

COIF CHARITIES INVESTMENT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 December 2023

CCLA

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*Collectively, these comprise the Manager's Report.

**Audited.

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 Annual Report and Financial Statements are available in large print and audio formats.

REPORT OF THE BOARD

for the year ended 31 December 2023

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

Structure and management of the Fund

The Fund is a Common Investment Fund established in 1962 and is now regulated by the Scheme dated 14 May 2008 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, 5 December 2015 and 15 May 2017 (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 and charities. 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 COIF Board appoints the Manager who is responsible for all the investment management and administration services in relation to the Fund including the day to day management of the Fund. The Manager is also responsible for the risk management of the Fund.

The Investment Manager has been appointed by the Manager to provide portfolio management, administrative and secretarial services to the Fund under the Investment Management Agreement. The Board meets at least four times per annum to receive reports and monitor the progress of the Fund. During 2023 the operational independence of CCLA Fund Managers Limited was enhanced.

As at 31 December 2023, the Fund owns 22.37% of the ordinary share capital of the Manager's parent company, CCLA Investment Management Limited, a proportion of which are non-voting shares.

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

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.

REPORT OF THE BOARD**for the year ended 31 December 2023**

From 20 November 2023, CCLA appointed FNZ TA Services Limited (FNZ) as its transfer agent. As transfer agent, FNZ now process all transactions in units of the fund, record changes to client static information on behalf of CCLA and facilitate the payment of income distributions.

As part of the outsourcing arrangement, a number of changes were made to the Fund, including:

- change in dealing frequency, from weekly to daily.
- changes to the valuation point and dealing deadline to receive dealing instructions.
- Change to pricing mechanism, from dual priced (bid/offer) to single 'swing' pricing for both buy and sell instructions.

Investment objective

The Fund aims to provide a long-term total return comprising growth in capital and income.

Target Benchmark

A long-term total return before costs of 5% per annum net of inflation as measured by the increase in the Consumer Price Index.

Investment policy

The Fund is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. It will have an emphasis on equities, but will also include property, bonds and other asset classes.

Distribution policy

The Fund has the capacity to make distributions from both income and capital. The annual rate of distribution is approved by the Board in discussions with the Manager.

In addition, if a distribution made in relation to any Income Units remains unclaimed over the subsequent three accounting periods for which distributions are made for those Units, the Manager may, at its discretion, re-invest that distribution. If a distribution made in relation to any Income Units remains unclaimed for a period of six years after it has become due, it may be forfeited and will revert to the Fund.

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 five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise. 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 year ended 31 December 2023

Review of investment activities and policies of the Fund

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

The Board evaluates the capability of the Manager (CCLA Fund Managers Limited) and is carefully monitoring its performance, resources and structure.

Responsible investment and stewardship

The Fund is also managed in accordance with the Investment Manager's responsible investment policy and takes a positive approach to stewardship as defined in the UK Stewardship Code for institutional investors. The Investment Manager's response to this code and its voting and engagement records are available on its website (www.ccla.co.uk). The Investment

Manager is also a signatory to the United Nations backed Principles for Responsible Investment (PRI). The annual PRI assessment is available on the Investment Manager's website. The Fund will take an active policy with regard to corporate actions and voting as required.

Over the reporting year the Fund's approach to stewardship has benefited from the Investment Manager's wider active ownership programme. This includes, but is not limited to, the CCLA Corporate Mental Health Benchmark and Modern Slavery Benchmark and Find It, Fix It, Prevent It (a campaign against modern slavery) alongside wider engagement on issues such as climate change and the cost of living.

Ethical investment

The Board's main purpose is to obtain the best return for Unitholders, consistent with commercial prudence and the need to ensure diversification of assets.

The Board has adopted ethical investment guidelines based on underlying client priorities arising from client surveys undertaken by the Manager. The Fund prohibits investment in companies that have been identified by our third-party data provider (MSCI), as being involved in:

- producing landmines, cluster bombs or chemical/biological weapons;
- producing tobacco products;
- deriving significant (>10%) revenues from online gambling or the production of pornography.

REPORT OF THE BOARD

for the year ended 31 December 2023

Companies that have not responded to persistent engagement on compliance with:

- The ILO Core Labour Standards;
- The UN Guiding Principles on Business and Human Rights; and
- Norms relating to Biodiversity, Toxic Waste and Climate Change disclosure;

are also restricted from investment.

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.

Possible Future Developments

The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on Page 3 of this Annual Report, to a Charities 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. The matter remains under active discussion and any recommendation to change designation will only be advised by the Board in consideration of the best interests of the existing unitholders. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change.

In due course, should a formal decision be made by the Board to recommend that the existing assets should transition from a CIF to a CAIF, this will be communicated to unitholders, the reasoning of the Board will be laid out in detail and all Trustees will be asked to approve the proposal, probably during 2025. The timetable is still to be determined following the completion of Board due diligence, together with regulatory and Trustee approvals.

Should this be approved, on completion of the transfer, the COIF Charities Investment Fund would cease operations and be wound up, with the investors' existing holdings in the existing CIF being replaced with their equivalent in the new CAIF. These events and circumstances therefore represent a material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern.

REPORT OF THE BOARD**for the year ended 31 December 2023****Going Concern**

Notwithstanding the material uncertainty explained above, the Board, having made appropriate enquiries and considered the ability of the Fund to meet its ongoing liabilities, has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has considered that the proposal is contingent on investor consultation and Trustee approval and that the Fund remains a going concern in all other respects.

At this juncture, the Board would like to stress that any costs associated with a transition are expected to be de minimis and that the Board will work with the Manager to ensure this occurs in practice.

N Morecroft
Chair
18 June 2024

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2023

Strategy

To target its aim of maintaining investors' real long term spending power the portfolio has a structural bias to real assets. These are investments that are expected to achieve returns by participating in real economic activity, as opposed to 'loan' assets like bonds and cash. Global listed equities (company shares) make up the major part of the portfolio, and the emphasis is on good quality companies with high

standards of governance and growth prospects that are not dependent on trends in the broad economy. Other portfolio assets may include UK commercial property, government and non-government bonds, private equity and infrastructure. Infrastructure assets are those which support social and economic activity, such as clean power generation, health and public service facilities, transport and social housing.

Annualised total capital and income return

To 31 December 2023	1 year % p.a.	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)			
COIF Charities Investment Fund			
Income Units*	12.36	9.89	9.04
Accumulation Units*	12.37	9.90	9.06
Target Benchmark ⁺	8.93	9.30	7.87
Comparator benchmark	13.30	7.72	7.01
MSCI UK Investable Market Index	7.96	6.34	5.04
MSCI World ex UK	17.21	13.11	11.93
iBoxx £ Gilts	3.62	-3.00	1.15
MSCI UK Monthly Property	-0.14	1.70	6.15
Consumer Price Index (CPI)	3.93	4.30	2.87

⁺ Target benchmark – Consumer Price Index (CPI) plus 5%.

* Mid to mid plus income re-invested.

Source: CCLA.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

Performance

The Fund's total return target benchmark of CPI+5% (before fees) is a long-term objective and returns in any one period may be significantly higher or lower than that level, as inflation and investment market returns vary through the economic cycle. To aid investors' understanding of the portfolio's performance in different market conditions, we report the Fund's returns in each reporting period against those of the comparator benchmark which is detailed on page 8. Over the 12-month period under review the Fund's total return was 12.4% on the Income Units and 12.4% on the Accumulation Units (after costs and expenses). This compares with a return of 13.3% on the comparator benchmark.

