

THE CBF CHURCH OF ENGLAND PROPERTY FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 June 2025

**CCLA**

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\*Collectively, these comprise the Manager's Report.

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

**Disability Discrimination Act 1995**

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

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

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

**Structure and management**

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

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

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

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

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

**Charitable status of the Fund**

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

**Investment objective**

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

**REPORT OF THE TRUSTEE**

for the half year ended 30 June 2025 (unaudited)

**Investment policy**

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

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.

**Approach to Property Investment**

The Fund is managed in line with CCLA's approach to property investment which is available at [www.ccla.co.uk/about-us/policies-and-reports/policies/our-approach-property-investment](http://www.ccla.co.uk/about-us/policies-and-reports/policies/our-approach-property-investment). This approach outlines our property investment process, from pre-purchase due diligence to the ongoing management and sale of properties.

**Comparator Benchmark**

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

**Target investors**

The Fund is intended for eligible charity investors, with at least a basic knowledge of property related investments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise. The Fund has indirect holdings in direct property, which is inherently illiquid, and investors should take particular note of the risk sections of the Scheme Information, and the actions the Manager may have to take in stressed market conditions, such as suspending or delaying Fund dealings. The Fund also has a minimum redemption notice period of 180 days.

The Fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments. Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor. Investors may be either retail or professional clients (both per se and elective).

**Responsibilities of the Trustee**

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

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

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

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

**Delegation of functions**

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

Energy Performance Certificates (EPCs) are an important focus with an aim to achieve asset level improvements in performance and ensure compliance with the Minimum Energy Efficiency Standards (MEES) regulations. As part of the Fund's approach, costings are being obtained to improve the sustainability credentials and EPC rating of the poorer rated properties and, where lease events provide opportunity, for greater engagement in this area with assets and tenants. Our standard lease terms feature green lease clauses which are designed to support our access to data across a range of metrics such as tenants' energy and water consumption, and waste and recycling regimes.

Over the period under review, work has continued with the Fund's approach and improving management systems. To enhance our capabilities in this area Evora Global have been appointed to advise the Fund and provide specialist support in developing policies and asset level plans.

In addition to these asset level initiatives CCLA has used its influence as an investment manager to address systemic risks that have not had the attention that they require. Within property we have sought to work with BNP Property Management to ensure that our work on tackling modern slavery has been addressed within its own operations including construction, refurbishment, and support service provision.

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

**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.

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

Sustainability approach (including faith-consistent investment policy) The fund invests in the COIF Charities Property Fund, which is compliant with the faith-consistent investment policy of the fund, developed by CCLA and implemented by other CBF Church of England Funds, 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. The restrictions that apply to the fund are set out in the scheme information. They apply a number of values-based restrictions on property tenants in line with the faith-consistent investment policy. 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.

These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures.

We continue to apply these values-based screens post investment. Where possible we review new tenants against criteria and seek to avoid entering into leases with businesses that conduct activities that are proscribed by the values-based screens. However, as per standard practice in property investment management, we do not

include restrictive clauses within the leases that are granted to tenants as they significantly impact upon the economic value of the asset. This means that existing tenants can pass on their lease to another business without our approval. For this reason, it is possible that, post-acquisition, a property can move into a position where it is no longer in compliance with the values-based screens.

**Climate approach**

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

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

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

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

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

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

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

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;
- a summary of the internal audit reviews carried out during the reporting period and any significant findings;

- an enterprise risk report which outlines an operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

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 Property Fund would cease operations and be wound up, with the investors’ existing holdings in the CBF Church of England Property 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.

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

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

**Acquisition by Jupiter Fund Management**

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

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

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

A Brookes, Chair  
CBF Funds Trustee Limited  
9 September 2025

The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is

currently Chaired by Barbara Ridpath who took over from the Right Reverend David Walker, The Bishop of Manchester, on the 8 July 2020. More information about the EIAG is available at [www.churchofengland.org/eiag](http://www.churchofengland.org/eiag).



