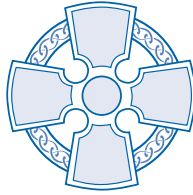


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THE CHURCH
IN WALES

THE CHURCH IN WALES COMMON INVESTMENT FUND

Annual Report and Financial Statements

Year ended 31 December

2023



Contents

Report of the Trustee	1
Statement of Trustee Responsibilities	7
Administrative Information	8
Independent Auditors' Report to the Trustee	10
Statement of Total Return	13
Statement of Change in Net Assets	13
Balance Sheet	14
Notes to the Financial Statements	15

Report of the Trustee

Structure

The Church in Wales Common Investment Fund is a collective investment scheme that was established by the Representative Body of the Church in Wales (the Representative Body), under a scheme approved by the Charity Commission on 11 December 2008, for the investment of monies belonging to or benefiting any charity for which the Representative Body is Trustee.

The Representative Body is the Trustee of the Common Investment Fund, and has appointed its Investment Committee to oversee the Fund. The Investment Committee meets four times a year, receives quarterly reports from the Fund Manager, and monitors the strategy and performance of the Fund.

The Common Investment Fund is managed by the Fund Manager (Newton Investment Management) in accordance with an Investment Management Agreement, and is administered by the staff of the Representative Body.

Description of the Fund

The Fund is suitable for investment by parishes where long term capital growth and a reasonable level of income and income growth are desired, and is not suitable for money that is liable to be needed in the near future.

Parish funds and trusts from bequests and legacies can be invested in the Fund.

Trusts held in the Fund are distinguished between expendable and non-expendable trusts. In most cases income from expendable trusts is accrued and either reinvested or paid out to the parish. Non-expendable trust income is usually distributed on a quarterly basis.

Investment Report

Investment Objectives

The Fund is considered to be a medium to long term investment vehicle for trusts and parish funds, and has the following aims and objectives:

- to achieve a balance between sustainable levels of income and capital growth;
- to optimise total returns without undue risk;
- to operate within the constraints of the Church in Wales' Ethical Investment Policy.

Performance Comparator

The performance of the Fund is measured on a total return basis (the combined return from both income and capital) against the Asset Risk Consultants (ARC) GBP Steady Growth Charity Indices benchmark and is reported to the Investment Committee on a quarterly basis.

The ARC GBP Steady Growth ACI consists of a large number of charity funds and therefore provides a comparison of the Fund's performance against the average return of other charity funds.

Ethical Investment Policy

The Fund is invested in accordance with the Ethical Investment Policy of the Church in Wales, a revised version of which was adopted by the Governing Body of the Church in Wales in April 2021.

The Policy prohibits investment in companies involved in armaments, predatory lending activities and pornography, restricts investment in companies involved in gambling, alcohol, tobacco, the production or the extraction of fossil fuels and seeks to promote good levels of environmental, social and governance responsibility. A copy of the Policy is set out in full in the Annual Report and Accounts of the Representative Body of the Church in Wales, and is also available on the Church in Wales website at: www.churchinwales.org.uk.

Investment Managers

Newton Investment Management manage the stock exchange investment fund under a Global Multi-Asset mandate.

Assets

The asset allocation ranges for 2023 were:

Asset Class	UK Equities	Overseas Equities	Fixed Interest	Alternatives	Cash
Allocation Range	15-35%	10-55%	15-35%	0-10%	0-25%
Allocation at 31 December 2023	19%	42%	25%	8%	6%

The top ten holdings in the Fund at 31 December 2023 were as follows:

Stock	Value £000	% of Fund
Insight Liquidity Funds PLC GBP Liquidity Fund Cls 5 (Inc)	3,676	4.9%
BNY MFM Ltd Gbl Dyn Bd Newton 'X' 1 (Inc)	3,342	4.4%
UK Treasury Gilt 2.75% 07/09/2024 GBP0.01	2,888	3.8%
Microsoft Corp Com Stk USD0.0000125	2,610	3.5%
Alphabet Inc Com Stk USD0.001 Class 'A'	1,674	2.2%
RELX PLC Ord GBP0.144397 (UK Listing)	1,489	2.0%
Linde PLC EUR0.001	1,405	1.9%
Accenture PLC Cls 'A' USD0.0000225	1,400	1.9%
USA Treasury Notes 1.5% 15/02/2030 USD100	1,378	1.8%
UK Treasury Gilt 3.25% 22/01/2044 GBP0.01	1,236	1.6%

Report of the Trustee

The Fund was invested in the following sectors at 31 December 2023:

	Value (£000)	% of Fund
Fixed Interest		
British Government Bonds	10,147	14.3
UK Bonds	2,446	3.4
Overseas Bonds	3,379	4.7
Global Bond Funds	3,342	4.7
Total Fixed Interest	19,314	27.1
Equities		
Consumer Discretionary	7,186	10.1
Consumer Staples	1,816	2.6
Financials	7,400	10.4
Health Care	7,293	10.2
Industrials	9,278	13.0
Basic Materials	2,409	3.4
Renewable Energy	3,185	4.5
Technology	8,530	12.0
Utilities	2,217	3.1
Total Equities	49,314	69.3
Alternative Assets	1,146	1.6
Indirect Property	1,392	2.0
	71,166	100.0

The Fund produced a total return of 8.5% in 2023 compared to the ARC GBP Steady Growth ACI return of 7.5% and inflation (RPI) of 5.2%.

