the Fed's preferred inflation gauge, remained stable, from 2.8%, year on year (yoy) in December 2024 to 2.7% in May 2025. If this stable, moderate level of inflation continues, investors expect the Fed to cut rates in the second half of the year.

Yields on 10-year US Treasuries (government bonds) fell from 4.57% at the start of the year to 4.24% at the end of June. Because these yields fell less than two-year yields, the yield curve 'steepened'. One of the reasons why long-dated bond yields didn't fall as much as short-dated yields was President Trump's 'One Big Beautiful Bill'. The non-partisan Congressional Budget Office expects this law to raise US government debt by c.\$3.4 trillion over the next ten years.

In the UK, consumer price inflation rose from 2.5%, yoy, in December 2024 to 3.6% in June 2025. Nevertheless, the Bank of England (BoE) cut its Official Bank Rate (OBR) twice, in February and May. Longer-term, however, investors are concerned that the UK government's budget plans may be unaffordable. As a result, yields on 10-year gilts (UK government bonds) started 2025 at 4.58% but ended June 2025 only marginally lower, at 4.51%. Here, also, the yield curve steepened.

Eurozone inflation fell from 2.4%, yoy, in December 2024 to 2.0% in June 2025, the European Central Bank's target. Long-term bond yields rose in countries like Germany, after their newly elected prime minister Friedrich Merz relaxed his government's debt restrictions and announced a €500 billion increase in defence spending. As a result, Germany's 10-year government bond yield climbed from 2.36% at the start of the year to 2.58% at the end of June. In other countries, like France and Italy, bond yields fell slightly.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2025 (unaudited)

Corporate bonds started the beginning of the year offering a lower level of additional yield over government bonds ('spread') than they had in many years, of around 0.83% for US corporate bonds. That spread widened significantly, to around 1.21%, after President Trump laid out his tariff plans. But corporate spreads narrowed again after Trump paused his tariffs and as most firms reported solid results for the first quarter of 2025. They ended the year approximately where they had started it.

### Outlook

The future path of interest rates looks unlikely to be straightforward. As a result, we aim to position the Fund so that its returns don't vary with changes in interest rates. We do, however, maintain a preference for steeper yield curves in the US.

Economic growth has been resilient, but uncertainty about higher tariffs is yet to feed into hard economic data. For now, sentiment and expectations data in the US suggest reduced confidence in the US economy. Europe may benefit, in terms of economic growth, from its plans to increase defence spending. We expect tariff uncertainty to continue to drive financial markets in the near term, creating opportunities across regions, sectors and issuers.

Corporate balance sheets mostly remain in decent shape. But companies have been cautious in giving forward guidance. We expect them to act rationally, should fundamentals deteriorate, and take measures to defend their balance sheets, for example by reducing their investment programmes.

CCLA Investment Management Limited  
9 September 2025

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 June 2025 (unaudited)

### Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
<b>Purchases:</b>		<b>Sales:</b>	
US Treasury 5% 2025	15,761	US Treasury 0% 2025*	11,048
US Treasury 0% 2025	4,142	US Treasury 0% 2025*	7,961
UK Treasury 3.5% 2025	805	SIG COM 2.125% 2030	955
SIG Combibloc Purchase 3.75% 2030	539	UK Treasury 5% 2025	810
J Sainsbury 5.125% 2030	467	Lloyds Bank 5.125% 2025	622
E-Carat FRN 2034	421	Bharti Airtel 4.375% 2025	443
Sixt 3.25% 2030	369	Banco 1.625% 2025	416
Nexans 4.125% 2029	346	Berry Global 1% 2025	388
Suez 1.25% 2035	336	Huntsman International 4.25% 2025	377
Micron Technology 5.8% 2035	289	Veolia Environnement 0.664% 2031	359

\* These two securities are different with respect to maturity dates and hence disclosed separately.

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.

### Risk warning

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.

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. They are realisable only on each 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.

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

**SUSTAINABILITY APPROACH****to the Shareholders of The CBF Church of England Short Duration Bond Fund****Sustainable Investment Label**

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal.

**Sustainability approach (including faith-consistent investment policy)**

The fund is managed in line with a faith-consistent investment policy, developed by CCLA, to meet shareholders' desire to invest in a way that reflects Christian and Anglican teachings and is grounded in the advice produced by the Church of England's Ethical Investment Advisory group. This includes the application of values-based investment restrictions as part of the fund's wider sustainability approach. The restrictions that apply to the fund are set out in the scheme information.

These restrictions are applied in accordance with our values-based screening policy (which also sets out how we consider the eligibility of third-party managed funds) and are implemented based upon data-points selected by CCLA.

**Climate-related financial disclosures**

CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities. CCLA produces a TCFD Product Report for each fund it manages, which are consistent with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Product Reports are designed to help you understand how the Sub-Fund is exposed to climate-related risks.

Copies of the following fund documents: Approach to sustainability, Investment Restrictions and TCFD report can be found at [www.ccla.co.uk/funds/cbf-church-england-short-duration-bond-fund#fund-documents](http://www.ccla.co.uk/funds/cbf-church-england-short-duration-bond-fund#fund-documents)

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](http://www.churchofengland.org/eiag).

## 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.



The Manager has classified The CBF Church of England Short Duration Bond 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 Recommended Holding Period of three 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 daily 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 Information document available on CCLA's website or by request.