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

Property sector performance continued to improve over the half-year. Redemption and liquidity pressures appear to be easing too as sentiment improves. An ongoing recovery in the UK property investment sector features steady and stable commercial capital valuation growth overall, offering relief for investors facing persistent uncertainty in the macro-economic, -financial and -political backdrop, and more broadly across the investment spectrum. That said, it is a frustration that such conditions currently hold back the pace of the property recovery, subduing activity and keeping investment yields higher for longer. Still, property capital values overall are growing moderately, supported by rental value growth and management actions, which combined with the reliable income return, produces increasingly attractive annual total returns.

Also encouraging for the Fund's Shareholders, total returns outperform the Benchmark (MSCI/AREF UK Other Balanced Open-Ended Property Fund Index) in the half year period. As the record in the table below shows, the Fund also produces competitive total returns over all longer-term periods – 1, 5, and 10 years.

A more settled period for pricing and capital valuations means income plus some modest levels of capital growth can move performance decisively into positive territory. The Fund is focused on distributing income as the foundation of its returns. This focus works well and is aligned with the asset class's long term return characteristics, and especially in periods when capital growth is limited and less certain. Most of the Fund's total return comes from income, and this helped it outperform the

### Annualised total capital and income return

To 30 June 2025	6 months %	1 year %	5 years % p.a.	10 years % p.a.
<b>Performance against benchmark (after expenses)</b>				
The CBF Church of England Property Fund*	3.98	8.36	4.37	4.84
Comparator benchmark <sup>#</sup>	3.08	6.77	3.24	4.20
Consumer Price Index (CPI)	2.43	3.58	5.04	3.32

<sup>#</sup> Comparator benchmark – AREF/MSCI™ Other Balanced Property Fund Index.

\* NAV to NAV plus income re-invested for income units.

Past performance is not a reliable indicator of future results.

Source: CCLA, Bloomberg & HSBC.

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

Benchmark. Shareholders receive income each quarter, and the amount distributed in the half year was 3.39p per Unit, providing a 6-month income return of 2.8%. Over a 12-month period, the income distribution is maintained at 6.64p, giving an annual income return of 5.5%. By comparison, the Fund's income yields are significantly higher than the Benchmark's 1.6% and 3.5% for the 6- and 12-month periods respectively.

The increase in the Fund's Share price represented a capital return of 1.2% for the half-year, which with income gives a total return of 4.0%. Portfolio capital valuations improved overall in the period, and at a steady if modest rate. This reflects valuation stability more broadly across the portfolio together with some stronger individual asset contributions. Lower interest rates support investment and boosts confidence, but investors remained cautious due to economic uncertainty and political volatility that challenged financial market conditions and kept investment yields higher and limits valuation growth. As a result, valuers remained conservative, and costs linked to property maintenance and refurbishment, particularly in the office sector, also weighed on returns. Structurally, the Fund's larger positions in retail warehouses and industrial assets helped performance, whilst at the asset level management progress made a clear difference, especially in locations and sub-sectors with rising rents that can be secured, for example on concluding lettings and rent reviews for distribution warehouses.

Over the half-year, the size of the Fund decreased, ending the period at £125.9m. Steady portfolio valuation growth throughout the period demonstrates the ongoing recovery, however, this growth is counterbalanced by capital spending on asset management projects and some ongoing redemptions from unitholders. The sales of two portfolio property assets were completed in the period and other sales were under way at the year-end. Investor outflows have moderated, consistent with conditions in the UK property funds sector generally. Net outflows over the period amounted to £2.86m whilst outstanding redemption requests, subject to the Fund's notice period, currently stands at £0.3m. Liquidity is managed via the CBF Property Fund's holding in the COIF Property Fund. As of 30 June 2025, that Fund held £30.0m in cash, or 6.5% of its total assets.

### Strategy

Reflecting some characteristic challenges investing directly in an imperfect asset class like property, for example liquidity and diversification, and especially for smaller funds and portfolios, the CBF Property Fund's strategy, investment objectives and risk control, are achieved and enhanced via its holding in the COIF Charities Property Fund. This applies at both the strategic structural level, and at the property asset level where stock specific risk can be high.

