

THE CBF CHURCH OF ENGLAND INVESTMENT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 TRUSTEE**for the year ended 31 December 2025**

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

Structure and management of the Fund

The Fund is an investment fund, administered as a common fund and is established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010, and the Church Funds Investment Measure 2025 (together the “Measure”) and the Trustee Act 2000. The Fund was formed in 1958. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) as amended or changed from time to time.

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

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

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

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

Charitable status

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

Investment objective

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

REPORT OF THE TRUSTEE

for the year ended 31 December 2025

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, which may be either liquid or illiquid in nature.

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

Target benchmark

The target benchmark sets a standard against which the long-term performance of the Fund can be assessed. The Fund has a long-term investment target benchmark designed to help investors meet their objectives. Over time, the Fund aims to achieve a total return before the deduction of any fees, costs and expenses of UK Consumer Prices Index (CPI) inflation plus 5% per annum.

Comparator benchmark

To provide additional guidance on returns, the Manager publishes regular performance information relative to a comparator index designed to represent the typical structure and strategy of the Fund's underlying portfolio. The typical asset mix may change over time, so it may be necessary to review the make-up of the comparator benchmark to ensure that it remains a useful guide to returns. The composite comparator benchmark of the Fund (and the constituents' respective weightings within the comparator benchmark) is as follows: MSCI World Index (75%), MSCI UK Monthly Property Index (5%), Markit iBoxx £ Gilts Index (15%) and Sterling Overnight Index Average (5%).

Target investors

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

for the year ended 31 December 2025

Review of investment activities and policies of the Fund

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

Delegation of functions

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Church Funds Investment Measure 1958 and with the investment management agreement.

Controls and risk management

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Shareholders.

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

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

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

REPORT OF THE TRUSTEE**for the year ended 31 December 2025**

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

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

The Archbishops’ Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

Acquisition by Jupiter Fund Management

On 2 February 2026, CCLA Investment Management Limited was acquired by the Jupiter Group (a UK-based active investment management company). The transaction followed an extensive strategic review and engagement with key stakeholders and is expected to support the long-term sustainability of the business. CCLA will retain its brand, investment philosophy and client service model, while benefiting from access to the Jupiter Group’s broader investment capabilities, resources and infrastructure. Planning for operational and regulatory integration commenced in the latter part of 2025 and continues following completion of the transaction.

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

A Brookes, Chair

CBF Funds Trustee Limited

11 May 2026

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2025

Strategy

To achieve its aim of maintaining investors' real long term spending power, the Fund has a structural bias to 'real' assets. With 'real' assets, we mean investments that are expected to achieve returns from 'real' economic activity, as opposed to 'loan' assets like bonds and cash.

For that reason, global listed equities (company shares) make up most of the Fund's holdings. Within this universe, the Fund's emphasis is

on quality companies that can grow returns consistently, benefit from clear long-term growth trends and trade at attractive valuations.

Other assets held by the Fund include UK commercial property, government and non-government bonds, private equity and infrastructure. Infrastructure assets are those that support social and economic activity, such as clean power generation, health and public service facilities, and transport.

Annualised total capital and income return

To 31 December 2025	1 year %	5 years % p.a.	10 years % p.a.
Performance against benchmark (after expenses)			
The CBF Church of England Investment Fund			
Income Shares*	-1.17	4.52	8.34
Accumulation Shares*	-1.17	4.52	8.34
Target Benchmark ⁺	8.32	10.11	8.40
Comparator benchmark [#]	11.00	8.82	8.80
Consumer Price Index (CPI)	3.32	5.11	3.40

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

[#] Comparator benchmark – Composite: From 01/01/21, MSCI WORLD 75%, MSCI UK Monthly Property 5%, iBoxx £ Gilts 15% & SONIA 5%. From 01.01.16 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/MSCI™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, MSCI™ UK Monthly Property 5%, BarCap Gilt 15% & 7 Day LIBID 5%.

* NAV to NAV plus income re-invested.

Past performance is not a reliable indicator of future results.

Source: CCLA, Bloomberg & HSBC.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

Performance

Over longer timeframes to the end of 2025, the CBF Church of England Investment Fund continued to beat its target benchmark, which is consumer price (CPI) inflation + 5%. 2025 was a disappointing year for the Fund. The Fund lost 1.17%, net of fees, while its comparator benchmark rose 11.00%, and it also lagged its target benchmark. Thanks to the quality of the fund's holdings, however, the fund was able to (again) increase the income it distributes to unitholders, by 3% compared to calendar year 2024.

From a top-down perspective, several factors impacted performance:

- In early April, President Trump paused his so-called Liberation Day tariffs. After that pause, the quality factor, to which the Fund is tilted, underperformed the broader market. Instead, markets were primarily driven by cyclical shares, by low-quality shares and by momentum shares, mainly beneficiaries of the artificial intelligence (AI) trend. As a result, 2025 became one of the worst years for quality shares of the last 30 years, despite evidence of quality shares' outperformance in the long run.
- Additionally, stock markets experienced their third consecutive year in which the highest returns were concentrated in just a few sectors. In 2025, those sectors mainly comprised AI enablers (e.g. semiconductors, networking equipment and power equipment), cyclical businesses such as banks and, in industrials, defence

firms. This concentrated nature of returns challenged our approach of building diversified share portfolios.

- Finally, the stock market split into two in 2025, with "AI winners" on the one hand, and, on the other hand, companies perceived to be at risk of AI disruption. This split drove weakness in sectors such as professional services, diversified financials and software. AI clearly has the potential to disrupt these industries, and we are vigilant against its potential threats across the Fund's shareholdings. However, market concerns over disruption are, in our analysis, pertinent in some cases but overstated in many others. This has led us to sell some positions, in companies that are at risk from this phenomenon. But we've retained positions in businesses where fears are overstated and valuations now look even more attractive.

From a sectoral perspective:

- The financial sector was the largest contributor to the Fund's underperformance, as several portfolio holdings performed poorly. The broader market continued to rotate away from higher-quality businesses within the financial market infrastructure segment, and concerns over AI disruption impacted some other holdings. These include marketplace and data businesses such as London Stock Exchange (-19%) and Tradeweb (-23%), private equity asset managers such as Partners Group (-11%) and Intermediate Capital (-8%), and insurance brokers AJ Gallagher (-14%)

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2025

and Marsh McLennan (-17%). The shares of payments leaders Visa and Mastercard generated positive returns of 4% and 1.5%, respectively, but considerably lagged the banking sector. This highlights the plight of quality businesses in this risk-on, momentum-driven market. Businesses such as Visa and Mastercard have continued to grow their earnings and have retained their strong competitive advantage.