## COMPARATIVE TABLE

## Change in net assets per Share

	Income Shares			
	Half year to 30.06.2025 pence per Share	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share
Opening net asset value per Share	148.74	144.23	136.68	157.99
Return before operating charges*	5.15	8.91	11.10	(17.05)
Operating charges**	(0.25)	(0.49)	(0.45)	(0.53)
Return after operating charges*	4.90	8.42	10.65	(17.58)
Distributions on Income Shares	(2.90)	(3.91)	(3.10)	(3.73)
Closing net asset value per Share	150.74	148.74	144.23	136.68
* after direct transaction costs of:	0.02	0.02	—	—

## Performance

Return after charges	3.29%	5.84%	7.79%	(11.13%)
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## Other information

Closing net asset value (£'000)	70,524	69,543	68,114	25,717
Closing number of Shares	46,784,754	46,752,958	47,224,854	18,816,312
Operating charges**	0.32%	0.34%	0.32%	0.37%
Direct transaction costs	0.01%	0.02%	—	—

## Prices (pence per Share)

Highest Share price (offer)	152.29	150.32	145.50	157.65
Lowest Share price (bid)	148.39	144.19	136.86	132.51

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. Operating charges exclude any management fee rebates on investments in CCLA funds and other securities. Management fee rebates fully or partially offset charges incurred within the valuation of each of these underlying investments. The percentages above reflect these charges divided by average net assets for the period.

## COMPARATIVE TABLE

## Change in net assets per Share

	Half year to 30.06.2025 pence per Share	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share
Opening net asset value per Share	611.24	577.21	535.09	602.32
Return before operating charges*	21.24	36.02	43.91	(65.21)
Operating charges**	(1.01)	(1.99)	(1.79)	(2.02)
Return after operating charges*	20.23	34.03	42.12	(67.23)
Distributions on Accumulation Shares	(11.65)	(15.76)	(12.15)	(15.02)
Retained distributions on Accumulation Shares	11.65	15.76	12.15	15.02
Closing net asset value per Share	631.47	611.24	577.21	535.09
* after direct transaction costs of:	0.09	0.09	0.02	0.01

## Performance

Return after charges	3.31%	5.90%	7.87%	(11.16%)
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## Other information

Closing net asset value (£'000)	2,446	2,319	1,743	1,556
Closing number of Shares	387,438	379,465	301,990	290,790
Operating charges**	0.32%	0.34%	0.32%	0.37%
Direct transaction costs	0.01%	0.02%	—	—

## Prices (pence per Share)

Highest Share price (offer)	631.70	613.63	579.27	601.02
Lowest Share price (bid)	611.60	577.03	535.82	515.64

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.

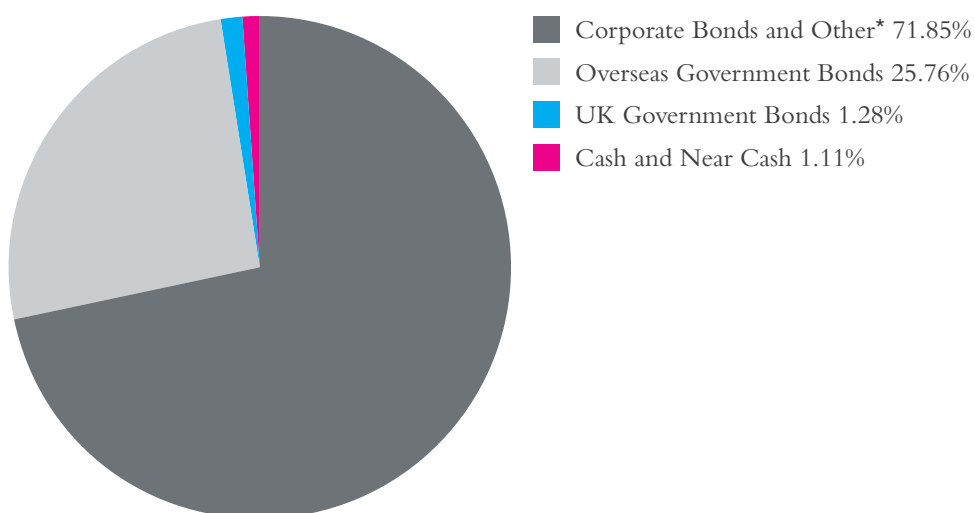
\*\* Operating charges comprise the Manager's annual management charge and other expenses, including VAT. Operating charges exclude any management fee rebates on investments in CCLA funds and other securities. Management fee rebates fully or partially offset charges incurred within the valuation of each of these underlying investments. The percentages above reflect these charges divided by average net assets for the period.



## PORTFOLIO ANALYSIS

for the half year ended 30 June 2025 (unaudited)

## Portfolio Allocation



## By term to maturity

Period	Fund
0-5 years	67.48%
5-10 years	25.91%
10-15 years	1.78%
Over 15 years	4.83%
Duration (modified)	1.83%
Average term to maturity	7.83 yrs

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

\* Includes investments in derivatives.