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

The economic and financial environment remains uncertain, whilst the UK property market continues to undergo longer-term change. The Fund's strategy is to remain well-positioned and diversified whilst facing this range of risks. The risks are unprecedented, and the degree of challenge varies widely between properties. Stock specific risk is typically dominant in an imperfect asset class that depends on features such as location, building quality and lease terms (especially how much of the lease is unexpired). This has especially been a feature in the current period and is likely to remain so looking into the outlook. Careful asset selection and pro-actively managing properties is therefore a key performance driver, controlling risk to protect both value and income. The Fund focuses on generating income given it is a large part of its long-term performance record, and especially in periods when capital growth is uncertain.

Fundamentally, the Fund's portfolio is diversified with allocations across the main property types but dynamically seeking to be overweight sub-sectors offering the most attractive outlook and avoiding volatility or difficulties in specific properties. Currently, the Fund has high exposure to industrial warehouse assets, and a significant allocation to retail warehouses. As the prospects for prime and secondary assets diverge, asset quality and pro-active management will be a differentiator in the outlook and to control obsolescence risk.

### Market Review

Market conditions and performance for the UK property sector continued a subdued course compared to the stronger end to 2024. The period was notable for the ongoing uncertainty in the macro-economic and financial backdrop that intensified over Q2-25 reflecting US trade and tariff policies, and the volatility that naturally ensued. This frustrates a UK property sector now well placed to progress, but heightened economic risks delay a more attractive recovery for UK property investment. The impact is visible in the market transaction data as investors remain cautious and pause some investment activity, but also in MSCI performance data that records capital valuations and prices still growing but at a slower pace. Positively, sentiment and liquidity are improved, whilst annual total return performance steadily recovers, driven by the income return combining with some capital growth.

According to Lambert Smith Hampton's Q2-25 UK Investment Transactions Report, total all-sector volume slipped to a two year low in Q2 with consecutive quarters of sub-£10bn volume back below the long-term averages. This demonstrates the lack of momentum in the market and reflects recent global and domestic headwinds, despite some more encouraging signs across the 'living' sectors including hotels and various residential types, and also the office and retail sub-sectors. Leading rental value growth, continues to draw investors to industrial warehouse property. On the surface this appears a set-back for investment transaction

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total volume but does not tell the complete story. It is also important to recognise that the observed slowdown in activity also reflects a lack of supply and opportunity for active investors. Overseas buyers continue to allocate capital and dominate, showing the global appeal of UK property investment. Recent data also reveals increased demand from a broader range of UK investors, for example purchases by UK institutions doubled over the period. The disappointing results in terms of overall volume mainly reflects a lack of large deals and transaction opportunities for buyers at that level, whilst deal numbers and liquidity in the broader mid/low-market segment have largely held firm, offering opportunity for both buyers and sellers.

Whilst the pace of the recovery has slowed as expected in the uncertainties, the MSCI Quarterly All Property Capital Index still recorded modest growth at 0.2%% for Q2-2025, and over the half-year period, growth amounted to 0.6%. Together with income, the total return recorded by MSCI for the half year period was 3.0%. Over 12-months, performance continues to move higher with capital growth at 1.7%, whilst total returns ended the period up 6.7%.

Reflecting broadly positive and well supported UK occupier market fundamentals, even for some segments of the troubled office sector, rental value growth remains remarkably steady and attractive for investors. Rental performance however is uneven due to ongoing structural change and is stock specific with significant operational challenges for property investors notably within

office and retail sub-sectors where income erosion, obsolescence and investment viability issues impact income and capital valuations. In contrast, reliably strong rental value growth is largely focused on industrial warehouse property, a sector that has recorded rental growth of 7.1% per annum over the last 5-year period. As a result, well allocated and diversified portfolios have consistently recorded rental value growth of around 3.6% per annum since markets emerged from the Covid period, providing an attractive source of income growth at rent review and when granting new leases.