The Fund is actively managed and it is common for performance to be either above or below that of the comparator benchmark over any given reporting period. It is also common for there to be both positive and negative contributing factors to these differences. Over the period under review the principal negative factor was asset allocation. The Fund's weighting to equities, which was the strongest-performing of the major asset classes over the year, was slightly below that of the comparator benchmark; while returns from infrastructure and operating assets, which feature significantly in the Fund's portfolio but are not represented in the comparator, were relatively modest. Conversely the fund held a lower allocation to

fixed interest assets (bonds) than the comparator weighting, which was positive for relative returns as bonds were one of the weaker asset classes over the year.

In terms of asset selection, both positive and negative contributors resulted in overall returns from the Fund's equity holdings (company shares) which were much in line with the equity market as a whole. One key negative factor was related to the remarkable pattern of global market returns. These were narrowly concentrated in exceptional gains for a handful of US 'big tech' stocks which make up a high proportion of the market's overall value. The Fund's equity portfolio is well diversified across many companies and we avoid over-reliance on any individual holding, however favourably we regard its prospects. Hence, although some of these information technology stocks were held in the portfolio, the Fund did not fully participate in the gains seen at the market level. Countering this were better-than-market returns in healthcare, industrials and financials; while the fund's avoidance of traditional energy stocks (oil & gas companies) was another positive contributor over the period.

Economic and Market Review

Equity markets remained volatile during 2023 but made considerable progress over the period as a whole. Shifts in sentiment were most often driven by changing investor expectations for the direction of monetary policy.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

For example shares rallied in the early weeks of the year in response to declining inflation rates and reports of weakening economic growth, leading investors to anticipate that the major central banks would be able to soften their approach in setting interest rates. The mood promptly reversed when central bankers signalled that they regarded the fight against inflation as having some way to go, and that further rate hikes could still be to come. Higher and especially rising interest rates are generally detrimental to asset valuations, so equity markets retreated in response.

In the event interest rates set by the major western central banks (the US Federal Reserve, the European Central Bank and the Bank of England) peaked over the course of the summer, although monetary policy leaders remained keen to impress upon markets that rates could remain 'higher for longer' because persistent pressure to curb demand would be required to squeeze inflation out of the system. Such messaging, coupled with a degree of uncertainty about the possible impact on the world economy of the sudden escalation of tensions in the Middle East, led to a setback for equity markets in the early autumn.

As the year drew to a close, however, markets benefited from mounting optimism that inflation could come back down to policy makers' target levels without a severe economic recession being triggered and that interest rate cuts could be on the horizon for 2024.

Away from equities, fixed income markets were much less turbulent than in the previous year. Bond prices move in the opposite direction from yields and many investors had suffered savage losses during 2022, when valuations declined sharply as central banks hiked policy interest rates. Bond market fortunes are driven significantly by investors' expectations for the future direction of monetary policy and over the course of 2023 markets advanced and reversed at different times in response to emerging economic data and commentary from central bankers. In the closing weeks of the year investors' rising optimism about the prospect of policy easing brought bond yields down and left total returns for fixed income markets as a whole in modestly positive territory over the year.

The higher yield environment continued to depress valuations among some alternative assets, such as some infrastructure and contractual income vehicles. The UK commercial property sector also remained under pressure with very low transaction volumes and modest declines in capital values, but was much steadier than during the savage devaluation experienced in late 2022, with only modest declines in capital values over the course of 2023. Continued resilience in occupier markets and income flows went some way to offsetting the pullback in valuations and total returns from property were only slightly negative for the year.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2023

There were some brighter spots elsewhere among alternative assets, notably in private equity. Many unlisted vehicles had been subject to heavy discounting as yields rose in 2022. Over the course of 2023 it became clear that in many cases the underlying businesses held in private equity funds remained strong and a resurgence in investor confidence helped valuations in the unlisted market to stage a marked recovery.

Outlook

Global economic growth is likely to take some time to recover from the post-pandemic inflation shock and the rapid tightening of monetary policy that came in response. Inflation has declined sharply from its 2022 highs and the peak of the interest rate cycle now looks to be behind us, but we should not expect a return to the pre-pandemic conditions of very low inflation and interest rates.

The onset of rate cuts, which are widely expected to commence during 2024, could support a positive trend for the market as a whole – especially if the major economies can continue to avoid a meaningful recession, as now seems the most likely scenario. However there is always the potential for geopolitical developments, whether the elections taking place this year in many large economies or less predictable but sometimes shocking escalations of international tension, to unsettle markets. In any event, now that we have

left behind the era of ultra-loose monetary policy and the support that it provided for asset prices, markets are likely to remain volatile for the foreseeable future.

We can expect to see continued divergence between sectors and individual stocks as investors digest the prospects for different businesses in this environment of higher inflation and higher yields. We find that some companies are better able than others to raise their own prices and thus protect revenues, and to control costs to support net earnings.

For alternative assets such as property and infrastructure, a sustained recovery in valuations may have to wait until monetary policy easing is well underway and there has been a significant decline in policy interest rates. In the meantime, provided the major economies continue to avoid a major slowdown in economic activity, it is reasonable to expect that the income stream which is often a key attraction for long-term investors in these sectors can continue contributed meaningfully to total returns.

C Ryland
Head of Investment
CCLA Investment Management Limited
18 June 2024

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2023

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
UK Treasury 4.5% 2042	103,096	UK Treasury 4.25% 2032	85,683
UK Treasury 3.25% 2044	102,834	UK Treasury 0.875% 2033	41,763
COIF Short Duration Bond Fund	67,666	Unilever	32,181
Federated Hermes Sustainable		UK Treasury 1% 2032	28,052
Global Investment Grade Credit Fund	33,258	Roche Holdings	27,134
Alexandria Real Estate Equities	27,076	Verisk Analytics	23,948
Tradeweb Markets	25,000	The Walt Disney Company	22,768
Trane Technologies	23,907	Assa Abloy	22,520
Deere & Company	20,619	Amadeus IT Group	20,832
Avantor	19,239	Merck & Co	20,642
Humana	18,014		

When a stock has both purchases and sales in the year, 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	—
AA	100
A	—
BBB	—
Non investment grade	—
Not rated (Debentures/Preference Shares)	—

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 long-term investment and are not suitable for money liable to be spent in the near future. Units are realisable on each dealing day only.

This Fund may invest in emerging market countries which could be subject to political and economic change.

The Fund may invest in collective investment schemes and other assets which may be illiquid. These include limited partnerships and other unquoted investments. The Fund may also invest in the COIF Charities Property Fund, which invests directly in property and property related assets which are valued by an independent valuer and as such are open to substantial subjectivity. The performance of this fund may be adversely affected by a downturn in the property market which could impact on the capital and/or income value of the Fund.

REPORT OF THE DEPOSITARY
for the year ended 31 December 2023

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Scheme Particulars of the Company and as required by the AIFMD.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
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
18 June 2024

INDEPENDENT AUDITOR'S REPORT to the Board of the COIF Charities Investment Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The COIF Charities Investment Fund ('the Fund'):

- give a true and fair view of the financial position of the Fund as at 31st December 2023 and of the net revenue and the net capital loss on the property of the Fund for the year ended 31st December 2023;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Alternative Investment Fund Managers Directive (AIFMD).