- In absolute terms, the Fund's health care positions were its weakest performer in 2025. Shares of companies selling equipment and consumables in the life sciences end-market segment hit the Fund's performance hardest. Especially in the first half of the year, these shares suffered on concerns over US health care policy, US National Institutes of Health funding and drug pricing. However, the stocks rallied into the second half as some of these political pressures abated. The pharmaceutical segment of the portfolio also experienced weakness, mainly due to its position in Danish firm Novo Nordisk, although medical device names such as EssilorLuxottica performed better.
- Among the Fund's industrial holdings, the weakest performance came from the professional services businesses in the portfolio. The primary underlying factor here was concern over disruption from AI. In some cases, we judged these concerns to be warranted and we sold, for example, the Fund's

position in Wolters Kluwer. In other cases, such as those of RELX and Experian, we found these concerns to be exaggerated. Valuations here look of interest, for these high-quality businesses with strong growth prospects.

- By contrast, the Fund's performance in communication services was strong. Our position in Google parent Alphabet appreciated significantly in the second half of 2025, as investors became more optimistic about Alphabet's AI positioning, the company's earnings strength continued and some of its legal/regulatory issues were resolved.

Property assets in the Fund performed well during the year under review, as did the Fund's private equity holdings, helped by strong performance in listed vehicles. However, the Fund's positions in infrastructure and contractual income assets (mostly private credit) struggled.

Economic and market review

During the year under review, inflation continued to trend above target in most countries, but central banks cut interest rates nonetheless. Despite these rate cuts, however, yields on long-dated government bonds rose, or fell less than central banks cut rates. Long-dated yields rose mainly because government debt continued to grow, geopolitical risk increased and inflation expectations rose.

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2025

As a result, the difference between yields on short-dated bond (e.g. two-year bonds) and longer-dated bonds (e.g. 10-year bonds) increased. In technical parlance: the yield curve, a graph that shows the yields for different maturities of an issuer's bonds, became steeper during 2025.

- In the United States, the Federal Reserve ('Fed'), kept interest rates on hold for most of 2025. It then cut interest rates by 0.25% in each of September, October and December, mainly to counter weakening job numbers. The Treasury yield curve steepened, for several reasons. The non-partisan Congressional Budget Office expects President Trump's 'One Big Beautiful Bill' to raise US government debt by c.\$3.4 trillion over the next ten years. Higher debt, higher government budget deficits and President Trump's threats against the Fed also raised fears for higher inflation, in the long run. In addition, President Trump's geopolitical sabre-rattling (often using tariff threats) raised the extra yield that investors required for holding US Treasuries.
- In the UK, the Bank of England (BoE) cut its Official Bank Rate (OBR) four times, in February, May, August and December. But long-dated gilt yields rose somewhat over the year, because Chancellor Rachel Reeves' first budget, in October 2024, had laid bare the UK government's precarious finances. The run-up to her second budget, in November 2025, led to much speculation among investors, but her budget itself was considered fiscally prudent.

- The European Central Bank (ECB) cut interest rates in February, March, April and June, by 1% in total. Despite the ECB's rate cuts, government bond yields rose in Germany, where newly elected prime minister Friedrich Merz relaxed his government's debt restrictions and announced a €500 billion increase in defence spending. By contrast, yields fell somewhat in countries previously considered peripheral, like Italy. At some points in the year, government bond yields there fell to levels below those of more 'core' countries, such as France.

In the stock market, the S&P500 index of large US companies returned 17.9% in 2025, in US-dollar terms. It lagged the MSCI World ex USA Index, which returned 32.7%. 2025 was the S&P500's biggest calendar-year underperformance since 1993. Cheaper starting valuations outside the US, rather than better earnings, drove most of that difference. In fact, earnings forecasts for 2026 continue to point to stronger earnings growth in the US than in other regions. Markets outside the US were also more heavily tilted towards strongly performing sectors such as banks, defence and, in emerging markets, semi-conductors.

Taking April's tariff-induced lows as the starting point, the major stock market indices around the world posted broadly similar performance. The technology-heavy Nasdaq outperformed most markets, as artificial intelligence (AI) remained the dominant theme in the second half of the year. The MSCI World Information

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

Technology Index and the MSCI World Communication Services Index gained 58.2% and 49.9%, respectively, between so-called Liberation Day, 2 April 2025, and the end of the year.

In the UK, the FTSE 100 Index finished the year just shy of 10,000, gaining more than 25% in 2025. This was its best year since 2009, with strength in banks, defence and the materials sector. However, the domestically oriented FTSE 250 Index lagged. That weakness reflected headwinds from the government's later-than-usual November budget.

Outlook

For the last few weeks, all eyes have been on the Middle East, with casualties on both sides, daily volatility in energy prices and remarkable social media posts by President Trump. Nobody can predict the course of this war, or what it will take to achieve peace. The risk of escalation remains significant, but a protracted closure of the Strait of Hormuz currently seems unlikely. In addition, geopolitical events of this nature tend to have less-enduring impacts on markets than some commentators in the press attribute to them.

The current level of oil prices of c.\$100 per barrel would only become significant if it were to rise further and remain at that higher level for a year or longer. Such a supply shock seems currently unlikely. So, while we continue to carefully monitor the situation in the Middle East and its effect on the Fund, we have not made significant changes to our portfolio weightings in response.

Instead, we remain convinced that quality assets are the right investment for churches, endowments, charities and other investors who take a long-term view. Notwithstanding geopolitical volatility, compounding cash flows in businesses with high returns on invested capital, which have exposure to long-term growth trends, at the right valuation, can deliver strong long-term performance.

With the benefits of diversification in mind, we remain wary of concentrating the Fund too far into any one theme or growth driver. That includes AI, even if we recognise that AI will be an important technology that will change industries. At the start of 2026, we already had over 20% of the Fund's equity portfolio invested in companies with AI as a driver in one way or another, so it is the single largest theme in our portfolios. We also remain cautious not to add cyclical shares that trade at high valuations to the Fund's holdings. Too often, those high valuations already reflect these shares' improved prospects, with little scope for their prices to further appreciate.

We are, however, making some changes without sacrificing our core investment philosophy. For example, we are paying more attention to short-term earnings momentum and factoring this into our decision making, both in terms of idea generation but also sizing existing positions. Taking a more comprehensive view of earnings momentum at the portfolio level is helping in this regard, while always remembering that momentum is volatile.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

In addition, we recognise the need to be more flexible within idea generation and portfolio construction. That includes the need, at times, to be tactical within our quality approach, on the notion that the investment environment can and does change.