### Activity

The first six-month period of 2025 has been busy in terms of management activity and transactions within the COIF Property Fund's portfolio. It sold two properties in the period; a vacant, obsolete office building in Aberdeen, Scotland with high holding expenses, and an industrial and office facility on Brackmills, Northamptonshire, where the lease was expiring and the entire premises were to become vacant. The Fund also sold another office building on Stockley Park, West London, which completed shortly after the period end. The property was part vacant, and with the prospect of further letting risk to come. Combined, the three sales raised over £16m, supporting Fund liquidity and controlling stock risk within the portfolio. Further asset sales are in hand or contracted for completion during the remainder of the year, with the disposal of challenging vacant office assets again the typical feature. The Fund acquired the freehold interest in an existing

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retail warehouse holding in Brownhills, West Midlands. The property was previously held long leasehold, and a price of £50k was paid to the local authority for the freehold interest. This sensible improvement to the ownership structure adds value and enhances asset liquidity.

Good progress was also achieved on asset management activity. New leases of previously vacant units and renewals of existing leases have been completed. Notably, an industrial warehouse, with high office content, located in Bow, East London, was let on a 10-year lease adding a new £928k income stream. Also, renewals were completed with Aardman Animations for all six of their leases on the industrial warehouse property at Aztec West in Bristol. This is a core site for the company and used for animation film production. The lettings achieved were an improvement on the previous letting terms with higher rents now paid across this older but well-located facility. Also in the industrial warehouse sub-sector, several lease rent reviews have been completed that achieved attractive rental increases compared to the previous rents paid. For example, a warehouse unit on Magna Pak in Lutterworth, Leicestershire, recorded income growth of 43% on a relatively large income stream. Smaller increases were achieved on older, smaller industrial units in Tunbridge Wells, Kent and Mendlesham, Suffolk. In the office sector and demonstrating the improvement experienced in occupier market conditions for well-located premises in the City of London, new leases and lease renewals have been completed on

the Fund's holdings at College Hill, and most notably on Cannon Street with a new record rent achieved for the building. This outcome helped drive valuation growth for the Fund's largest investment holding by capital value.

The positive impact of the above transactions is countered over the shorter term by the expiry of leases at two industrial warehouse holdings on the Brackmills Industrial Estate, Northampton, B8 and Dimension House. However, the tenants have vacated, and the accommodation is being refurbished before re-letting, and both properties are expected to relet quickly on enhanced terms compared to the old leases. Due to the growing and large rental values attributed to these now vacant warehouse units, and another on Magna Park, Lutterworth, the portfolio's investment void rate is temporarily higher at 17.0% of rental values at the half-year end. The Fund's development void rate is 2.6%. By comparison, the MSCI Monthly Index reports investment voids at 12.2%, which, including development vacancies, increases to 20.7%. This data largely reflects the ongoing vacancy risk and re-letting challenges for a large body of increasingly obsolete office assets.

### Outlook

This half year represents a positive but mixed period for a UK property sector still cautious in key areas such as investment activity, with progress limited but encouraging so far in terms of pricing, income and valuations. The evidence points to an ongoing recovery, even if market conditions, activity and growth appear relatively

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subdued, and the prospect of a firmer recovery is still to take hold. It is frustrating that threats to the outlook persist in the macro backdrop and started to re-emerge again in Q4-2024, just as the property sector looked set for a stronger period. Policymakers continue to grapple with a delicate economic outlook, interest rates and fiscal policies, whilst US driven global trade tensions during the half year, including tariff threats, added pressure and dominated headlines. This is naturally weighing on investor sentiment and activity. Investors need to see clearer progress on interest rates, economic growth, and political stability, and these remain key to building momentum in the property market and reducing uncertainty around prices.

For the time being, the uncertainty holds back a sustainable and stronger rebound for the UK property investment and overshadows steady but unspectacular progress. Investors do however take confidence, and sentiment is improving along with a growing appetite for more investment activity, sensing the opportunities that do exist. It is especially encouraging that greater stability is recorded broadly across the asset class. Although stock specific risk will remain high as the impact of structural change in the office and retail sub-sectors continues to unfold, risks overall are more balanced. The challenges and impacts on rental values and income are now better understood, and higher yields and lower valuations mean investment and management action is now more viable. Liquidity is now enhanced, and the outlook promises opportunity and positive returns in the

years ahead. In many sub-sectors, the occupier market fundamentals are supportive with steady demand, and limited supply pipelines, especially for prime assets. This helps rents to grow and, in turn is a factor to drive capital valuations higher. Industrial warehouses remain popular, and even in the office sector, the best-quality space is still in short supply, which keeps demand firm.