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution tables
- the summary of significant accounting policies, judgements and estimates applicable to all sub-funds and individual notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT to the Board of the COIF Charities Investment Fund

Material uncertainty related to going concern

We draw attention to note 1[a] in the financial statements, which indicates that the COIF Board, in conjunction with the Manager is currently considering moving from a Common Investment Fund (CIF) to 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 would be transferred. Any such change of structure and transfer would be communicated to unitholders and require Trustee approval. The timetable is still to be determined following the completion of Board due diligence, together with regulatory and Trustee approvals. Should this be approved, on completion of the transfer the Fund would cease operations and be wound up. As stated in note 1[a], these events or conditions, along with the other matters as set forth in note 1[a], indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Board and Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT to the Board of the COIF Charities Investment Fund

Responsibilities of Board and Manager

As explained more fully in the Board's responsibilities statement and the Manager's responsibilities statement, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Board about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

INDEPENDENT AUDITOR'S REPORT to the Board of the COIF Charities Investment Fund

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including relevant internal specialists such as IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-funds. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Charity Commission.

INDEPENDENT AUDITOR'S REPORT
to the Board of the COIF Charities Investment Fund

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Board's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Fund's Board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Fund's Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
18 June 2024

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

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 Investment Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

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

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 Particulars, which is available on CCLA's website or by request.

COMPARATIVE TABLE

Change in net assets per Unit

	Income Units		
	Year to 31.12.2023 pence per Unit	Year to 31.12.2022 pence per Unit	Year to 31.12.2021 pence per Unit
Opening net asset value per Unit	1,815.44	2,054.47	1,798.24
Return before operating charges*	234.63	(171.75)	323.68
Operating charges***	(12.83)	(12.80)	(14.04)
Return after operating charges*	221.80	(184.55)	309.64
Distributions on Income Units	(54.48)	(54.48)	(53.41)
Closing net asset value per Unit	1,982.76	1,815.44	2,054.47
* after direct transaction costs of:	0.33	0.64	0.81

Performance

Return after charges	12.22%	(8.98%)	17.22%
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Other information

Closing net asset value (£'000)	2,924,220	2,542,122	2,826,712
Closing number of Units	147,482,583	140,028,101	137,588,361
Operating charges**	0.88%	0.86%	0.73%
Direct transaction costs	0.02%	0.03%	0.04%

Prices (pence per Unit)

Highest Unit price	1,995.39	2,055.53	2,089.39
Lowest Unit price	1,784.01	1,770.39	1,747.29

The highest prices prior to 20 November 2023 are offer and lowest prices prior to 20 November 2023 are bid.

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 year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2023 and 31 December 2022 include synthetic costs of 0.20% and 0.19% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

*** Operating charges includes VAT reclaims received during the year.

COMPARATIVE TABLE

Change in net assets per Unit

	Accumulation Units		
	Year to 31.12.2023 pence per Unit	Year to 31.12.2022 pence per Unit	Year to 31.12.2021 pence per Unit
Opening net asset value per Unit	22,045.00	24,226.63	20,627.04
Return before operating charges*	2,889.52	(2,029.66)	3,762.25
Operating charges***	(156.17)	(151.97)	(162.66)
Return after operating charges*	2,733.35	(2,181.63)	3,599.59
Distributions on Accumulation Units	(524.36)	(446.86)	(360.22)
Retained distributions on Accumulation Units	524.36	446.86	360.22
Closing net asset value per Unit	24,778.35	22,045.00	24,226.63

* after direct transaction costs of: 4.05 7.61 9.39

Performance

Return after charges 12.40% (9.01%) 17.45%

Other information

Closing net asset value (£'000)	707,267	698,929	841,929
Closing number of Units	2,854,374	3,170,464	3,475,223
Operating charges**	0.88%	0.86%	0.73%
Direct transaction costs	0.02%	0.03%	0.04%

Prices (pence per Unit)

Highest Unit price	24,800.03	24,239.07	24,477.59
Lowest Unit price	22,140.95	21,021.94	20,042.59

The highest prices prior to 20 November 2023 are offer and lowest prices prior to 20 November 2023 are bid.

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 year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2023 and 31 December 2022 include synthetic costs of 0.20% and 0.19% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

*** Operating charges includes VAT reclaims received during the year.

OPERATING CHARGES ANALYSIS

for the year ended 31 December 2023

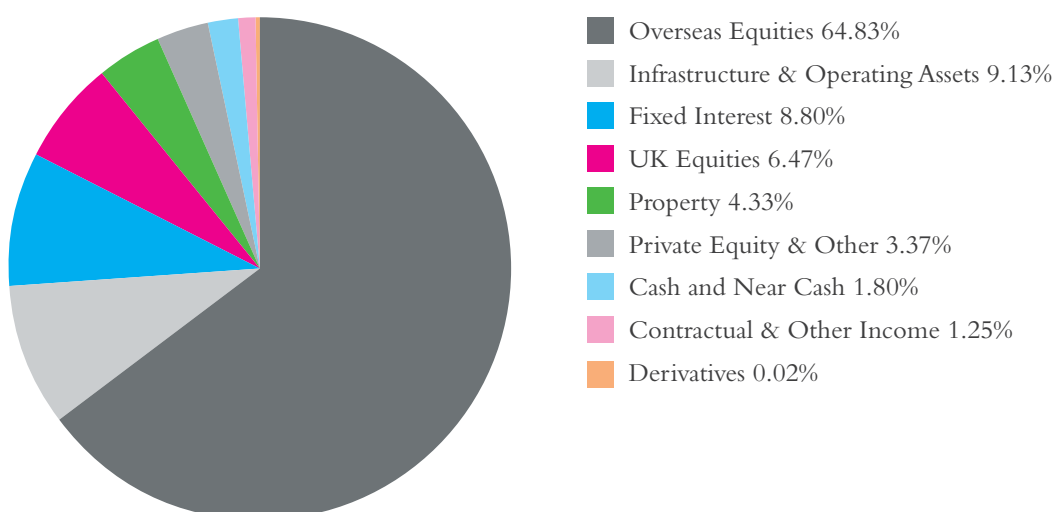
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges which are shown below as a percentage of average net assets of the Fund. The share of the Manager's annual management charge of the CCLA ACS – Diversified Income Fund does not form part of the total operating charges because they are offset by the rebates included in note 2. The Fund fully divested in the Diversified Income Fund on 20 May 2021.

	31.12.2023	31.12.2022
	%	%
Manager's annual management charge including VAT	0.66	0.65
Safe custody fees and depositary fee	0.01	0.01
Other expenses	0.01	0.01
Total operating charges	0.68	0.67

PORTFOLIO ANALYSIS

at 31 December 2023

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	46.75%
Developed Europe	13.21%
Asia Pacific ex Japan	3.00%
Other	1.00%
Japan	0.87%
	64.83%

Breakdown of Equities by Sector

Information Technology	17.89%
Health Care	13.60%
Financials	12.39%
Industrials	9.92%
Consumer Staples	7.32%
Consumer Discretionary	5.77%
Communication Services	2.31%
Real Estate	1.61%
Utilities	0.49%
	71.30%

The portfolio analyses above differ from the following portfolio statement because: (i) prices used here are mid-market, rather than bid; and (ii) allocations are adjusted on a “look through” basis in respect of cross holdings in other CCLA funds (i.e. such funds are shown in a single category in the portfolio statement, but are analysed by their underlying holdings on this page).