Finally, relative earnings growth has become a more important factor. Sectors such as health care, which struggled in the first half of 2025, are seeing improved prospects and changing market leadership. Competitive advantage and strong financial metrics remain paramount in our selection criteria, but can potentially be found beyond the areas on which we have historically focused.

That said, the Fund's portfolio remains well-positioned in early 2026, in quality shares with strong market positions, strong growth, high margins and strong cash flow return on investment. Quality shares like these have historically traded at premium prices to the rest of the stock market, and that premium is, in early 2026, at an attractive multi-year low.

B Funnell
Head of Investment
CCLA Investment Management Limited
11 May 2026

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2025

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
UK Treasury 0.125% 2028	50,357	The CBF Church of England	
Federated Hermes Sustainable Global		UK Equity Fund IA	58,861
Investment Grade Credit Fund	42,785	UK Treasury 3.25% 2044	34,809
UK Treasury 1.25% 2027	26,513	UK Treasury 4.5% 2042	33,904
Intermediate Capital Group	22,651	Hexagon	26,083
Booking Holdings Inc	20,314	Nvidia	19,010
PTC	19,884	Adobe Inc	18,775
Siemens	19,857	Assura	17,922
Bank of America	19,465	AIA	16,555
Ferrari	18,334	Unitedhealth	16,017
Mercadolibre	15,265	LVMH	14,936

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

Risk warning

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

The Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Shares are realisable on each weekly 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 where valuations are open to substantial subjectivity. The Fund may also invest in the CBF Church of England Property Fund, which invests indirectly 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 this Fund.

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

SUSTAINABILITY APPROACH

to the Shareholders of The CBF Church of England Investment Fund

Sustainable Investment Label

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

Approach to Sustainability

The fund is managed in line with a faith-consistent investment policy, developed by CCLA, to meet shareholders' desire to invest in a way that reflects Christian and Anglican teachings and is grounded in the advice produced by the Church of England's Ethical Investment Advisory Group. This supplements CCLA's standard 'Act, Assess, Align' approach that applies to the listed equities held in the fund. Other assets are managed in line with the 'Align' approach which includes a combination of restrictions applied to meet the fund's faith-consistent investment policy and to be in common with CCLA's wider approach, as set out in the values-based investment restrictions.

The 'Act, Assess, Align' approach includes:

- acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them
- assessing the environmental, social, and governance standards of listed equities with the aim of avoiding investment in companies that are deemed by CCLA as having an unacceptable social or environmental impact and supporting the financial returns of the fund
- investing in a way that we believe is aligned with the values of our clients. As such, companies and any other assets that meet the restrictions-based criteria are excluded from investment by the fund. The restrictions that apply to the fund are set out in the scheme information.

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

In addition, the fund is managed in line with CCLA's goal to achieve net-zero emission listed equity portfolios no later than 2050. See the climate action section on our website for our approach to net-zero listed equity portfolios.

SUSTAINABILITY APPROACH

to the Shareholders of The CBF Church of England Investment Fund

Sustainability and Climate-related financial disclosures

CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities. Additionally, CCLA has committed to reporting, at least annually, against its approach to sustainability. This is accomplished via the publication of a product-level sustainability report for each fund it manages. The content of this report aligns with the requirements of the environmental, social and governance (ESG) sourcebook published by the Financial Conduct Authority (FCA) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The funds Public product-level sustainability report can be found in the individual fund's document section of website www.ccla.co.uk/funds/cbf-church-england-investment-fund#fund-documents

The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed

by a dedicated Nominations Committee. It is currently Chaired by Barbara Ridpath. More information about the EIAG is available at www.churchofengland.org/eiag.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

Report on the audit of the financial statements*Opinion*

In our opinion the financial statements of
The CBF Church of England Investment Fund
(‘the Fund’):

- give a true and fair view of the financial position of the Fund as at 31 December 2025 and of the net revenue and the net capital loss on the property of the Fund for the year ended 31 December 2025;
- 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 Church Funds Investment Measure 1958 (‘the Measure’) Scheme Information and the Trustee Act 2000.

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; and
- the related notes 1 to 16.

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 Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1a in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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 Trustee 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.

Responsibilities of trustees and Manager

As explained more fully in the Statement of Trustee and Manager Responsibilities, 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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

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 Trustee about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

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 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 fund. 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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Investment Fund

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.

Use of our report

This report is made solely to the Shareholders of the Fund, as a body, in accordance with Paragraph 14 of the Schedule to the Church Investment Funds Measure 1958. Our audit work has been undertaken so that we might state to the Shareholders of the Fund 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 Shareholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
11 May 2026

SUMMARY RISK INDICATOR

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



The Manager has classified The CBF Church of England Investment Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free. The summary risk indicator (SRI) of the Fund was revised down from 4 to 3 with effect from the updated version of the KID dated 17 October 2025. This followed a sustained reduction in the risk category of the Fund over the preceding 4 month period (a calculation which involves measuring the annualised volatility of the Fund's returns). The SRI of the Fund is monitored on an ongoing basis and, if any material change has occurred, the new SRI of the Fund is reflected in an updated version of the KID.

The summary risk indicator assumes investment in the Fund for the Recommended Holding Period 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 Information document available on CCLA's website or by request.

COMPARATIVE TABLE

Change in net assets per Share

	Year to 31.12.2025 pence per Share	Income Shares Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share
Opening net asset value per Share	2,309.22	2,259.84	2,063.85
Return before operating charges*	(16.97)	126.80	272.10
Operating charges**	(14.51)	(14.39)	(14.32)
Return after operating charges*	(31.48)	112.41	257.78
Distributions on Income Shares	(64.92)	(63.03)	(61.79)
Closing net asset value per Share	2,212.82	2,309.22	2,259.84
* after direct transaction costs of:	0.76	0.47	0.34

Performance

Return after charges	(1.36%)	4.97%	12.49%
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Other information

Closing net asset value (£'000)	1,906,290	2,005,330	1,942,355
Closing number of Shares	86,147,580	86,840,115	85,950,875
Operating charges**	0.75%	0.76%***	0.81%***
Direct transaction costs	0.03%	0.02%	0.02%

Prices (pence per Share)

Highest Share price (offer)	2,420.63	2,380.85	2,273.01
Lowest Share price (bid)	2,078.30	2,206.10	2,029.99

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.

*** Operating charges includes VAT reclaims received during 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 2025, 31 December 2024 and 31 December 2023 include synthetic costs of 0.11%, 0.14% and 0.14% 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.