Especially encouraging is the resilience displayed in the face of challenging macro-headwinds over the half year that have impacted the broader investment and economic environment. While the UK is not immune to global risks, especially in sectors linked to trade or consumer demand, the UK property sector appears well placed to weather any volatility. The reaction from the market so far has been as expected with no major shock. The sector still looks resilient, and what we are seeing now is, effectively, further delay as market conditions recover, and investor confidence and activity grows. For now, stability is a positive outcome for a sector that generates steady income. With risks more evenly spread, this creates a favourable environment for sentiment and deal activity to improve as the year progresses. Clear evidence that the interest rate cutting cycle is underway provides an important boost, along with improved lending conditions generally, supporting recovery, sentiment and demand for investments.

As annual performance steadily improves with only modest growth, there is reason to feel optimistic that prices and performance will make sustainable progress over the remainder



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of 2025 and into 2026. Income will continue to make up the bulk of total returns in 2025. Active management is key as it adds value and boosts performance, even when risks to specific properties are high and outcomes vary across properties and segments. The past year has shown how important it is to drive income and manage properties well, and the outlook is no different. However, whilst the UK property market is still moving into a better phase, experience is telling us that the path ahead may

be winding and uneven, and events constantly remind us of the risks. Inflation worries and higher bond yields make the pace of rate cuts less clear, and investing only for capital gains still looks risky at this stage of the cycle.

Paul Hannam  
Head of Property  
CCLA Investment Management Limited  
9 September 2025

### Risk warning

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

The Fund may invest indirectly in property which is an illiquid asset class. The Fund will achieve this indirect exposure by investing primarily in the COIF Charities Property Fund which invests directly in property and property related assets which are valued by an independent external property valuer and as such are open to substantial subjectivity. The performance of the COIF Charities Property Fund may be adversely affected by a downturn in the property market which could impact on the capital and or income value of the Fund.

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

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

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

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

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

## SUMMARY RISK INDICATOR

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



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

The summary risk indicator assumes investment in the Fund for the 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.

Property is recognised as an illiquid asset and is thus most suited to long-term investment. Whilst investors can request redemption at any time, all such requests are subject to a minimum notice period of 6 months. The Fund normally deals on the last business day of each month. The Fund does not include any protection from future market performance, so you could lose some or all your investment.

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

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



## COMPARATIVE TABLE

## Change in net assets per Share

	Income Shares			
	Half year to 30.06.2025 pence per Share	Year to 31.12.2024 pence per Share	Year to 31.12.2023 pence per Share	Year to 31.12.2022 pence per Share
Opening net asset value per Share	121.31	120.63	128.50	145.59
Return before operating charges*	4.84	7.35	(1.33)	(10.56)
Operating charges	(0.02)	(0.03)	(0.03)	(0.02)
Return after operating charges*	4.82	7.32	(1.36)	(10.58)
Distributions on Income Shares	(3.39)	(6.64)	(6.51)	(6.51)
Closing net asset value per Share	122.74	121.31	120.63	128.50
* after direct transaction costs of:	—	—	—	—

## Performance

Return after charges	3.97%	6.07%	(1.06%)	(7.27%)
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## Other information

Closing net asset value (£'000)	125,899	127,312	147,225	161,519
Closing number of Shares	102,569,515	104,949,018	122,048,098	125,692,322
Operating charges**	0.76%	0.75%	0.68%	0.65%
Direct transaction costs	—	—	—	—

## Prices (pence per Share)

Highest Share price (offer)	125.15	125.66	132.01	165.15
Lowest Share price (bid)	123.30	119.48	120.61	128.50

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 reflect the Manager's annual management charge and other expenses annualised and divided by average net assets for the period/year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a substantial proportion of its assets in other funds. As substantially all of the Fund's assets are held in the COIF Charities Property Fund, the operating charge figure comprises the operating charge figure in the COIF Charities Property Fund (0.76%), less rebates (0.02%) plus expenses in the Fund (0.02%).