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
<b>Government Bonds 26.38% (31.12.2024 – 27.50%)</b>			
UK Treasury 3.5% 2025	£810,000	808	1.11
US Treasury 5% 2025	\$19,646,000	14,347	19.65
US Treasury 0% 2025	\$5,650,000	4,098	5.62
<b>Non-Government Bonds 71.43% (31.12.2024 – 69.10%)</b>			
AbbVie 4.55% 2035	\$560,000	397	0.54
ABN AMRO Bank 4.75% VRN Perpetual	€200,000	171	0.23
AerCap Ireland Capital DAC Aer 5.375% 2031	\$200,000	149	0.20
AIB Group 6% VRN Perp	€200,000	170	0.23
Air Lease 3.7% 2030	€305,000	266	0.36
Alcoa Nederland Holding 4.125% 2029	\$200,000	139	0.19
Allianz Finance II 0.5% 2031	€200,000	152	0.21
Ally Financial 4.7% VRN perpetual	\$70,000	46	0.06
Alpek SAB de CV 3.25% 2031	\$210,000	134	0.18
Alpha Bank 2.5% VRN 2028	€150,000	128	0.18
América Móvil 5% 2026	€290,000	291	0.40
American Express 5.625% VRN 2034	£127,000	95	0.13
American Medical Systems Europe 1.875% 2034	\$340,000	259	0.35
Anglo American Capital 2.875% 2031	\$360,000	237	0.32
Apple 2.65% 2051	\$620,000	281	0.39
Aptiv 3.1% 2051	\$275,000	121	0.17
Arcelik 3% 2026	€200,000	170	0.23
Ardagh Metal Packaging Finance 3% 2029	€100,000	77	0.11
Ashland 3.375% 2031	\$200,000	130	0.18
ASML Holding NV 2.25% 2032	€250,000	207	0.28
Assicurazioni Generali 1.713% 2032	€200,000	152	0.21
AstraZeneca 2.125% 2050	\$180,000	73	0.10
Auto ABS Italian Stella Loans FRN 2039	€283,000	210	0.29
Auto ABS Italian Stella Loans FRN 2039	€100,000	75	0.10
AutoFlorence 3 FRN 2046	€200,000	109	0.15
AutoNoria Spain 2025-1 FT FRN 2043	€200,000	171	0.23
AXA 3.625% 2033	€180,000	160	0.22
AXA 6.375% VRN perpetual	€131,000	119	0.16
Ball Corporation 2.875% 2030	\$450,000	296	0.41
Banco BPM SpA 6% VRN 2028	€200,000	180	0.25
Banco BPM SpA 6.25% VRN Perp	€200,000	174	0.24
Banco BTG Pactual SACayman Islan 5.75% 2030	€200,000	146	0.20
Banco Mercantil del Norte 6.625% VRN Perpetual	\$200,000	135	0.19

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
Banco Santander 1.722% VRN 2027	\$200,000	141	0.19
Banco Santander 5% VRN 2034	\$300,000	270	0.37
Banco Santander SA 7% VRN Perp	€200,000	182	0.25
Bank of Cyprus Holdings 6.625% VRN 2031	€300,000	263	0.36
Bank of Ireland 1.375% VRN 2031	€300,000	253	0.35
Barclays 4.616% VRN 2037	£200,000	175	0.24
Barclays 8.5% VRN perpetual	£200,000	208	0.29
Barclays Bank 3.75% VRN 2030	\$180,000	179	0.25
Bath & Body Works 6.875% 2035	€175,000	132	0.18
BAWAG Group 6.75% VRN 2034	\$300,000	282	0.39
BAWAG Group AG 4.125% VRN 2035	£300,000	256	0.35
BC ULC New Red Finance 5.625% 2029	\$98,000	73	0.10
Bharti Airtel Ltd 3.25% 2031	£300,000	203	0.28
BM European Value Retail 6.5% 2031	\$280,000	282	0.39
BNP Paribas 2% VRN 2031	€100,000	97	0.13
BNP Paribas 4.625% VRN Perpetual	€200,000	130	0.18
Caisse Nationale de Reassurance 0.75% 2028	€200,000	160	0.22
Caisse Nationale de Reassurance 6.5% VRN Perpetual	€100,000	89	0.12
CaixaBank 4.375% VRN 2036	€100,000	88	0.12
CaixaBank 5.875% VRN Perpetual	\$200,000	178	0.24
CANPACK SA Eastern PA Land 2.375% 2027	€100,000	84	0.12
CCO Holdings 4.25% 2031	\$213,000	145	0.20
Cellnex Telecom 0.75% 2031	€600,000	458	0.63
Cemex 3.125% 2026	\$200,000	171	0.23
Cemex SAB de CV 3.875% /2031	\$200,000	134	0.18
Centene 2.5% 2031	\$560,000	352	0.48
CF Industries 4.5% 01/12/2026	\$150,000	110	0.15
CF Industries 4.95% 2043	\$200,000	130	0.18
Charter Communications Operating 6.15% 2026	\$150,000	112	0.15
Cigna Corp 2.375% 2031	\$360,000	234	0.32
Cisco Systems 2.5% 2026	£550,000	394	0.54
Citigroup 4.125% 2028	€110,000	80	0.11
Citigroup 5.15% 2026	\$500,000	503	0.69
Clarios Global LP Clarios US Fi 4.75% 2031	\$100,000	86	0.12
ClevelandCliffs 4.625% 2029	\$88,000	59	0.08
ClevelandCliffs 7.375% 2033	\$12,000	8	0.01
Clydesdale Acquisition Holdings 6.75% 2032	\$100,000	75	0.10
CNH Industrial 3.85% 2027	€460,000	332	0.45
Comcast Corporation 1.5% 2031	\$400,000	249	0.34