COMPARATIVE TABLE

Change in net assets per Share

	Accumulation Shares		
	Year to 31.12.2025 pence per Share	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share
Opening net asset value per Share	6,267.94	5,969.57	5,298.94
Return before operating charges*	(44.03)	336.26	708.12
Operating charges**	(40.54)	(37.89)	(37.49)
Return after operating charges*	(84.57)	298.37	670.63
Distributions on Accumulation Shares	(132.08)	(140.43)	(124.01)
Retained distributions on Accumulation Shares	132.08	140.43	124.01
Closing net asset value per Share	6,183.37	6,267.94	5,969.57
* after direct transaction costs of:	2.09	1.26	0.88

Performance

Return after charges	(1.35%)	5.00%	12.66%
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Other information

Closing net asset value (£'000)	151,537	144,134	140,333
Closing number of Shares	2,450,719	2,299,535	2,350,808
Operating charges**	0.76%	0.75%***	0.82%***
Direct transaction costs	0.03%	0.02%	0.02%

Prices (pence per Share)

Highest Share price	6,570.43	6,418.30	5,971.38
Lowest Share price	5,681.10	5,827.61	5,325.50

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.

*** Operating charges includes VAT reclaims received during 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 2025, 31 December 2024 and 31 December 2023 include synthetic costs of 0.11%, 0.14% and 0.14% 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 ANALYSIS

for the year ended 31 December 2025

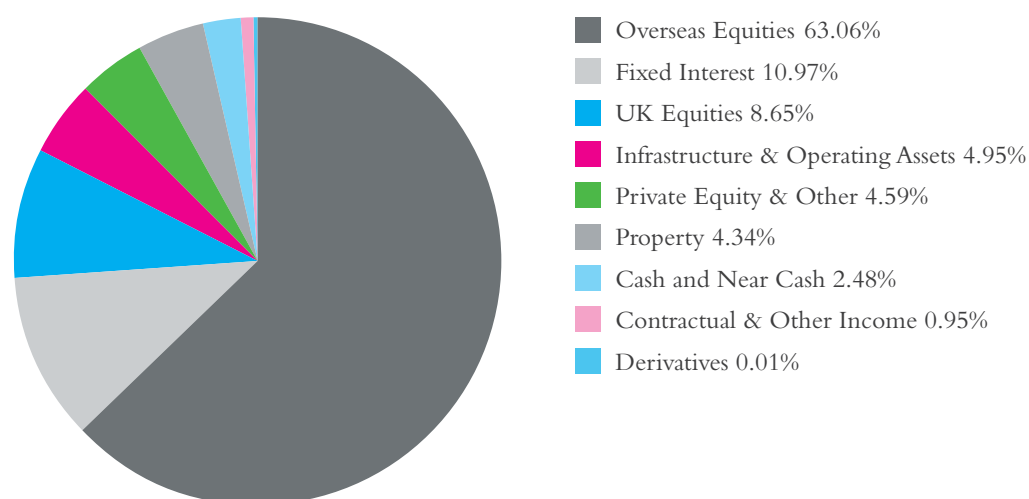
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2025 %	31.12.2024 %
Manager's annual management charge including VAT	0.61	0.60
Safe custody fees and monitoring fee	0.01	0.01
Other expenses	0.02	0.01
Total operating charges	0.64	0.62

PORTFOLIO ANALYSIS

at 31 December 2025

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	44.24%
Developed Europe	14.33%
Asia Pacific ex-Japan	3.40%
Japan	1.09%
	63.06%

Breakdown of Equities by Sector

Information Technology	16.33%
Financials	15.55%
Industrials	10.57%
Consumer Discretionary	10.12%
Health Care	9.74%
Communication Services	4.74%
Consumer Staples	3.63%
Materials	0.54%
Real Estate	0.49%
	71.71%

The portfolio analyses above differ from the portfolio statement because: prices used here are mid-market, rather than bid; and 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 2025

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 8.01%			
(31.12.2024 – 9.19%)			
Consumer Discretionary 1.96% (31.12.2024 – 1.72%)			
Compass Group	1,050,167	24,826	1.21
InterContinental Hotels Group	147,526	15,431	0.75
Financials 1.99% (31.12.2024 – 0.93%)			
Intermediate Capital Group	1,002,130	20,584	1.00
London Stock Exchange Group	228,705	20,464	0.99
Health Care 0.87% (31.12.2024 – 0.75%)			
AstraZeneca	129,595	17,869	0.87
Industrials 3.19% (31.12.2024 – 3.03%)			
Ashtead Group	441,479	22,454	1.10
Experian	686,411	23,077	1.12
RELX	664,334	20,056	0.97
Funds 0.00% (31.12.2024 – 2.76%)			
OVERSEAS EQUITIES 53.65% (31.12.2024 – 53.28%)			
DEVELOPED EUROPE 13.24% (31.12.2024 – 12.79%)			
Communication Services 0.86% (31.12.2024 – 1.07%)			
Universal Music Group	912,895	17,616	0.86
Consumer Discretionary 0.74% (31.12.2024 – 1.62%)			
Hermes	8,258	15,301	0.74
Consumer Staples 2.21% (31.12.2024 – 2.26%)			
Kerry Group	238,027	16,149	0.78
L'Oréal	55,565	17,786	0.86
Nestlé	157,643	11,648	0.57
Financials 2.05% (31.12.2024 – 2.06%)			
Deutsche Boerse	92,528	18,146	0.88
Partners Group	26,118	24,078	1.17

PORTFOLIO STATEMENT

at 31 December 2025

	Holding	Fair value £'000	% of total net assets
Health Care 1.81% (31.12.2024 – 1.71%)			
Essilor International	86,383	20,358	0.99
Diasorin	152,377	9,127	0.44
Recordati Spa	183,726	7,784	0.38
Industrials 4.57% (31.12.2024 – 2.16%)			
Air Liquide	74,337	10,392	0.50
Epiroc	1,118,856	18,958	0.92
Ferrari	49,293	13,713	0.67
Schneider	113,314	23,241	1.13
Siemens	108,938	22,734	1.10
Vinci	49,638	5,203	0.25
Information Technology 1.00% (31.12.2024 – 1.91%)			
ASML Holding	25,575	20,536	1.00
NORTH AMERICA 40.41% (31.12.2024 – 40.49%)			
Communication Services 3.22% (31.12.2024 – 1.50%)			
Alphabet C	284,188	66,299	3.22
Consumer Discretionary 4.44% (31.12.2024 – 3.61%)			
Amazon.com	248,385	42,625	2.07
Booking Holdings Inc	4,869	19,380	0.94
McDonald's	57,026	12,959	0.63
O'Reilly Automotive	242,095	16,415	0.80
Consumer Service 0.89% (31.12.2024 – 0.00%)			
TJX Cos New Com	161,028	18,392	0.89
Consumer Staples 1.13% (31.12.2024 – 1.10%)			
The Coca-Cola Company	445,248	23,145	1.13