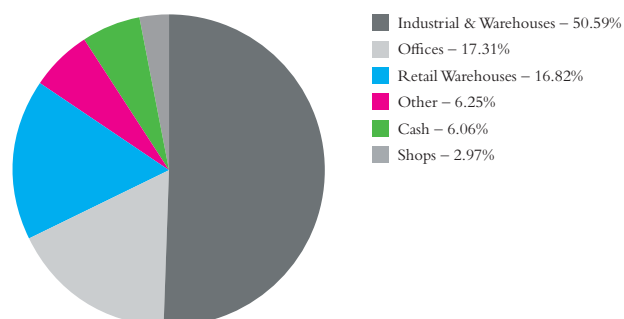
## PORTFOLIO ANALYSIS

at 30 June 2025 (unaudited)

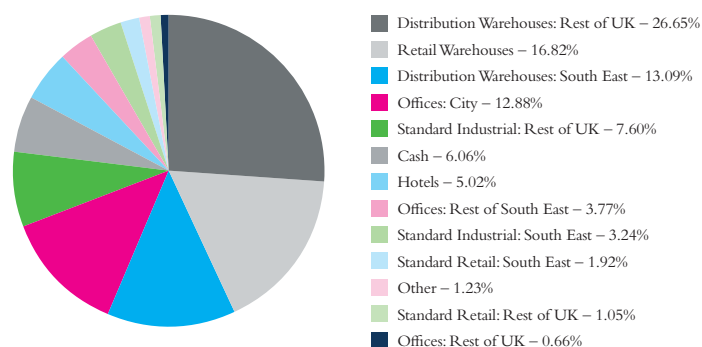
## Top Ten Property Holdings

Property		% of Property Portfolio
London, 80 Cannon Street	Offices/Shops	11.46
Brighton, Lewes Road	Retail Warehouses	8.99
Mendlesham, Norwich Road	Industrial	8.13
Ashby-de-la-Zouch, 15 Coalfield Way	Industrial	6.92
Bristol, 1400-1600 Aztec West Business	Industrial	5.25
Lutterworth, 3320, Hunter Boulevard	Industrial	5.24
Bath, Rossiter Road	Other	4.79
Lutterworth, 3220, Wellington Parkway	Industrial	4.22
Solihull, Solihull Gate Retail Park	Retail Warehouses	4.15
London, 7 St Andrew's Way	Industrial	3.86

## Asset by type



## Regional and sector analysis



The portfolio analysis above differs from the following portfolio statement because the analysis shown here is on a 'look through' basis in respect of cross holdings in COIF Charities Property Fund.

## Portfolio turnover

	Period to 30.06.2025	Period to 30.12.2024
Portfolio turnover rate	0.05%	0.13%

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

PORTFOLIO STATEMENT  
at 30 June 2025 (unaudited)

	Holding	Fair value £'000
COIF Charities Property Fund Income units	119,202,742	124,531
INVESTMENT ASSETS		124,531
NET OTHER ASSETS		1,368
TOTAL NET ASSETS		125,899

## STATEMENT OF TOTAL RETURN

for the half year ended 30 June 2025 (unaudited)

	Period ended 30.06.2025		Period ended 30.06.2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		1,901		(913)
Revenue	3,555		4,519	
Expenses	(495)		(548)	
Net revenue before taxation	3,060		3,611	
Taxation	—		—	
Net revenue after taxation		3,060		3,611
<b>Total return before distributions</b>		<b>4,961</b>		<b>2,698</b>
Distributions		(3,506)		(4,090)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>1,455</b>		<b>(1,392)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 June 2025 (unaudited)

	Period ended 30.06.2025		Period ended 30.06.2024	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		<b>127,312</b>		<b>147,225</b>
Amounts receivable on issue of Shares	806		1,032	
Amounts payable on cancellation of Shares	(3,674)		(3,604)	
		(2,868)		(2,572)
Change in net assets attributable to Shareholders from investment activities		1,455		(1,392)
<b>Closing net assets attributable to Shareholders</b>		<b>125,899</b>		<b>143,261</b>

The note on pages 23 to 24 and the distribution table on page 25 form part of these financial statements.