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM 6.22% (31.12.2022 – 8.95%)			
Consumer Discretionary 0.89% (31.12.2022 – 0.59%)			
InterContinental Hotels Group	453,170	32,238	0.89
Consumer Staples 0.75% (31.12.2022 – 2.01%)			
Diageo	953,419	27,287	0.75
Financials 1.43% (31.12.2022 – 1.42%)			
London Stock Exchange Group	404,804	37,606	1.04
Prudential	1,602,326	14,174	0.39
Health Care 0.87% (31.12.2022 – 0.93%)			
AstraZeneca	299,601	31,680	0.87
Industrials 2.28% (31.12.2022 – 1.69%)			
Experian	1,373,408	44,004	1.21
RELX	1,249,967	38,849	1.07
Real Estate 0.00% (31.12.2022 – 2.31%)			
OVERSEAS EQUITIES 65.22% (31.12.2022 – 59.60%)			
DEVELOPED EUROPE 12.72% (31.12.2022 – 13.74%)			
Communication Services 0.98% (31.12.2022 – 0.88%)			
Universal Music Group	1,586,815	35,649	0.98
Consumer Discretionary 0.93% (31.12.2022 – 0.99%)			
LVMH Möet Hennessy Louis Vuitton	52,486	33,559	0.92
Consumer Staples 3.94% (31.12.2022 – 4.33%)			
Heineken	379,284	30,227	0.83
Kerry Group	374,563	25,574	0.70
L'Oréal	68,881	27,029	0.75
Nestlé	369,845	33,709	0.93
Pernod Ricard	191,822	26,665	0.73
Financials 1.50% (31.12.2022 – 1.19%)			
Deutsche Boerse	152,852	24,662	0.68
Partners Group	26,105	29,805	0.82

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Health Care 1.71% (31.12.2022 – 2.95%)			
Essilor International	209,005	32,976	0.91
Novo Nordisk	355,925	29,002	0.80
Industrials 1.65% (31.12.2022 – 1.82%)			
Schneider	182,890	28,944	0.80
Wolters Kluwer	274,823	30,763	0.85
Information Technology 2.01% (31.12.2022 – 1.58%)			
ASML Holding	56,680	33,787	0.93
Hexagon	4,109,075	39,150	1.08
Utilities 0.35% (31.12.2022 – 0.00%)			
NORTH AMERICA 44.82% (31.12.2022 – 38.38%)			
Communication Services 1.24% (31.12.2022 – 1.50%)			
Alphabet C	405,302	44,930	1.24
Consumer Discretionary 3.73% (31.12.2022 – 2.89%)			
Amazon.com	424,738	51,100	1.41
McDonald's	98,731	22,922	0.63
Nike B	344,597	29,427	0.81
Starbucks	425,030	31,987	0.88
Consumer Staples 2.38% (31.12.2022 – 1.95%)			
Costco Wholesale	42,252	21,982	0.61
Estee Lauder	192,377	22,281	0.61
PepsiCo	174,567	23,198	0.64
The Coca-Cola Company	413,270	19,053	0.52
Financials 7.12% (31.12.2022 – 4.93%)			
CME Group	181,451	30,047	0.83
Intercontinental Exchange Group	433,994	43,789	1.20
Marsh & McLennan	115,140	17,055	0.47
MasterCard	95,179	31,855	0.88
S&P Global	120,384	41,758	1.15
The Blackstone Group	225,781	23,583	0.65
Tradeweb Markets	418,297	29,659	0.82
Visa A	198,890	40,635	1.12

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Health Care 10.44% (31.12.2022 – 10.69%)			
Abbott Laboratories	414,376	35,893	0.99
Agilent Technologies	263,823	28,950	0.80
Avantor	1,130,986	20,471	0.56
Danaher	181,071	33,138	0.91
Edwards Lifesciences	507,274	30,535	0.84
Humana	104,781	37,456	1.03
ICON	184,233	41,278	1.14
Illumina	75,989	8,474	0.23
Stryker	129,638	30,435	0.84
Thermo Fisher Scientific	92,946	38,905	1.07
UnitedHealth Group	99,071	40,814	1.13
Zoetis	211,810	32,783	0.90
Industrials 5.61% (31.12.2022 – 4.48%)			
Ametek	172,825	22,386	0.62
Deere & Company	70,316	22,040	0.61
Honeywell International	110,400	18,120	0.50
IDEX	139,726	23,809	0.66
Ingersoll Rand	459,334	28,038	0.77
Trane Technologies	167,720	32,099	0.88
TransUnion	684,101	37,158	1.02
Union Pacific	104,440	20,169	0.55
Information Technology 12.25% (31.12.2022 – 10.74%)			
Accenture	104,316	28,785	0.79
Adobe	84,075	39,298	1.08
Ansys	158,493	45,002	1.24
Broadcom	33,428	29,422	0.81
Fortinet	299,392	13,951	0.39
Intuit	82,797	40,797	1.12
Microsoft	239,796	70,600	1.95
Nvidia	49,652	19,290	0.53
NXP Semiconductors	207,399	37,600	1.04
Roper Technologies	83,691	35,846	0.99
ServiceNow	51,476	28,382	0.78
Synopsys	87,088	35,332	0.97
Texas Instruments	151,551	20,418	0.56

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Real Estate 1.58% (31.12.2022 – 0.55%)			
Alexandria Real Estate Equities	277,254	28,038	0.77
American Tower	172,750	29,447	0.81
Utilities 0.47% (31.12.2022 – 0.65%)			
NextEra Energy	358,073	17,149	0.47
JAPAN 0.84% (31.12.2022 – 0.69%)			
Information Technology 0.84% (31.12.2022 – 0.69%)			
Keyence	88,600	30,444	0.84
ASIA PACIFIC EX JAPAN 2.87% (31.12.2022 – 2.98%)			
Financials 1.81% (31.12.2022 – 2.22%)			
AIA Group	4,686,400	32,031	0.88
HDFC Bank	641,471	33,836	0.93
Information Technology 1.06% (31.12.2022 – 0.76%)			
Taiwan Semiconductor Manufacturing Company	2,547,000	38,632	1.06
MULTI GEOGRAPHY 3.01% (31.12.2022 – 2.96%)			
Pooled Funds 3.01% (31.12.2022 – 2.96%)			
COIF Charities Global Equity Fund Units*	39,100,405	109,106	3.01
OTHER 0.96% (31.12.2022 – 0.85%)			
Information Technology 0.96% (31.12.2022 – 0.85%)			
Nice	220,333	34,751	0.96
PRIVATE EQUITY & OTHER 3.36%			
(31.12.2022 – 2.65%)			
CCLA Shares 0.51% (31.12.2022 – 0.63%)			
CCLA Investment Management – Ordinary Non Voting**	2,600,000	8,918	0.24
CCLA Investment Management – Ordinary Shares**	2,816,700	9,661	0.27
Other 0.00% (31.12.2022 – 0.08%)			