PORTFOLIO STATEMENT

at 31 December 2025

	Holding	Fair value £'000	% of total net assets
Financials 8.97% (31.12.2024 – 7.83%)			
Bank Of America	485,056	19,831	0.96
CME Group	101,168	20,540	1.00
Gallagher (Arthur J)	100,770	19,391	0.94
Intercontinental Exchange Group	161,262	19,421	0.94
Marsh & McLennan	116,619	16,093	0.78
Mastercard	45,060	19,125	0.93
S&P Global	65,009	25,262	1.23
Tradeweb Markets	248,384	19,859	0.97
Visa A	95,594	24,937	1.22
Health Care 6.24% (31.12.2024 – 8.21%)			
Abbott Laboratories	245,531	22,869	1.11
Agilent Technologies	204,495	20,689	1.01
Danaher	129,609	22,064	1.07
Stryker	80,221	20,958	1.02
Thermo Fisher Scientific	57,997	24,986	1.21
Zoetis	180,220	16,857	0.82
Industrials 3.16% (31.12.2024 – 3.93%)			
Deere & Company	44,052	15,254	0.74
Ingersoll Rand	258,199	15,205	0.74
Trane Technologies	49,774	14,415	0.70
TransUnion	317,958	20,268	0.98
Information Technology 11.87% (31.12.2024 – 12.48%)			
Broadcom	138,618	35,658	1.73
Fortinet	271,942	16,051	0.78
Intuit	41,305	20,341	0.99
Mercadolibre	8,281	12,401	0.60
Microsoft	133,870	48,132	2.34
NetFlix.Com	86,176	6,006	0.29
NXP Semiconductors	119,650	19,293	0.94
PTC	150,532	19,498	0.95
Roper Technologies	54,126	17,912	0.87
ServiceNow	113,750	12,952	0.63
Synopsys	60,102	20,987	1.02
Texas Instruments	115,821	14,936	0.73

PORTFOLIO STATEMENT

at 31 December 2025

	Holding	Fair value £'000	% of total net assets
Real Estate 0.49% (31.12.2024 – 1.18%)			
American Tower	76,640	10,003	0.49
Utilities 0.00% (31.12.2024 – 0.65%)			
JAPAN 1.02% (31.12.2024 – 0.76%)			
Information Technology 1.02% (31.12.2024 – 0.76%)			
Disco Corporation	33,700	7,698	0.37
Keyence	49,500	13,308	0.65
ASIA PACIFIC EX JAPAN 3.15% (31.12.2024 – 2.90%)			
Financials 1.19% (31.12.2024 – 1.79%)			
HDFC Bank	904,633	24,569	1.19
Information Technology 1.96% (31.12.2024 – 1.11%)			
Taiwan Semiconductor Manufacturing Company	1,102,000	40,286	1.96
MULTI GEOGRAPHY 5.84% (31.12.2024 – 5.92%)			
Funds 5.84% (31.12.2024 – 5.92%)			
The CBF Church of England Global Equity Fund*	39,557,687	120,095	5.84
OTHER 0.00% (31.12.2024 – 0.85%)			
Information Technology 0.00% (31.12.2024 – 0.85%)			
PRIVATE EQUITY & OTHER 4.61% (31.12.2024 – 3.65%)			
CCLA Shares 3.08% (31.12.2024 – 2.11%)			
CCLA Investment Management – Ordinary Shares**	13,000,000	63,310	3.08
Private Equity 1.53% (31.12.2024 – 1.54%)			
Blackstone Capital Parters Asia**	1	8,957	0.44
Cambridge Innovation Capital II**	1	2,929	0.14
Clean Energy and Environment Fund**	1	555	0.03
Clean Growth Fund**	1	3,787	0.18
Rubicon Partners**	1	15,235	0.74

PORTFOLIO STATEMENT

at 31 December 2025

	Holding	Fair value £'000	% of total net assets
INFRASTRUCTURE & OPERATING ASSETS			
4.96% (31.12.2024 – 8.33%)			
Energy Resources & Environment 1.21%			
(31.12.2024 – 2.65%)			
Brookfield Renewable Partners	430,966	8,632	0.42
Greencoat UK Wind	8,761,050	8,586	0.42
NextPower III**	1	6,676	0.32
The Forest Company**	624,524	1,098	0.05
General 3.66% (31.12.2024 – 3.51%)			
Brookfield Infrastructure Partners	984,251	25,421	1.24
Infracapital Partners III**	1	12,738	0.62
International Public Partnership	4,145,434	5,190	0.25
KKR Global Infrastructure Investors III**	1	9,625	0.47
Infratil Ltd	2,861,625	13,492	0.66
Pan-European Infrastructure Fund I**	1	–	–
Strategic Partners Offshore Real Assets – Infrastructure II**	1	8,531	0.42
Social 0.09% (31.12.2024 – 2.17%)			
European Student Housing Fund**	1	–	–
KMG Wren Retirement Fund**	6,479	1,896	0.09
PROPERTY 4.35% (31.12.2024 – 3.94%)			
PRS REIT	3,655,736	4,153	0.20
Segro REIT	2,165,417	15,595	0.76
The CBF Church of England Property Fund			
Income Shares*	39,044,654	49,136	2.39
Tritax Big Box REIT	13,575,904	20,649	1.00
CONTRACTUAL & OTHER INCOME 0.95%			
(31.12.2024 – 1.53%)			
Ares Capital	367,404	5,526	0.27
Blackstone Secured Lending Fund	277,478	5,432	0.26
FS KKR Capital Corp Com	386,584	4,254	0.21
KKR Mezzanine Partners I**	1	404	0.02
KKR Private Credit Opportunities Partners II**	1	925	0.05
Social and Sustainable Housing**	1	2,931	0.14

PORTFOLIO STATEMENT

at 31 December 2025

	Holding	Fair value £'000	% of total net assets
FIXED INTEREST 11.04% (31.12.2024 – 8.08%)			
Government Bonds 5.85% (31.12.2024 – 5.17%)			
UK Treasury 0.125% 2028	35,643,000	51,299	2.49
UK Treasury 1.25% 2027	12,927,000	27,407	1.33
UK Treasury 3.25% 2044	26,367,000	20,659	1.00
UK Treasury 4.5% 2042	22,552,000	21,236	1.03
Non–Government Bonds 5.19% (31.12.2024 – 2.91%)			
Federated Hermes Sustainable Global Investment Grade Credit Fund	61,059,215	62,836	3.05
The CBF Church of England Short Duration Bond Fund*	28,854,478	44,081	2.14
INVESTMENT ASSETS		2,008,077	97.58
NET OTHER ASSETS		49,750	2.42
TOTAL NET ASSETS		2,057,827	100.00

All investments, except collective investment schemes, unquoted investments and private equities are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

* The CBF Church of England Global Equity Fund, The CBF Church of England Property Fund and The CBF Church of England Short Duration Bond Fund are managed by the Manager and represent related party transactions.