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
Commerzbank 1.375%VRN 2031	€400,000	334	0.46
Crown Americas 4.25% 2026	€122,000	89	0.12
Crown European Holdings 2.875% 2026	\$100,000	86	0.12
Crown European Holdings 4.5% 2030	\$162,000	143	0.20
Dell International 4.35% 2030	€415,000	300	0.41
Dell International 5.4% 2034	€365,000	271	0.37
Deutsche Bank 4.5%VRN Perpetual	\$200,000	167	0.23
Dow Chemical 1.875% 2040	£175,000	110	0.15
Dow Chemical 5.15% 2034	€44,000	32	0.04
DS Smith 2.875% 2029	€336,000	312	0.43
Dutch Property Finance 2022-1 FRN 2059	€300,000	258	0.35
E-CARAT DE Lease 2025-1 FRN 2034	€500,000	428	0.59
Enel Finance International 0.875% 2034	€225,000	151	0.21
Enel SpA 1.875%VRN Perp	\$100,000	76	0.10
Engie 3.875% 2036	€100,000	86	0.12
Engie 5.625% 2034	€200,000	150	0.21
Erste Group Bank AG 6.375%VRN Perp	€200,000	173	0.24
Eurofins Scientific 0.875% 2031	\$300,000	219	0.30
Evonik Industries AG 3.25% 2030	\$150,000	131	0.18
ExportImport Bank of India 2.25% 2031	€200,000	128	0.18
Falabella 3.375% 2032	\$200,000	127	0.17
FCT Noria 2021 FRN 2049	€200,000	42	0.06
First Citizens BancShares 5.8009%VRN Perpetual	£213,000	160	0.22
Flora Food Management BV 6.875% 2029	\$170,000	148	0.20
Ford Motor Credit 5.78% 2030	€250,000	249	0.34
Fresenius Medical Care US Finance 2.375% 2031	€375,000	237	0.32
Fresenius SE and Co KGaA 0.375% 2026	\$200,000	167	0.23
GAMMA Sociedade de Titularizacao FRN 2034	\$100,000	78	0.11
General Motors Financial 2.35% 2031	£500,000	316	0.43
Gilead Sciences 2.6% 2040	€275,000	144	0.20
GlaxoSmithKline Capital 1.625% 2035	\$310,000	227	0.31
Golden Bar Securitisation Srl 202 FRN 2044	€100,000	86	0.12
Goldman Sachs 3.102%VRN 2033	€180,000	118	0.16
Goodyear Europe 2.75% 2028	\$100,000	83	0.11
Graphic Packaging International 3.75% 2030	€200,000	137	0.19
Graphic Packaging International 2.625% 01/02/2029	\$140,000	115	0.16
Greenko Power II 4.3% 2028	€200,000	109	0.15
Gruenthal 4.625% 2031	\$100,000	86	0.12
GUSAP III LP 4.25% 2030	\$200,000	141	0.19

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
HCA 2.375% 2031	\$415,000	264	0.36
HCA 3.5% 2051	£150,000	72	0.10
Hermitage 2025 FRN 2033	£131,000	131	0.18
Hermitage FRN 2033	\$250,000	164	0.22
Holcim Finance US LLC 5.4% 2035	£130,000	96	0.13
Hops Hill No 2 FRN 2054	\$200,000	203	0.28
HP 2.65% 2031	\$250,000	161	0.22
HP 3% 2027	\$600,000	427	0.59
HSBC Holdings 6.5%VRN Perp	\$200,000	147	0.20
HSBC Holdings 6.547%VRN 2034	\$200,000	155	0.21
Huntsman International 2.95% 2031	\$367,000	225	0.31
Huntsman International 5.7% 2034	\$13,000	9	0.01
Huntsman International LLC 4.5% 2029	£250,000	173	0.24
Iberdrola Finanzas 4.871%VRN perpetual	€100,000	90	0.12
Iberdrola Finanzas SA 5.25% 2036	€100,000	98	0.13
Iliad 1.875% 2028	€200,000	166	0.23
Iliad 5.375% 2029	€100,000	90	0.12
Infineon Technologies AG 2.875% 2030	€100,000	85	0.12
Informa 3.25% 2030	€400,000	341	0.47
Infrastrutture Wireless Italian 1.625% 2028	€240,000	197	0.27
Infrastrutture Wireless Italiane 1.75% 2031	\$200,000	157	0.22
ING Groep 4.25%VRN Perpetual	€200,000	122	0.17
International Consolidated Airlines 3.75% 2029	€100,000	88	0.12
Intesa Sanpaolo SpA 2.925% 2030	€150,000	125	0.17
IQVIA 2.25% 2029	\$480,000	393	0.54
Iron Mountain 4.5% 2031	\$202,000	140	0.19
Iron Mountain 5.25% 2030	\$54,000	39	0.05
Iron Mountain 6.25% 2033	£44,000	33	0.05
J Sainsbury 5.125% 2030	\$467,000	472	0.65
JPMorgan Chase 4.625%VRN Perpetual	\$110,000	81	0.11
KB Home 4% 2031	\$100,000	68	0.09
KB Home 4.8% 2029	\$100,000	71	0.10
Klabn Austria 3.2% 2031	€200,000	130	0.18
Koninklijke 3.875% 2036	€500,000	429	0.59
Koninklijke KPN NV 3.375% 2035	€200,000	167	0.23
La Banque Postale 3%VRN Perpetual	£200,000	154	0.21
Lanebrook Mortgage Transaction FRN 2058	\$225,000	224	0.31
Levi Strauss 3.5% 2031	\$320,000	214	0.29
Liberty Mutual Group 4.3% 2061	\$180,000	80	0.11