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
Private Equity 2.85% (31.12.2022 – 1.94%)			
Blackstone Capital Parters Asia**	1	18,809	0.52
Columbia Threadneedle Private Equity Trust	1,936,646	8,947	0.25
Cambridge Innovation Capital II	1	2,285	0.06
HG Capital Trust	3,852,038	16,487	0.45
NB Private Equity Partners A	653,383	10,689	0.30
Pantheon International	5,208,921	16,096	0.44
Princess Private Equity Holding	1,468,148	13,142	0.36
Rubicon Partners**	1	16,995	0.47
INFRASTRUCTURE & OPERATING 9.12%			
(31.12.2022 – 8.42%)			
Clean Growth Investment Management LLP 0.16%			
(31.12.2022 – 0.00%)			
Clean Growth Fund**	1	5,898	0.16
Energy Resources & Environment 3.61%			
(31.12.2022 – 3.23%)			
Aquila European Renewables Income Fund	3,966,394	2,672	0.07
Bluefield Solar Income Fund	11,061,791	12,987	0.36
Brookfield Renewable Partners	857,084	17,639	0.49
Clean Energy and Environment Fund**	1	12,888	0.35
Foresight Solar Fund	7,537,880	7,674	0.21
Greencoat Renewables	13,601,309	11,892	0.33
Greencoat UK Wind	19,105,745	28,831	0.79
NextPower III**	1	10,755	0.30
SDCL Energy Efficiency Income Trust	17,318,926	11,327	0.31
The Forest Company**	557,164	1,443	0.04
The Renewables Infrastructure Group	8,560,641	9,708	0.27
US Solar Fund	7,949,239	3,243	0.09

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
General 4.23% (31.12.2022 – 4.47%)			
Brookfield Infrastructure Partners	949,004	23,432	0.64
Infracapital Partners III**	1	38,076	1.05
International Public Partnership	8,547,531	11,659	0.32
KKR Global Infrastructure Investors III**	1	26,439	0.73
Macquarie Korea Infrastructure Fund	2,885,374	21,635	0.60
Pan-European Infrastructure Fund I**	1	6,808	0.19
Pan-European Infrastructure Fund II**	1	12,416	0.34
Strategic Partners Offshore Real Assets – Infrastructure II**	1	13,278	0.36
Social 1.12% (31.12.2022 – 0.72%)			
Assura	33,077,038	16,023	0.44
Empiric Student Property	11,063,751	10,411	0.29
European Student Housing Fund**	1	4,759	0.13
HICL Infrastructure	13,423	19	–
KMG Wren Retirement Fund**	8,102	6,018	0.17
Target Healthcare REIT	3,900,934	3,308	0.09
PROPERTY 4.29% (31.12.2022 – 3.21%)			
Aberdeen Standard European Logistics Income	2,958,034	1,784	0.05
COIF Charities Property Fund Income Units*	87,745,739	90,194	2.48
PRS REIT	9,087,418	7,815	0.22
Segro REIT	2,507,095	22,293	0.61
Tritax Big Box REIT	14,988,076	25,270	0.70
Tritax Eurobox REIT	14,206,153	8,538	0.23
CONTRACTUAL & OTHER INCOME 1.25% (31.12.2022 – 2.09%)			
Ares Capital	511,065	8,048	0.22
GCP Asset Backed Income Fund	11,889,247	7,776	0.21
Hipgnosis Songs Fund	22,267,686	15,944	0.44
KKR Mezzanine Partners I**	1	2,428	0.07
KKR Private Credit Opportunities Partners II**	1	3,182	0.09
RM Infrastructure Income Fund	4,423,926	3,207	0.09
Social and Sustainable Housing**	1	4,780	0.13

PORTFOLIO STATEMENT

at 31 December 2023

	Holding	Fair value £'000	% of total net assets
FIXED INTEREST 8.80% (31.12.2022 – 7.39%)			
Government Bonds 5.94% (31.12.2022 – 4.93%)			
UK Treasury 3.25% 2044	£123,186,000	108,301	2.98
UK Treasury 4.5% 2042	£102,087,000	107,465	2.96
Funds 1.93% (31.12.2022 – 0.00%)			
COIF Charities Short Duration Bond Fund*	£57,347,782	70,146	1.93
Non-Government Bonds 0.93% (31.12.2022 – 0.00%)			
Federated Hermes Sustainable Global Investment Grade Credit Fund	£33,264,983	33,910	0.93
CASH & NEAR CASH 0.50% (31.12.2022 – 2.46%)			
Nordea Bank 5.3% CD 28/04/2023 – 26/04/2024	£9,000,000	8,998	0.25
Skandinav Enskilda 5.85% CD 01/06/2023 – 03/06/2024	£9,000,000	9,014	0.25
INVESTMENT ASSETS		3,586,068	98.75
NET OTHER ASSETS		45,419	1.25
TOTAL NET ASSETS		3,631,487	100.00

All investments are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

* The COIF Charities Global Equity Fund, COIF Charities Short Duration Bond Fund and COIF Charities Property Fund are managed by the Manager and represent related party transactions.

** Unquoted investments. CCLA Investment Management is a related party.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2023

	Note	Year ended 31.12.2023		Year ended 31.12.2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		347,438		(375,260)
Revenue	3	79,983		70,941	
Expenses	4	(23,108)		(22,952)	
Interest payable and similar charges		(15)		(2)	
Net revenue before taxation		56,860		47,987	
Taxation	5	(1,549)		(2,382)	
Net revenue after taxation			55,311		45,605
Total return/(deficit) before distributions			402,749		(329,655)
Distributions	6		(94,293)		(91,057)
Change in net assets attributable to Unitholders from investment activities			308,456		(420,712)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 December 2023

	Year ended 31.12.2023		Year ended 31.12.2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Unitholders		3,241,051		3,668,641
Amounts receivable on issue of Units	174,605		162,739	
Amounts payable on cancellation of Units	(107,426)		(189,054)	
In-specie transactions	–		4,800	
		67,179		(21,515)
Change in net assets attributable to Unitholders from investment activities		308,456		(420,712)
Retained distributions on Accumulation Units		14,801		14,637
Closing net assets attributable to Unitholders		3,631,487		3,241,051

The notes on pages 33 to 52 and distribution tables on page 53 form part of these financial statements.

BALANCE SHEET
at 31 December 2023

	<i>Note</i>	31.12.2023		31.12.2022	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			3,586,068		2,991,871
Current assets:					
Debtors	7	12,145		10,098	
Cash equivalents	8	42,971		218,518	
Cash and bank balances	8	13,164		42,149	
Total current assets			68,280		270,765
Total assets			3,654,348		3,262,636
LIABILITIES					
Creditors:					
Other creditors	9	2,612		2,359	
Distribution payable on Income Units		20,249		19,226	
Total liabilities			22,861		21,585
Net assets attributable to Unitholders			3,631,487		3,241,051

The financial statements on pages 31 to 52 have been approved and authorised for issue by the Board.

Approved on behalf of the Board
18 June 2024

N Morecroft, Chair

The notes on pages 33 to 52 and distribution tables on page 53 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting policies

(a) 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 Alternative Investment Fund Managers Directive (AIFMD). The financial statements have been prepared under the historical cost 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.

The COIF Board, in conjunction with the Manager, have been considering the advantages and disadvantages of moving from a Common Investment Fund (CIF), the current arrangement as explained on Page 3 of this Annual Report, to a Charities 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. The matter remains under active discussion and any recommendation to change designation will only be advised by the Board in consideration of the best interests of the existing unitholders. The Board notes in this regard that many fund managers operating in the UK Charities sector have already made this change.