** Unquoted investments.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2025

		Year ended 31.12.2025		Year ended 31.12.2024	
	<i>Note</i>	£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(65,254)		67,581
Revenue	3	50,017		50,878	
Expenses	4	(13,535)		(13,317)	
Interest payable and similar charges		–		(1)	
Net revenue before taxation		36,482		37,560	
Taxation	5	(1,037)		(1,029)	
Net revenue after taxation			35,445		36,531
Total (deficit)/return before distributions			(29,809)		104,112
Distributions	6		(59,343)		(57,790)
Change in net assets attributable to Shareholders from investment activities			(89,152)		46,322

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2025

	Year ended 31.12.2025		Year ended 31.12.2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		2,149,464		2,082,688
Amounts receivable on issue of Shares	74,297		83,168	
Amounts payable on cancellation of Shares	(80,894)		(67,160)	
In-specie transactions	983		1,193	
		(5,614)		17,201
Change in net assets attributable to Shareholders from investment activities		(89,152)		46,322
Retained distributions on Accumulation Shares		3,129		3,253
Closing net assets attributable to Shareholders		2,057,827		2,149,464

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

BALANCE SHEET

at 31 December 2025

	<i>Note</i>	31.12.2025		31.12.2024	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			2,008,077		2,115,693
Current assets:					
Debtors	7	3,971		6,350	
Cash equivalents	8	39,000		31,000	
Cash and bank balances	8	22,424		11,656	
Total current assets			65,395		49,006
Total assets			2,073,472		2,164,699
LIABILITIES					
Creditors:					
Other creditors	9	1,371		1,427	
Distribution payable on Income Shares		14,274		13,808	
Total creditors			15,645		15,235
Total liabilities			15,645		15,235
Net assets attributable to Shareholders			2,057,827		2,149,464

The financial statements on pages 31 to 53 have been approved by the Board.

Approved on behalf of the Trustee
11 May 2026

A Brookes, Chair
CBF Funds Trustee Limited

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a basis other than that of a going concern, as a result of the intention to transition the CBF Church of England Investment Fund into new Charity Authorised Investment Fund (“CAIF”) in 2027. This basis includes, where applicable, writing the Fund’s assets down to net realisable value. As of the reporting date, no assets have been written down, and they continue to be reflected at their fair value. No provision has been made for the future cost of terminating the Fund unless such costs were committed at the reporting date. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

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

The financial statements have been prepared under 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 and the Church Funds Investment Measure Act 1958 substantially all of the Fund’s investments are highly liquid, substantially all of the Fund’s investments are carried at market value and the Fund provides a statement of change in net assets.

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies (*continued*)

(a) *Basis of preparation (continued)*

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

(b) *Revenue recognition*

Dividends on ordinary stocks, including special dividends where appropriate, and distributions received on collective investment schemes are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise on receipt of cash. Interest on Government stocks, convertible loan stocks 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 CCLA Public Sector Deposit Fund are credited to revenue on an accruals basis. Direct property income is accrued on a daily basis.

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 2025

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, 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 0.55% pa plus VAT.

The Fund received AMC rebates credited to the capital of the Fund for its holdings during the year in The CBF Church of England Property Fund, The CBF Church of England Global Equity Fund and The CBF Church of England UK Equity Fund. The Fund also received AMC rebates credited to revenue of the Fund for its holdings in The CBF Church of England Short Duration Bond 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. This 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, legal, safe custody fees and transaction charges and insurance 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies (*continued*)

(f) Distributions (continued)

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 2025 and 31 December 2024. There was no change in the income reserve balance during the current and prior reporting period.

(g) Basis of valuation

Quoted investments are valued at bid-market values as at close of business 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 Trustee.

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 dealing price on 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 close of business on 31 December 2025, the last business day in the accounting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies (*continued*)

(h) *Foreign exchange (continued)*

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.

(i) *Cash equivalents*

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 (losses)/gains

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
The net capital (losses)/gains during the year comprise:		
Realised gains on non-derivative securities*	46,410	64,220
Unrealised (losses)/gains on non-derivative securities*	(112,261)	1,963
Manager's annual management charge rebate – see note 1(e)**	1,423	1,605
Currency losses	(826)	(207)
	(65,254)	67,581

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

** This amount includes the rebates credited to the capital of the Fund for its holding in The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Global Equity Fund where, in all Funds, management fees are charged to capital.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

3. Revenue

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Overseas dividends	18,722	21,886
Overseas dividends on unquoted stocks	419	206
UK dividends	6,112	4,725
Franked dividend distributions	5,193	7,667
Franked dividends on unquoted stocks	2,865	3,823
Interest on debt securities	8,795	6,409
Interest distributions from The CBF Short Duration Bond Fund	1,541	905
Interest on The CBF Church of England Deposit Fund	–	57
Interest on the The Public Sector Deposit Fund	2,519	1,599
Property income distributions	3,105	2,948
Bank interest	736	640
Other income	–	3
Manager's annual management charge rebate*	10	10
	50,017	50,878

* This amount represents the annual management charge rebates credited to the Fund's revenue for the Fund's deposit in The CBF Church of England Deposit Fund and holdings in the CBF Short Duration Bond Fund where the annual management charge is charged to revenue.

4. Expenses

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's annual management charge – see note 1(e)	12,961	12,774
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Monitoring fees	101	99
Safe custody fees	121	131
	222	230

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

4. Expenses (*continued*)

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Other expenses:		
Audit fee	20	17
Insurance fee	27	30
Other fees	305	266
	352	313
Total expenses	13,535	13,317

Audit fee net of VAT is £17,600 (31.12.2024, £17,000).

The above expenses include VAT where applicable.