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
LKQ 5.75% 2028	\$150,000	113	0.15
LKQ Corp 6.25% 2033	€150,000	116	0.16
LKQ Dutch Bond 4.125% 2031	£100,000	87	0.12
Lloyds Banking Group 8.5%VRN perpetual	€200,000	210	0.29
Logicor Financing 1.5% 2026	£100,000	85	0.12
London Cards No 2 FRN 2034	€150,000	151	0.21
Lorca Telecom Bondco 4% 2027	\$200,000	171	0.23
Macquarie Bank 3.052%VRN 2036	£400,000	259	0.35
Macys Retail Holdings LLC 6.125% 2032	£150,000	104	0.14
Marks Spencer 3.25% 2027	\$450,000	436	0.60
Marks Spencer 3.75% 2026	\$300,000	298	0.41
Medline Borrower LPMedline 6.25% 2029	\$28,000	21	0.03
Meritage Homes 3.875% 2029	\$280,000	197	0.27
Metropolitan Life Global Funding 2.95% 2030	\$250,000	171	0.23
Micron Technology Inc 5.8% 2035	\$452,000	341	0.47
Millicom International Cellular 4.5% 2031	€200,000	133	0.18
Molina Healthcare 6.25% 2033	€92,000	68	0.09
Mondi Finance 1.625% 2026	€700,000	597	0.82
Mondi Finance 3.75% 2032	\$192,000	167	0.23
Mondi Finance 3.75% 2033	\$298,000	256	0.35
Morgan Stanley 5.297%VRN 2037	£356,000	259	0.35
Morgan Stanley 5.831%VRN 2035	£22,000	17	0.02
Mortimer BTL 2021-1 FRN 2053	£500,000	301	0.41
Mortimer BTL 2023-1 FRN 2056	\$200,000	204	0.28
Mortimer Btl 2023-1 FRN 2056	\$300,000	178	0.24
Mozart Debt Merger 3.875% 2029	£110,000	77	0.11
Muenchener Rueckversicherun 5.875%VRN 2042	€200,000	149	0.20
National Bank of Greece 5.875%VRN 2035	€100,000	91	0.12
National Grid 0.553% 2029	€300,000	232	0.32
NatWest Group 1.043%VRN 2032	\$100,000	82	0.11
NatWest Group 5.125%VRN Perp	\$200,000	196	0.27
Nemak SAB de CV 3.625% 2031	€200,000	121	0.17
Netflix 3.625% 2030	£770,000	682	0.93
Network i2i Ltd 3.975%VRN Perp	£200,000	144	0.20
NewDay Funding FRN 2033	€199,000	199	0.27
NewDay Funding FRN 2031	€100,000	102	0.14
Nexans SA 4.125% 2029	£400,000	351	0.48
Nexi SpA 0% 2028	€100,000	78	0.11
Next 3.625% 2028	€350,000	342	0.47

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
NGG Finance 2.125%VRN 2082	€100,000	84	0.12
Nokia 4.375% 2031	€430,000	384	0.53
Norsk Hydro ASA 3.625% 2032	\$275,000	236	0.32
Norsk Hydro ASA 3.75% 2033	\$140,000	120	0.16
Novelis Corporation 3.25% 2026	\$75,000	54	0.07
Novelis Corporation 3.875% 2031	\$140,000	92	0.13
Nutrien 2.95% 2030	£470,000	319	0.44
NXP BV NXP Funding LLC NXP USA 2.5% 2031	\$300,000	193	0.26
Ocado Group 11% 2030	€100,000	97	0.13
OI European Group 4.75% 2030	\$150,000	105	0.14
Olympus Water US Holding Corporation 5.375% 2029	\$150,000	118	0.16
OneMain Finance Corporation 3.875% 2028	€70,000	49	0.07
Open Text Corp 6.9% 2027	\$200,000	151	0.21
Optics Bidco 2.375% 2027	€100,000	83	0.11
Orbia Advance Corp SAB de CV 6.8% 2030	£200,000	149	0.20
Orsted 1.5%VRN 3021	\$250,000	175	0.24
Orsted 2.125% 2027	€250,000	239	0.33
OwensBrockway Glass Container I 7.375% 2032	£50,000	37	0.05
Pepper Iberia Consumer FRN 2033	€200,000	173	0.24
Phoenix Group Holdings 5.625% 2031	€200,000	197	0.27
Pony Compartment German Auto FRN 2032	\$100,000	87	0.12
Pony SA Compartment German Auto FRN 2032	\$200,000	174	0.24
Post Holdings 4.5% 2031	\$133,000	90	0.12
Post Holdings Inc 6.375% 2033	\$7,000	5	0.01
Prudential 2.95%VRN 2033	\$200,000	136	0.19
PVH 4.625% 2025	€100,000	73	0.10
PVH Corp 5.5% 2030	£278,000	204	0.28
PVH Corporation 3.125% 2027	\$122,000	105	0.14
QBE Insurance Group 2.5%VRN 2038	€100,000	92	0.13
Quikrete Holdings Inc 6.75% 2033	€46,000	35	0.05
Red & Black Auto Germany FRN 2032	€200,000	138	0.19
Red & Black Auto Italy FRN 2034	€100,000	65	0.09
Red & Black Auto Italy FRN 2036	€200,000	172	0.24
Ren Finance 0.5% 2029	€100,000	78	0.11
Ren Finance BV 1.75% 2028	£225,000	188	0.26
Rexel 2.125% 2028	£110,000	91	0.12
Rothsay Life 3.375% 2026	£710,000	700	0.96
Rothsay Life 7.019% 2034	\$200,000	208	0.29
Royal KPN 5% 2026	£100,000	101	0.14



## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
Sally Holdings 6.75% 2032	\$187,000	140	0.19
Santander UK 5.75% 2026	€690,000	697	0.96
Sappi Papier Holding 7.5% 2032	€25,000	19	0.03
SC Germany Compartment Leasing FRN 2032	€200,000	127	0.17
SC Germany SA Compartment Leasing FRN 2032	\$200,000	126	0.17
Schaeffler 4.5% 2030	\$100,000	86	0.12
Seagate HDD Cayman 4.091% 2029	\$283,000	197	0.27
Seagate HDD Cayman 4.125% 2031	\$55,000	37	0.05
Sealed Air Corporation 4% 2027	€380,000	271	0.37
Siemens Financieringsmaatschappij 1.7% 2028	€900,000	619	0.85
SIG Combibloc PurchaseCo Sarl 3.75% 2030	€632,000	550	0.75
Silgan Holdings 2.25% 2028	\$250,000	207	0.28
Sixt SE 3.25% 2030	\$440,000	378	0.52
SK Hynix 1.5% 2026	€200,000	144	0.20
SK Hynix 2.375% 2031	€200,000	129	0.18
Smurfit Kappa Treasury 1% 2033	€510,000	360	0.49
Smurfit Kappa Treasury 1.50% 2027	\$100,000	84	0.12
Societe Generale SA 3.375% VRN 2030	€200,000	172	0.24
Societe Generale SA 8.125% VRN Perp	\$200,000	149	0.20
Solvay 2.5% VRN Perpetual	\$400,000	339	0.46
Sonoco Products Co 5% 2034	€100,000	71	0.10
SPCM 3.375% 2030	\$200,000	135	0.19
SSE 4% VRN Perpetual	\$180,000	156	0.21
Steel Dynamics Inc 3.25% 2031	\$300,000	204	0.28
Stellantis Finance US 2.691% 2031	€400,000	247	0.34
Stora Enso 7.25% 2036	\$100,000	77	0.10
Suez SA 1.25% 2035	\$500,000	345	0.47
Summit Digital Infrastructure 2.875% 2031	€600,000	387	0.53
Suzano Austria 3.125% 2032	\$400,000	257	0.35
TAGUS-Sociedade de Titularizacao FRN 2042	€100,000	86	0.12
Taylor Morrison Communities 5.125% 2030	€367,000	267	0.37
TDC Net 5.186% 2029	€100,000	90	0.12
TDC Net 6.5% 2031	€200,000	190	0.26
Techem Verwaltungsgesellschaft 4.625% 2032	\$173,000	147	0.20
Telefonica Europe 2.376% VRN Perpetual	€100,000	80	0.11
Telenet Finance Luxembourg 5.5% 2028	\$200,000	144	0.20
Telia 0.125% 2030	€300,000	220	0.30
Tenet Healthcare Corporation 4.375% 2030	€200,000	141	0.19
TenneT Holding 2.374% VRN perpetual	\$100,000	86	0.12



## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
Terna Rete Elettrica Nazionale SpA 1% 2028	\$150,000	122	0.17
TerraForm Power Operating 4.75% 2030	\$280,000	196	0.27
Thermo Fisher Scientific 2% 2031	\$52,000	33	0.05
TMobile USA 2.25% 2031	\$850,000	538	0.74
Turk Telekomunikasyon 7.375% 2029	€200,000	149	0.20
UBS Group 4.375%VRN perpetual	£200,000	129	0.18
UniCredit 2.731%VRN 2032	\$225,000	191	0.26
Unilever 1.5% 2026	€410,000	399	0.55
Unilever Capital Corp 2.9% 2027	\$100,000	72	0.10
UnipolSai Assicurazioni 3.875% 2028	€200,000	175	0.24
UPC Broadband Finco 4.875% 2031	€200,000	138	0.19
Verallia 1.875% 2031	€300,000	254	0.35
Verbund 0.9% 2041	£100,000	56	0.08
VF 0.625% 2032	\$300,000	180	0.25
Vmed O2 UK Financing 4.5% 2031	\$350,000	313	0.43
VMware 1.4% 2026	\$625,000	441	0.60
VZ Secured Financing BV 5% 2032	\$210,000	136	0.19
Western Digital 3.1% 2032	\$300,000	194	0.27
Western Digital Corporation 4.75% 2026	€32,000	23	0.03
Whirlpool Corp 6.5% 2033	€104,000	76	0.10
Wizz Air Finance 1% 2026	\$100,000	84	0.12
WPAP Telecom 3.75% 2029	€100,000	85	0.12
XPLR Infrastructure Operating P 8.625% 2033	€84,000	66	0.09
ZF Europe Finance 4.75% 2029	€100,000	81	0.11
ZF Europe Finance BV 7% 2030	\$100,000	86	0.12
ZF Finance 2.25% 2028	€100,000	78	0.11
Zurich Finance Ireland Designat 3% VRN 2051	\$300,000	193	0.26
<b>Derivatives 0.41% (31.12.2024 – 0.35%)</b>			
<b>Credit Default Swaps 0.22% (31.12.2024 – 0.47%)</b>			
Goldman Sachs 1% 20/12/2025	1,230,000	3	—
Morgan Stanley 1% 20/12/2025	950,000	3	—
Morgan Stanley 1% 20/06/2028	320,000	6	0.01
Morgan Stanley 1% 20/06/2028	125,000	1	—
Morgan Stanley 1% 20/06/2028	630,000	9	0.01
Morgan Stanley 1% 20/06/2028	920,000	16	0.03
Morgan Stanley 1% 20/06/2030	130,000	(7)	(0.01)
Morgan Stanley 1% 20/06/2030	150,000	(8)	(0.01)
Morgan Stanley 1% 20/06/2030	70,000	(3)	—