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

**BALANCE SHEET**

at 30 June 2025 (unaudited)

	30.06.2025		31.12.2024	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Fixed assets:				
Investments		124,531		129,965
Current assets:				
Debtors	2,018		1,966	
Cash equivalents	794		782	
Cash and bank balances	382		467	
Total current assets		3,194		3,215
<b>Total assets</b>		<b>127,725</b>		<b>133,180</b>
<b>LIABILITIES</b>				
Creditors:				
Other creditors	167		4,105	
Distribution payable on Income Shares	1,659		1,763	
Total creditors		1,826		5,868
<b>Total liabilities</b>		<b>1,826</b>		<b>5,868</b>
Net assets attributable to Shareholders		125,899		127,312

The financial statements on pages 20 to 25 have been approved and authorised for issue by the Trustee.

Approved on behalf of the Trustee  
9 September 2025

A Brookes, Chair  
CBF Funds Trustee Limited

The note on pages 23 to 24 and the distribution table on page 25 form part of these financial statements.

## CASH FLOW STATEMENT

for the half year ended 30 June 2025 (unaudited)

	Period ended 30.06.2025		Period ended 30.06.2024	
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities		3,165		3,606
Net cash inflow from investment activities				
Payments to acquire investments	(196)		(916)	
Proceeds on disposal of investment	7,011		3,574	
Manager's periodic charge rebate	479		538	
		7,294		3,196
Net cash outflow from financing activities				
Issue of shares	637		1,032	
Cancellation of shares	(7,559)		(3,604)	
Distributions paid	(3,610)		(4,101)	
		(10,532)		(6,673)
(Decrease)/Increase in cash		(73)		129

## NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2025 (unaudited)

### 1. Accounting policies

#### *Basis of preparation*

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

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

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

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 Property Fund would cease operations and be wound up, with the investors' existing holdings in The CBF Church of England Property 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.

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

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

1. Accounting policies (*continued*)

*Basis of preparation (continued)*

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



## DISTRIBUTION TABLE

for the half year ended 30 June 2025 (unaudited)

Period ended	Date payable/paid		Dividends payable/paid pence per Share	
	2025	2024	2025	2024
<b>Income Shares</b>				
31 March	30 May	31 May	1.77	1.77
30 June	29 August	31 August	1.62	1.62
			3.39	3.39

## STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

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

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Church Funds Investment Measure 1958 and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares; and
- 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 interim and year end valuation date. The net revenue for the period, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the 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 the going concern basis unless it is inappropriate to presume this.

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

**Manager responsibilities**

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

**CBF Funds Trustee Limited**  
(Charity Registration No. 1116932)

## DIRECTORY

### Trustee Directors

A Brookes (Chair)  
C Chan\*  
P Chandler  
O Home  
C Johnson  
A Milligan\*  
M Orr\*  
D Rees\*

*\* Members of the Audit Committee*

### Manager and Registrar

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

### 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*

### Transfer Agent

FNZ TA Services Limited  
7th Floor, 2 Redman Place  
London  
E20 1JQ  
*Authorised and regulated by the Financial Conduct Authority*

### Executive Directors of the Manager

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

### Non-Executive Directors of the Manager

R Horlick (Chair)  
J Jesty  
C Johnson  
A Roughead  
C West  
J Hobart

### Fund Manager

P Hannam

### Company Secretary

M Mochalska  
J Fox (retired 31 March 2025)

### Chief Risk Officer

J-P Lim

### Head of Sustainability

J Corah

### Third Party Advisers

#### Banker

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

#### Custodian

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

#### Independent Auditor

Deloitte LLP  
110 Queen Street Glasgow  
G1 3BX

## ABOUT CCLA

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

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



**CCLA Investment Management Limited**  
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[www.ccla.co.uk](http://www.ccla.co.uk)

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

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