In due course, should a formal decision be made by the Board to recommend that the existing assets should transition from a CIF to a CAIF, this will be communicated to unitholders, the reasoning of the Board will be laid out in detail and all Trustees will be asked to approve the proposal, probably during 2025. The timetable is still to be determined following the completion of Board due diligence, together with regulatory and Trustee approvals.

Should this be approved, on completion of the transfer, The COIF Charities Investment Fund would cease operations and be wound up, with the investors’ existing holdings in the existing CIF being replaced with their equivalent in the new CAIF. These events and circumstances therefore represent a material uncertainty which may cast significant doubt on the Fund’s ability to continue as a going concern.

Notwithstanding the material uncertainty explained above, the Board, having made appropriate enquiries and considered the ability of the Fund to meet its ongoing liabilities, has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has considered that the proposal is contingent on investor consultation and Trustee approval and that the Fund remains a going concern in all other regard.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (*continued*)

(b) Revenue recognition

Interest on government stocks, sterling eurobonds and other fixed interest stocks are accrued on a daily basis. Interest on bank deposits are accrued on a daily basis and interest on deposits in the COIF Charities Deposit Fund are credited to revenue on receipt of cash.

Dividends on ordinary stocks, including special dividends where appropriate, distributions received on collective investment schemes, preference shares and unit trusts are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise, on receipt of cash. Interest on government and other fixed interest stocks are accrued on a daily basis. Interest on bank deposits are accrued on a daily basis and interest on deposits in the COIF Charities Deposit Fund are credited to revenue on receipt of cash.

Revenue on debt securities is recognised on the effective yield basis which takes into account the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Accrued interest purchased or sold is excluded from the cost of the security and is recognised as revenue of the Fund.

Dividends received from US real estate investment trusts (US REITs) are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior year's aggregated dividend split for each US REIT.

Revenue is stated net of irrecoverable tax credits. In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation, and the tax consequences are shown within the tax charge. Overseas tax recovered is recorded in the period it is received.

(c) Stock dividends

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

1. Accounting policies (*continued*)

(d) *Special dividends, share buy-back or additional share issue*

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature.

It is likely that where the receipt of a special dividend, share buy-back, additional share issues results in a significant reduction in the capital value of the holding, then the special dividend, share buy-back, additional share issue is treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend, the share buy-back, traditional share issue is treated as revenue.

(e) *Expenses*

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.60% pa plus VAT during the year.

The Fund received AMC rebates credited to the capital of the Fund for holdings during the year in the COIF Charities Property Fund, COIF Charities Global Equity Fund, COIF Charities Short Duration Bond Fund and the CCLA ACS – Diversified Income Fund. The Fund also received AMC rebates credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund, where the AMC is charged to revenue.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the AMC due. The Manager charges an AMC for the provision of managing investments. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services.

The depositary fee, audit fee, legal fees, safe custody fees and transaction charges, insurance fees and other fees are charged separately to the revenue of the Fund before distribution.

(f) *Distributions*

Distributions are paid quarterly and can also be supported by the Fund's capital.

A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

The Fund can utilise an income reserve to even out the fluctuations in revenue which arise over the years. Movements in the income reserve are therefore adjustments made to net revenue in determining the distributions. The income reserve was £nil as at 31 December 2023. There was no change in the income reserve balance during the current and prior reporting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (continued)

(g) Basis of valuation

Quoted investments are valued at bid-market values at 12 noon on the last business day of the accounting period. Any unquoted, unlisted, delisted or suspended investments are stated at valuation by the Manager and reviewed by the Board.

The Manager's valuation is based upon valuations supplied by the Manager of the underlying investments. The Manager satisfies itself that these valuations can be relied on by valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity. The estimates and assumptions underlying the valuations are kept under review by the Manager, and judgements are reviewed, considering all factors affecting the investments.

For unquoted investments, the latest valuation point may be prior to the year end, but the Manager is satisfied that the resultant portfolio valuation would not be materially different from a valuation carried out as at the year end.

Suspended securities are valued by the Manager having regard to the last quoted price on or before the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

(h) Foreign exchange

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling at 12 noon on 29 December 2023, the last valuation point in the accounting period.

The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates. Fluctuations in the value of such forward currency contracts are recorded as unrealised gains or losses. Realised gains or losses include net gains or losses on transactions that have terminated by settlement or by the Fund entering into offsetting commitments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. Accounting policies (continued)

(i) Cash equivalent

The Manager has treated some assets as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily convertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater than the rate of a three month high quality government bond.

2. Net capital gains/(losses)

	31.12.2023 £'000	31.12.2022 £'000
The net capital gains/(losses) during the year comprise:		
Realised gains on non-derivative securities*	73,925	120,391
Unrealised gains/(losses) on non-derivative securities*	272,823	(496,142)
Realised gains/(losses) on forward currency contracts*	4	(18)
Manager's annual management charge rebate – see note 1(e)**	1,651	1,911
Currency losses	(965)	(1,402)
	347,438	(375,260)

* Where net realised gains include gains/(losses) arising in previous years, a corresponding (loss)/gain is included in unrealised gains/(losses).

** This amount includes annual management charge rebates credited to the Fund's capital. This is for the Fund's deposits in the COIF Charities Property Fund, COIF Charities Global Equity Fund and the CCLA ACS-Diversified Income Fund where, in all these Funds, annual management charge is charged to capital.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

3. Revenue

	31.12.2023 £'000	31.12.2022 £'000
Overseas dividends	36,735	37,358
UK dividends	10,300	10,748
Franked dividend distributions	7,552	8,193
Franked dividends on unquoted stocks	7,262	5,516
Interest on debt securities	11,818	2,647
Interest on the COIF Charities Deposit Fund	2,635	2,627
Property income distributions	2,799	3,041
Bank interest	721	256
Manager's annual management charge rebate*	161	555
	79,983	70,941

* This amount represents the annual management charge rebates credited to the Fund's revenue. This is for the Fund's deposits in the COIF Charities Deposit Fund and investment in the COIF Short Duration Bond Fund where the annual management charge is charged to revenue.

4. Expenses

	31.12.2023 £'000	31.12.2022 £'000
Payable to the Manager, associates of the Manager agents of either of them:		
Manager's annual management charge – see note 1(e)	22,501	22,195
	22,501	22,195
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	183	213
Depositary fee	150	151
	333	364

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

4. Expenses (*continued*)

	31.12.2023 £'000	31.12.2022 £'000
Other expenses:		
Audit fee	17	20
Insurance fee	48	48
Other fees	209	325
	274	393
Total expenses	23,108	22,952

The above expenses include VAT where applicable.

Audit fee net of VAT is £16,400 (31.12.2022, £15,600).

5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid, and reinvested revenue credited gross to Unitholders on the basis that all recoverable UK taxation has been reclaimed.

Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

	31.12.2023 £'000	31.12.2022 £'000
Overseas taxation suffered in the year	1,023	1,519
Tax on capital special dividends	8	3
Overseas recoverable withholding tax written off in the year	518	860
Total taxation	1,549	2,382

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

6. Distributions

Distributions take account of revenue received on the issue of Units and revenue deducted on the cancellation of Units, and comprise:

	31.12.2023 £'000	31.12.2022 £'000
31 March – interim distribution	22,520	21,734
30 June – interim distribution	24,281	23,277
30 September – interim distribution	23,351	22,506
31 December – final distribution	24,293	23,393
	94,445	90,910
Add: revenue deducted on cancellation of Units	246	505
Deduct: revenue received on in-specie transactions	–	(4)
Deduct: revenue received on issue of Units	(398)	(354)
Net distribution for the year	94,293	91,057
Net revenue after taxation for the year	55,311	45,605
Amortisation under effective yield	(702)	(703)
Manager's annual management charge – see note 1(e)	22,501	22,195
Tax on capital special dividends	8	3
Expenses charged to capital	–	86
Distribution from capital	17,215	23,871
Movement in Net Income Property	(40)	–
Net distribution for the year	94,293	91,057

Details of the distribution per Unit are set out in the distribution tables on page 53.

The Manager's annual management charge is charged to capital, so this amount above is added back in the table above to the net distribution for the year and deducted from capital.

There were unclaimed distributions as at 31 December 2023 of £854,363 (31.12.2022, £357,038).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

7. Debtors

	31.12.2023 £'000	31.12.2022 £'000
Accrued revenue	11,387	7,502
Amounts receivable on creation of Units	25	2,363
Rebate management fee receivable	147	189
Sales awaiting settlement	495	32
Prepayments	12	12
Income tax recoverable	79	–
	12,145	10,098

8. Cash equivalent, cash and bank balances

	31.12.2023 £'000	31.12.2022 £'000
Cash equivalent – cash in the COIF Charities Deposit Fund	–	193,525
Cash equivalent – cash in the CCLA Public Sector Deposit Fund	18,000	–
Cash equivalent – Certificate of Deposit	24,971	24,993
Total cash equivalent	42,971	218,518
Cash and bank balances – cash at bank	13,164	42,149

9. Other creditors

	31.12.2023 £'000	31.12.2022 £'000
Purchases awaiting settlement	19	90
Accrued expenses	2,420	2,092
Amount payable on cancellation of Units	173	177
	2,612	2,359

10. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market value (see note 1(g)). Bid-market value is considered to be a fair representation of the amount repayable to Unitholders should they wish to sell their Units.

Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

The main risks arising from the Fund's financial instruments and the Manager's policies for managing these risks are summarised below. These policies have been applied consistently throughout the year and the comparative year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (*continued*)

Market price risk

This is an actively managed Fund which invests mainly in UK and overseas equities, UK Property and fixed interest investments. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the Unit price from time to time, although there will generally be a positive correlation in the movement of the Unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

At 31 December 2023, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would increase or decrease respectively by approximately £179,303,000 (31.12.2022: £149,594,000).

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase, the cash for a sale or the settlement amounts for forward currency contracts. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager. Depending on the counterparty, the Fund may employ collateral arrangements for forward currency contracts.

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest securities, pooled funds and sterling and overseas cash deposits. These assets are generally liquid (except for the Unit trusts, which are realisable only on their weekly or monthly dealing dates, and the holdings in the unquoted investments, which are not readily realisable) and enable the Fund to meet the payment of any redemption of Units that Unitholders may wish to make.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Currency risk

The Fund is exposed to fluctuations in foreign currencies as some of its assets and revenue are denominated in currencies other than sterling, the base currency of the Fund. The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates on investments and revenue accrued, but not yet received. In respect of revenue, receipts are converted to sterling shortly after receipt.

At 31 December 2023, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would decrease or increase respectively by approximately £24,826,000 (31.12.2022: £20,398,000).

The total foreign currency exposure at 31 December was:

Currency	31.12.2023			31.12.2022		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Danish krona	–	29,003	29,003	–	38,019	38,019
Euro	5,536	384,707	390,243	267	363,619	363,886
Hong Kong dollar	–	32,031	32,031	–	36,384	36,384
Japanese yen	–	30,444	30,444	–	22,516	22,516
Korean won	–	21,635	21,635	577	20,948	21,525
Swedish krona	–	39,151	39,151	–	37,885	37,885
Swiss franc	–	63,514	63,514	–	74,056	74,056
Taiwan dollar	144	38,632	38,776	109	24,638	24,747
US dollar	3,204	1,834,558	1,837,762	4,291	1,416,453	1,420,744
Total	8,884	2,473,675	2,482,559	5,244	2,034,518	2,039,762

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Interest rate risk

The majority of the Fund's financial assets are equities which neither receive interest nor have maturity dates. The Fund also invests in fixed interest securities and cash deposits, the revenue of which may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

The total exposure at 31 December 2023 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	50,554	233,778	887,457	1,171,789
Euro	5,381	–	384,862	390,243
Japanese yen	–	–	30,444	30,444
US dollar	200	–	1,837,562	1,837,762
Other	–	–	224,110	224,110
Total	56,135	233,778	3,364,435	3,654,348

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(22,861)	(22,861)
Total	–	–	(22,861)	(22,861)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

10. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2022 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	258,754	239,478	724,642	1,222,874
Euro	111	–	363,775	363,886
Japanese yen	–	–	22,516	22,516
US dollar	1,802	–	1,418,942	1,420,744
Other	–	–	232,616	232,616
Total	260,667	239,478	2,762,491	3,262,636

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(21,585)	(21,585)
Total	–	–	(21,585)	(21,585)

* The floating rate financial assets of the Fund earn interest at rates based on either SONIA or base rate.

All financial liabilities are due to be settled within one year or on demand.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

11. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2023	31.12.2022
	£	£
Clean Growth Fund	4,835,969	7,106,617
KKR Private Credit Opportunities Partners II	10,854,625	11,091,393
Pan-European Infrastructure Fund I	2,064,319	2,107,405
Rubicon Partners V	5,382,504	7,583,877
Social and Sustainable Housing	431,327	1,595,729
KKR Global Infrastructure Investments III	4,541,404	5,650,580
Infracapital Partners III	5,890,848	6,723,354
Clean Energy and Environment Fund	309,439	2,539,949
Blackstone Capital Partners Asia	2,410,622	4,542,875
Strategic Partners Offshore Real Assets – Infrastructure II	9,205,635	10,343,988
NextPower III	–	3,068,364
Pan-European Infrastructure Fund II	2,028,826	2,071,172
KKR Mezzanine Partners I	465,098	492,802
Cambridge Innovation Capital II	6,551,930	7,711,897

There were no other commitments or contingent liabilities as at 31 December 2023 (31.12.2022, £nil).

12. Unquoted and other investments

Unquoted investments include the Fund's holding of the issued share capital of the parent company of the Manager, CCLA Investment Management Limited (CCLA IM), which provides investment management and administrative services to the COIF Charity Funds. The valuation of £18,579,281 (31.12.2022, £20,366,792) is based on a discounted market value calculation, prepared yearly by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

12. Unquoted and other investments (continued)

The table below shows the percentage of the Net Asset Value of the COIF Charities Investment Fund which are held in the following investments:

	31.12.2023 %	31.12.2022 %
COIF Charities Property Fund	2.48	2.94
COIF Charities Global Equity Fund	3.01	2.96
COIF Short Duration Bond Fund	1.93	–
CCLA Investment Management – Ordinary Shares (Voting and Non-Voting)	0.51	0.63

The table below shows the percentage of the Net Asset Value of the following investments which are held by the COIF Charities Investment Fund:

	31.12.2023 %	31.12.2022 %
COIF Charities Global Equity Fund	40.70	42.88
CCLA Investment Management – Ordinary Shares (Voting and Non-Voting)	22.44	22.37
COIF Charities Property Fund	16.77	16.21
COIF Short Duration Bond Fund	35.67	–
CCLA Public Sector Deposit Fund	1.26	–

The investment in the COIF Charities Property Fund Units is not readily realisable, as the Manager may impose a period of notice (which is currently 180 days) before carrying out a redemption of Units in that fund, if it is deemed to be necessary to protect the interests of Unitholders of the fund or to permit properties to be sold to meet a redemption. The Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the fund to meet redemptions.

13. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

14. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of these charges are disclosed in note 4. Please see note 1(e) for further information. During the year, the Fund received rebates of management fees for its holding in the COIF Charities Property Fund, COIF Charities Global Equity Fund, COIF Charities Short Duration Bond Fund and the CCLA ACS – Diversified Income Fund where, in all these funds, management fees are taken to capital as disclosed in note 2. The Fund also received management fee subsidy for its holding in CCLA ACS – Diversified Income Fund as disclosed in note 2. An amount of £2,042,015 was due to the Manager at 31 December 2023 (31.12.2022, £1,809,533). There were no other transactions entered into with the Manager during the year (31.12.2022, £nil).

CCLA IM is also a related party to the Fund. During the year, the Fund received dividends of £1,137,507 from CCLA IM (31.12.2022, £1,029,173).

At 31 December 2023 a cash balance of £nil (31.12.2022, £193,525,082) was held in the COIF Charities Deposit Fund. During the year, the Fund received interest of £nil (31.12.2022, £347,523) from the COIF Charities Deposit Fund.

Further details of the Fund's holdings in CCLA IM, and other COIF Charities Funds are disclosed in note 12.

There is no individual investor holding more than 20% of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

15. Portfolio transaction costs

For the year ended 31 December 2023

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	712,724	297	0.04	38	0.01	713,059
Bond transactions	211,671	–	–	–	–	211,671
Fund transactions	99,808	–	–	–	–	99,808
Certificate of Deposit	52,000	–	–	–	–	52,000
In-specie transactions	36,345	–	–	–	–	36,345
Corporate actions	18,182	–	–	–	–	18,182
Total	1,130,730	297		38		1,131,065

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	580,402	(250)	0.04	(10)	–	580,142
Bond transactions	163,094	–	–	–	–	163,094
Fund transactions	2,621	–	–	–	–	2,621
Certificate of Deposit	33,921	–	–	–	–	33,921
Corporate actions	94,197	–	–	–	–	94,197
Total	874,235	(250)		(10)		873,975

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2023 was 0.19%.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

15. Portfolio transaction costs (*continued*)

For the year ended 31 December 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	712,248	315	0.04	260	0.04	712,823
Bond transactions	298,403	–	–	–	–	298,403
Fund transactions	15,925	–	–	–	–	15,925
Certificate of Deposit	113,000	–	–	–	–	113,000
In-specie transactions	4,804	–	–	–	–	4,804
Corporate actions	33,072	–	–	–	–	33,072
Total	1,177,452	315		260		1,178,027

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	917,096	(423)	0.05	(148)	0.02	916,525
Bond transactions	136,212	–	–	–	–	136,212
Fund transactions	16,620	–	–	–	–	16,620
Certificate of Deposit	8,000	–	–	–	–	8,000
In-specie transactions	24,554	–	–	–	–	24,554
Corporate actions	338	–	–	–	–	338
Total	1,102,820	(423)		(148)		1,102,249

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2022 was 0.24%.

For the current year and the comparative year, in the case of equities, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, the majority of other types of investments (such as bonds, funds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

16. Unitholders' funds – reconciliation of Units

	31.12.2023	
	Income Units	Accumulation Units
Opening number of Units at beginning of year	140,028,101	3,170,464
Units issued in year	6,088,596	264,045
Units cancelled in year	(3,102,872)	(211,446)
Units converted in year	4,468,758	(368,689)
Closing number of Units at end of year	147,482,583	2,854,374

All Units carry the same rights.

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments (including investment liabilities), there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 December 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	2,861,110	519,122	205,836	3,586,068
	2,861,110	519,122	205,836	3,586,068

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

17. Fair value of financial assets and financial liabilities (*continued*)

For the year ended 31 December 2022

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	2,354,920	430,768	206,183	2,991,871
	2,354,920	430,768	206,183	2,991,871

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For financial instruments for which the Manager uses valuation techniques using non-observable data, the inputs include: valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

DISTRIBUTION TABLES

for the year ended 31 December 2023

Period ended	Date payable/paid		Dividends payable/paid pence per Unit	
	2023	2022	2023	2022
Income Units				
31 March	31 May	31 May	13.52	13.52
30 June	31 August	31 August	13.52	13.52
30 September	30 November	30 November	13.71	13.71
31 December	29 February	28 February	13.73	13.73
			54.48	54.48

Period ended	Revenue accumulated pence per Unit	
	2023	2022
Accumulation Units		
31 March	106.00	78.55
30 June	160.96	129.86
30 September	115.75	107.01
31 December	141.65	131.44
	524.36	446.86

The distributions for Income Units were paid in the same year, apart from the distribution declared on 31 December which is payable on 29 February in the subsequent year.

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 secure that instructions given to it by the Manager are carried out as to the exercise of rights (including voting rights) attaching 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 Unit 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 this 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.

AIFMD DISCLOSURES

Manager Remuneration

The Manager has no employees, but delegates the performance of its services to employees of its parent company, CCLA Investment Management Limited.

Recharges for these services of CCLA Investment Management Limited to the Manager are levied in respect of CCLA Investment Management Limited's year ending on 31 March each year. The recharge for the year to 31 March 2023 was £35,420,000. A recharge of £34,700,000 was levied in the year to 31 March 2022.

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2023 was 175 (year ended 31 March 2022, 155).

During the year ended 31 December 2023 and the prior year, remuneration was paid to CCLA Investment Management Limited staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 December 2023		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,035	1,415	2,450
Other staff	17,678	7,659	25,337
Total	18,713	9,074	27,787

	Year to 31 December 2022		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,032	1,373	2,405
Other staff	15,365	7,029	22,394
Total	16,397	8,402	24,799

Remuneration above is the total remuneration for CCLA Investment Management Limited; it is not possible to separate the element of that relating only to the Fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Fund.

(Charity Registration No. 218873)

DIRECTORY

Board

N Morecroft, ASIP (Chair)
 K Corrigan, FCCA
 J Hobart, MA
 C Ong, MBA
 K Shenton – appointed on 6 June 2023
 Andrew Richmond MA (Hons) ASIP – appointed on
 14 October 2023
 Steve Wiltshire – appointed on 14 October 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

Transfer Agent

FNZ TA Services Limited
 7th Floor, 2 Redman Place
 London
 EC20 1JQ

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

J Jesty – resigned on 29 August 2023
 R Horlick – resigned on 6 October 2023
 A Roughead – resigned on 29 August 2023
 J Bailie (Chair) – appointed on 29 August 2023
 Nick Mcleod-Clarke – appointed on 29 August 2023

Fund Manager (CCLA Investment Management Limited)

C Ryland

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.

CCLA

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

www.ccla.co.uk

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).

Both companies are authorised and regulated by the Financial Conduct Authority. Registered address: One Angel Lane, London EC4R 3AB.

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