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
Morgan Stanley 1% 20/06/2030	70,000	(1)	—
Morgan Stanley 5% 20/06/2030	350,000	58	0.08
Morgan Stanley 5% 20/06/2030	80,000	13	0.02
Morgan Stanley 5% 20/06/2030	155,000	8	0.01
Morgan Stanley 5% 20/06/2030	260,000	25	0.03
Morgan Stanley 5% 20/06/2030	50,000	5	0.01
Morgan Stanley 5% 20/06/2030	100,000	14	0.02
Morgan Stanley 5% 20/06/2030	100,000	9	0.01
Morgan Stanley 5% 20/06/2030	180,000	10	0.01
Morgan Stanley 5% 20/06/2030	100,000	3	—
<b>Futures (0.17%) (31.12.2024 – 0.30%)</b>			
CBT US 10 Years Note (CBT) September 2025	(79)	(116)	(0.16)
CBT US 5 Years Note (CBT) September 2025	31	(52)	(0.07)
CBT US Ultra Bond (CBT) September 2025	(14)	17	0.02
EUX Euro-Bond Future September 2025	(29)	27	0.04
<b>Options 0.02% (31.12.2024 – 0.06%)</b>			
CDX.NA.HY.44 (5y) Default 06/20/2030			
MLILUK 102	4,900,000	1	—
iTraxx Europe Crossover 43 (5y) Default 06/20/2030			
MSLNUK 5.5	7,000,000	1	—
iTraxx Europe Crossover 43 (5y) Default 06/20/2030			
GSILUK 3.75	2,900,000	1	—
iTraxx Europe Crossover 43 (5y) Default 06/20/2030			
MLILUK 3.25	6,000,000	28	0.04
iTraxx Europe Crossover 43 (5y) Default 06/20/2030			
MLILUK 3.75	(6,000,000)	(15)	(0.02)
iTraxx Europe Crossover 43 (5y) Default 06/20/2030			
GSILUK 0.7	20,000,000	1	—
<b>Forward Foreign Exchange Contracts 0.34% (31.12.2024 – (0.48%))</b>			
GBP Forward Currency Contract 17/09/2025	GBP 22,277,658	(100)	(0.14)
EUR Forward Currency Contract 17/09/2025	(EUR 26,000,000)		
GBP Forward Currency Contract 17/09/2025	GBP38,563,779	345	0.47
USD Forward Currency Contract 17/09/2025	(USD 52,400,000)		
GBP Forward Currency Contract 17/09/2025	GBP2,210,722	23	0.03

## PORTFOLIO STATEMENT

at 30 June 2025 (unaudited)

	Holding	Fair value £'000	% of total net assets
USD Forward Currency Contract 17/09/2025	(USD 3000,000)		
GBP Forward Currency Contract 17/09/2025	GBP147,381	1	—
USD Forward Currency Contract 17/09/2025	(USD 200,000)		
EUR Forward Currency Contract 17/09/ 2025	EUR200,000	—	—
GBP Forward Currency Contract 17/09/2025	(GBP 171,928)		
USD Forward Currency Contract 17/09/2025	USD675,000	(11)	(0.02)
GBP Forward Currency Contract 17/09/2025	(GBP 503,823)		
GBP Forward Currency Contract 17/09/2025	GBP473,169	—	—
EUR Forward Currency Contract 17/09/2025	(EUR 550,000)		
GBP Forward Currency Contract 17/09/2025	GBP85,667	—	—
EUR Forward Currency Contract 17/09/2025	(EUR 100,000)		
GBP Forward Currency Contract 17/09/2025	GBP255,209	—	—
USD Forward Currency Contract 17/09/2025	(USD 350,000)		
<b>INVESTMENT ASSETS</b>		71,672	98.22
<b>NET OTHER ASSETS</b>		1,298	1.78
<b>TOTAL NET ASSETS</b>		72,970	100.00

All investments, except 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.

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

The counterparty for the Futures Contracts is Morgan Stanley.

The counterparties for the Forward Foreign Exchange Contracts are RBC London, Northern Trust and Lloyds Bank.