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.

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Overseas taxation suffered in the year	640	630
Overseas recoverable withholding tax written off in the year	397	399
Total taxation	1,037	1,029

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. Distributions

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

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
31 March – interim distribution	14,541	14,180
30 June – interim distribution	14,708	14,381
30 September – interim distribution	14,918	14,507
31 December – final distribution	15,095	14,766
	59,262	57,834
Add: revenue deducted on cancellation of Shares	201	146
Deduct: revenue received on issue of Shares	(120)	(190)
Net distribution for the year	59,343	57,790
Net revenue after taxation for the year	35,445	36,531
Amortisation under effective yield	(3,512)	(346)
Distribution from capital	14,537	9,088
Movement in Net Income Property	(93)	(261)
Manager's annual management charge – see note 1(e)	12,966	12,778
Net distribution for the year	59,343	57,790

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

The Manager's annual management charge is charged to capital, so this amount 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 2025 of £9,020 (31.12.2024, £164,239).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

7. Debtors

	31.12.2025 £'000	31.12.2024 £'000
Accrued revenue	3,551	5,908
Amounts receivable on creation of Shares	82	25
Annual management charge rebate receivable	112	145
Sales awaiting settlement	203	248
Prepayments	6	7
Income tax recoverable	17	17
	3,971	6,350

8. Cash equivalent, cash and bank balances

	31.12.2025 £'000	31.12.2024 £'000
Cash equivalents – cash in The CCLA Public Sector Deposit Fund	39,000	31,000
Cash and bank balances – cash at bank	22,424	11,656

9. Other creditors

	31.12.2025 £'000	31.12.2024 £'000
Amounts payable on cancellation of Shares	65	43
Accrued expenses	1,306	1,384
	1,371	1,427

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 Shareholders should they wish to sell their Shares. 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 2025

10. Financial instruments (continued)

Market price risk

This is an actively managed Fund which invests mainly in UK and overseas equities. 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 Share price from time to time, although there will generally be a positive correlation in the movement of the Share 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 2025, 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 Shareholders, and profit or loss, would increase or decrease respectively by approximately £100,404,000 (31.12.2024: £105,785,000).

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager.

Board credit ratings

Rating category	31.12.2025		31.12.2024	
	£'000	% Fund	£'000	% Fund
Investment grade	120,601	5.85	111,134	5.17
Total investment in bonds	120,601	5.85	111,134	5.17

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 and enable the Fund to meet the payment of any redemption of Shares that Shareholders may wish to make. However, 6.70% (31.12.2024, 6.17%) of the net asset value of the Fund comprises unquoted investments, which are illiquid.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

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 2025, 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 £12,931,000 (31.12.2024: £13,582,000).

The total foreign currency exposure at 31 December 2025 and 31 December 2024 was:

Currency	31.12.2025			31.12.2024		
	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000
Australian dollar	–	13,492	13,492	–	–	–
Danish krone	–	–	–	–	15,015	15,015
Euro	–	219,011	219,011	–	190,535	190,535
Hong Kong dollar	–	–	–	–	17,935	17,935
Japanese yen	–	21,006	21,006	–	16,410	16,410
New Zealand dollar	–	–	–	–	7,474	7,474
Korean won	–	–	–	261	238	499
Swedish krona	–	18,958	18,958	–	33,393	33,393
Swiss franc	–	35,727	35,727	–	43,305	43,305
Taiwanese dollar	104	40,286	40,390	70	23,904	23,974
US dollar	3,383	941,090	944,473	3,178	1,006,508	1,009,686
Total	3,487	1,289,570	1,293,057	3,509	1,354,717	1,358,226

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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 2025 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	58,960	120,600	600,855	780,415
Euro	—	—	219,011	219,011
Japanese yen	—	—	21,006	21,006
US dollar	2,464	—	942,009	944,473
Other	—	—	108,567	108,567
Total	61,424	120,600	1,891,448	2,073,472

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	—	—	15,645	15,645
Total	—	—	15,645	15,645

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

10. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2024 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	41,277	111,134	654,062	806,473
Euro	—	—	190,535	190,535
Japanese yen	—	—	16,410	16,410
US dollar	1,379	—	1,008,307	1,009,686
Other	—	—	141,595	141,595
Total	42,656	111,134	2,010,909	2,164,699

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	—	—	15,235	15,235
Total	—	—	15,235	15,235

* 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 2025

11. Commitments and contingent liabilities

Undrawn commitments at 31 December were:

	31.12.2025 £	31.12.2024 £
Pan-European Infrastructure Fund I	2,244,533	2,134,028
KKR Mezzanine Partners I	541,294	580,619
KKR Private Credit Opportunities Partners II	4,103,997	3,901,946
Strategic Partners Offshore Real Assets – Infrastructure II	5,064,332	5,655,841
KKR Global Infrastructure Investors III	1,851,215	2,151,199
Infracapital Partners III	2,277,268	2,274,060
European Student Housing II	–	–
Blackstone Capital Partners Asia	1,412,511	1,515,978
Clean Energy and Environment Fund	857	920
Social and Sustainable Housing	–	152,914
NextPower III	–	–
Clean Growth Fund	1,153,840	1,707,479
Rubicon Partners V	1,656,480	753,107
Cambridge Innovation	2,156,506	2,849,167
Total	22,462,833	23,677,258

There were no other commitments or contingent liabilities as at 31 December 2025 (31.12.2024, £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 CBF Church of England Funds. The valuation of £63,310,000 (31.12.2024, £45,370,000) is based on a discounted market value calculation, prepared biannually by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

12. Unquoted and other investments (*continued*)

The table below shows the percentage of the Net Asset Value of The CBF Church of England Investment Fund which are held in the following investments:

	31.12.2025 %	31.12.2024 %
The CBF Church of England Global Equity Fund	5.84	5.92
The CBF Church of England Property Fund	2.39	2.24
The CBF Church of England UK Equity Fund*	–	2.76
CCLA Investment Management–Ordinary Shares	3.08	2.11
The CBF Church of England Short Duration Bond Fund	2.14	2.00

The table below shows the percentage of the Net Asset Value of the following investments which are held by the CBF Church of England Investment Fund:

	31.12.2025 %	31.12.2024 %
The CBF Church of England UK Equity Fund*	–	81.91
The CBF Church of England Global Equity Fund	48.44	49.75
The CBF Church of England Property Fund	37.44	36.67
CCLA Investment Management – Ordinary Shares	83.78	82.25
The CBF Church of England Short Duration Bond Fund	59.41	59.83

The investment in the CBF Church of England Property Fund Shares may not be readily realisable, as the Manager may impose a period of notice (which is currently 180 days) before carrying out a redemption of Shares in that fund, if it is deemed necessary to protect the interests of Shareholders 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.