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

## STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2025 (unaudited)

	Period ended 30.06.2025		Period ended 30.06.2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		632		(130)
Revenue	1,853		1,886	
Expenses	(119)		(114)	
Net revenue before taxation	1,734		1,772	
Taxation	(2)		(3)	
Net revenue after taxation		1,732		1,769
<b>Total return before distributions</b>		<b>2,364</b>		<b>1,639</b>
Distributions		(1,400)		(953)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>964</b>		<b>686</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2025 (unaudited)

	Period ended 30.06.2025		Period ended 30.06.2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		71,862		69,857
Amounts receivable on issue of Shares	983		306	
Amounts payable on cancellation of Shares	(884)		(641)	
		99		(335)
Change in net assets attributable to Shareholders from investment activities		964		686
Retained distributions on Accumulation Shares		45		23
<b>Closing net assets attributable to Shareholders</b>		<b>72,970</b>		<b>70,231</b>

The note on pages 30 to 31 and the distribution tables on page 32 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 June 2024, whereas the opening net assets for the current accounting period commenced on 1 January 2025.

**BALANCE SHEET**

at 30 June 2025 (unaudited)

	30.06.2025		31.12.2024	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Fixed assets:				
Investments		71,985		70,228
Current assets:				
Debtors	815		652	
Cash and bank balances	2,438		2,672	
Total current assets		3,253		3,324
<b>Total assets</b>		<b>75,238</b>		<b>73,552</b>
<b>LIABILITIES</b>				
Investment liabilities		313		560
Creditors:				
Other creditors	567		39	
Bank overdraft	662		628	
Distribution payable on Income Shares	726		463	
Total creditors		1,955		1,130
<b>Total liabilities</b>		<b>2,268</b>		<b>1,690</b>
<b>Net assets attributable to Shareholders</b>		<b>72,970</b>		<b>71,862</b>

The financial statements on pages 28 to 32 have been approved by the Trustee.

Approved on behalf of the Trustee  
9 September 2025

A Brookes, Chair  
CBF Funds Trustee Limited

The note on pages 30 to 31 and the distribution tables on page 32 form part of these financial statements.

## NOTE TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2025 (unaudited)

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared on a basis other than that of a going concern, as a result of the intention to transition the CBF Church of England Short Duration Bond Fund into a new Charity Authorised Investment Fund ('CAIF') in 2026. This basis includes, where applicable, writing the Fund's assets down to net realised value. As of the reporting date, no assets have been written down, and they continue to be reflected at their fair value. No provision has been made for the future cost of terminating the Fund unless such costs were committed at the reporting date. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

The financial statements have been prepared in compliance with FRS 102, the Scheme Information, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

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

The Fund is exempt from preparing a statement of cash flows under FRS 102 and the Church Funds Investment Measures Act 1958 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.

The Manager is currently considering the launch of a Charity Authorised Investment Fund ("CAIF"), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and investor approval. Should this be approved, on completion of the transfer, The CBF Church of England Short Duration Bond Fund would cease operations and be wound up, with the investors' existing holdings in The CBF Church of England Short Duration Bond Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund.

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to investors.

NOTE TO THE FINANCIAL STATEMENTS  
for the half year ended 30 June 2025 (unaudited)

1. Accounting policies (*continued*)

*Basis of preparation (continued)*

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF Funds into the new CAIF Funds in 2026, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024 and are described in those financial statements.

## DISTRIBUTION TABLES

for the half year ended 30 June 2025 (unaudited)

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2025	2024	2025	2024
<b>Income Shares</b>				
31 March	30 May	31 May	1.35	0.90
30 June	29 August	30 August	1.55	1.07
			2.90	1.97

Period ended	Revenue accumulated pence per Share	
	2025	2024
<b>Accumulation Shares</b>		
31 March	5.38	3.49
30 June	6.27	4.19
	11.65	7.68



## 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 Church Funds Investment Measure 1958 (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 Church Funds Investment Measure 1958 and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 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 Church Funds Investment Measure 1958 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 Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective Shares in the property of the Fund; 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.

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**STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES****Preparation of financial statements**

The Trustee of the Fund is required, by the Church Funds Investment Measure 1958, 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 year, 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 Church Funds Investment Measure 1958. 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;

- make judgements 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 Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Church Funds Investment Measure 1958.

**Manager responsibilities**

The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 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  
O Home  
C Johnson  
A Milligan\*  
M Orr\*  
D Rees\*  
*\* Members of the Audit Committee*

### Manager and Registrar

CCLA Investment Management Limited  
Registered Office Address:  
One Angel Lane  
London  
EC4R 3AB  
Telephone: 0207 489 6000  
Client Service:  
Freephone: 0800 022 3505  
Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://www.ccla.co.uk)  
*Authorised and regulated by the Financial Conduct Authority*

### Sub-Investment Manager

Hermes Investment Management Limited  
150 Cheapside  
London  
EC2V 6ET

### Transfer Agent

FNZ TA Services Limited  
7th Floor, 2 Redman Place  
London  
E20 1JQ  
*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

CCLA Investment Management Limited

### Company Secretary

M Mochalska  
J Fox (retired 31 March 2025)

### 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

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Founded in 1958, CCLA is the largest fund manager for charities in the UK based on the number of charities invested with us. 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 means we must provide a supportive and stable environment for our staff, and deliver trusted, responsibly managed products and services to our clients, irrespective of their size.



**CCLA Investment Management Limited**  
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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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