All unquoted investments are listed in the Portfolio Statement.

* On 30 June 2025, the Manager closed the CBF Church of England UK Equity Fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

13. 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 this inclusive of annual management charge rebates are disclosed in note 4. Please see note 1(e) for further information. An amount of £1,132,031 was due to the Manager at 31 December 2025 (31.12.2024, £1,119,062). During the year, the Fund received dividends of £2,730,000 from the Manager (31.12.2024, £2,730,000).

There were no other transactions entered into with the Manager during the year (31.12.2024, £nil).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2025 (31.12.2024, £nil). There were no other transactions entered into with CBFFT during the year (31.12.2024, £nil).

At 31 December 2025, a cash balance of £nil (31.12.2024, £nil) was held in the CBF Church of England Deposit Fund. During the year the Fund received interest of £nil (31.12.2024, £57,400) from the CBF Church of England Deposit Fund.

At 31 December 2025, a cash balance of £39,000,000 (31.12.2024, £31,000,000) was held in the Public Sector Deposit Fund. During the year the Fund received interest of £2,518,953 from the Public Sector Deposit Fund.

Further details of the Fund's holdings in the manager and in other CBF Church of England 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 2025

14. Portfolio transaction costs

For the year ended 31 December 2025

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	557,309	202	0.04	208	0.03	557,719
Bond transactions	152,109	—	—	—	—	152,109
Money markets	42,785	—	—	—	—	42,785
In-specie transactions	29,816	—	—	—	—	29,816
Corporate actions	18,193	—	—	—	—	18,193
Total	800,212	202		208		800,622

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	608,390	(245)	0.04	(54)	0.01	608,091
Bond transactions	143,994	—	—	—	—	143,994
In-specie transactions	58,861	—	—	—	—	58,861
Corporate actions	27,417	—	—	—	—	27,417
Total	838,662	(245)		(54)		838,363

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 2025 was 0.09%.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

14. Portfolio transaction costs (*continued*)

For the year ended 31 December 2024

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	411,525	159	0.04	85	0.02	411,769
In-specie transactions	1,193	—	—	—	—	1,193
Corporate actions	8,276	—	—	—	—	8,276
Total	420,994	159		85		421,238

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	385,317	(139)	0.04	(55)	0.01	385,123
Fund transactions	8,741	—	—	—	—	8,741
Corporate actions	13,971	—	—	—	—	13,971
Total	408,029	(139)		(55)		407,835

Commissions and taxes as a percentage of average net assets

Commissions 0.01%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2024 was 0.09%.

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 2025

15. Shareholders' funds – reconciliation of Shares

	Year ended 31.12.2025	
	Income Shares	Accumulation Shares
Opening number of Shares at beginning of year	86,840,115	2,299,535
Shares issued in year	2,399,789	316,085
Shares cancelled in year	(3,092,324)	(180,341)
Shares converted in year	–	15,440
Closing number of Shares at end of year	86,147,580	2,450,719

All Units carry the same rights.

16. 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 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,471,731	396,749	139,597	2,008,077
	1,471,731	396,749	139,597	2,008,077

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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

For the year ended 31 December 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	1,571,941	408,272	135,480	2,115,693
	1,571,941	408,272	135,480	2,115,693

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

DISTRIBUTION TABLES

for the year ended 31 December 2025

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2025	2024	2025	2024
Income Shares				
31 March	30 May	31 May	15.90	15.62
30 June	29 August	30 August	15.90	15.62
30 September	28 November	29 November	16.55	15.89
31 December	27 February	28 February	16.57	15.90
			64.92	63.03

Period ended	Revenue accumulated pence per Share	
	2025	2024
Accumulation Shares		
31 March	31.76	29.96
30 June	41.54	39.12
30 September	25.29	29.67
31 December	33.49	41.68
	132.08	140.43

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

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure 1958 and (as amended from time to time) the Trustee Act 2000 to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Church Funds Investment Measure 1958 and Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective share in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Preparation of financial statements

The Trustee of the Fund is required, by the Church Funds Investment Measure 1958, to prepare financial statements which give a true and fair view of the financial position of the Fund at each half year and year end valuation date. The net revenue for the year, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Church Funds Investment Measure 1958. In preparing the financial statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;

- makes judgments and estimates that are prudent and reasonable; and
- prepares the financial statements on a going concern basis, unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Measure as permitted by the Church Funds Investment Measure 1958.

Manager responsibilities

The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 and take reasonable steps for the prevention and detection of fraud and other irregularities.

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

DIRECTORY

Trustee Directors

A Brookes (Chair)
C Chan*
P Chandler
O Home
C Johnson
A Milligan*
M Orr*
D Rees* (resigned January 2026)
* *Members of the Audit Committee*

Manager and Registrar

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

Transfer Agent

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

P Hugh Smith (Chief Executive Officer)
E Sheldon (Chief Operating Officer)
(resigned on 2 February 2026)
A Robinson, MBE (Director Market Development)
(resigned on 2 February 2026)
W Mephram (appointed on 2 February 2026)
T Owen (appointed on 2 February 2026)

Non-Executive Directors of the Manager

R Horlick (Chair)
J Jesty
C Johnson (resigned on 2 February 2026)
A Roughead (resigned on 6 January 2026)
C West (resigned on 2 February 2026)
J Hobart (resigned on 2 February 2026)

Fund Manager

B Funnell

Company Secretary

M Mochalska
J Fox (retired 31 March 2025)

Chief Risk Officer

J-P Lim

Head of Sustainability

J Corah

Third Party Advisers

Banker

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

Custodian

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

Independent Auditor

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

CCLA was founded in 1958 with the launch of the Church of England Investment Fund, enabling churches to pool their assets and have them professionally managed. We started managing investments for local authorities in 1961, followed by charities in 1963.

In 1987, with the introduction of new financial regulation, those churches, charities and local authorities founded CCLA Investment Management Limited.

Today, CCLA is one of the UK's largest managers of charity, faith and public sector investments, providing pooled and bespoke portfolios, and championing responsible investment.

We know that charities and not-for-profit organisations measure success not in profits, but in lives improved and futures secured. At CCLA, we are honoured to stand alongside them – helping to manage their investments and invest with purpose – so that their impact endures across generations.



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

Both companies are part of the Jupiter Group, and are authorised and regulated by the Financial Conduct Authority.
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