The Fund also outperformed the ARC benchmark over the 3 year period to 31 December 2023, producing a total annualised return of 3.9%.

Performance

Annualised total return to 31 December	2023 %	2022 %	2021 %	3 years %
Fund	8.5	-8.8	12.6	3.9
ARC GBP Steady Growth ACI	7.5	-9.6	12.3	3.0
RPI	5.2	13.4	7.5	8.7
CPI	4.0	10.5	5.4	6.6

2023 Market Review

2023 was an eventful year for markets with plenty of forces for investors to navigate. The year started on a positive note, with confidence buoyed by a number of good news stories underpinning investor risk appetite. However, this optimism was supplanted by worries around the trajectory of interest rates as central banks made it clear that they were prepared to continue on their hiking path in their determination to conquer inflation, which was proving stickier than anticipated.

Against this backdrop, the month of March saw some of the more fragile banking institutions, including Silicon Valley Bank and Credit Suisse, succumbing to the weight of higher interest rates, giving rise to worries about the stability of the financial system and causing central banks to intervene amid fears of broader contagion. Markets began to worry about the consequences of the funding crisis in the banking sector and the potential for tighter credit conditions, as financial institutions struggled for liquidity. The likely slowdown in economic growth that may ensue resulted in weakness in the oil price, which had already been falling since last summer's geopolitically induced spike.

In the search for better outcomes elsewhere, investors began to focus on new innovations. The potential for artificial intelligence to improve productivity was much discussed, as the launch of ChatGPT was viewed as a potential inflection point in the democratisation of the technology. This growing excitement around artificial intelligence propelled technology stocks higher, which continued through much of the year.

Elsewhere, the general tone was one of muted performance across a broad swathe of financial assets through the Spring and Summer period. In particular, the prospect of interest rates remaining higher for longer, amid persistent inflation and robust employment market data, led to a major bond sell-off. Further concerns emerged in China, where the strength of the

post-Covid recovery was called into question, with various economic indicators, such as retail sales and investments, weaker than expected as the country's beleaguered property sector in particular has remained a drag on the economy.

The final quarter of 2023 played out in two distinct phases. The first stage, comprising the majority of October, witnessed a continuation of the subdued equity markets, as stronger-than-expected US employment and growth data coupled with persistent inflation suggested that the US economy was still running too hot. However, the tone changed significantly at the end of October, which marked the beginning of a major cross-asset-class rally, fuelled by a combination of downside surprises for inflation and a more dovish tone by central banks, culminating in a series of interest-rate cuts being priced in by markets. This marked change in tone from the Federal Reserve, which steered investors away from prior expectations of "higher for longer" to anticipating rate cuts in the first half of next year, was the chief catalyst of the equity market's rally in the final few weeks of 2023, and heralded the prospect of achieving the fabled "soft-landing". Within equities, the 'magnificent seven' group of technology stocks continued to turbocharge performance, while bond yields retraced from their relentless climb higher.

Over the 12-month period in sterling terms, US equities returned +19.4%, followed by European equities and Japanese equities which returned +15.7% and +13.3% respectively. Asia Pacific ex Japan equities delivered a +8.3% return, while UK equities and emerging-market equities returned +7.9 and +2.9% respectively. Corporate bonds returned +8.6% and gilts returned +3.7%. Overseas government bonds, by contrast, returned -2.1%.

Investment Strategy

The portfolio is invested in direct holdings in both equities and bonds that comply with the Church in Wales' Ethical Investment Policy. To maintain an appropriate risk profile within the portfolio,

Report of the Trustee

the holdings are diversified by sector, industry, geography and currency. In line with Charity Commission advice, there is no holding (with the exception of UK Government bonds) that exceeds 5% of the value of the portfolio.

Outlook

Monetary policy continues to be a key driver of investment returns in both bond and equity markets. The future path of inflation will be key in determining the extent and timing of any relaxation in policy, and markets have moved aggressively to anticipate a looser policy environment over the coming year. Uncertainty remains around whether inflation can be reduced from a normalisation of supply conditions or if a cooling in demand conditions must also play its part. For now, investors are content that a 'soft landing' is in prospect. Geopolitical issues continue to have the potential to disrupt this pathway via commodity-price volatility, supply-chain logistics disruption and trade sanctions, among other factors. While lower interest rates and bond yields alleviate a key pressure on both consumer and corporate spending power and

support asset valuations, volatility in key financial metrics is unhelpful for certainty and long-term decision making. Domestic politics is likely to rise up the agenda for investors as the year progresses, with elections taking place in many regions, not least in the US. Policy emphasis is likely to affect the outlook for several sectors exposed to partisan spending outlooks. Structural demand trends remain in place over the long term, however. We remain focused on those companies which we believe have more resilient long-term earnings profiles and attractive end-market outlooks.

Risk warning

The value of the Common Investment Fund and the income arising from the Fund can fall as well as rise, and is not guaranteed which means that parishes may not get back the amount originally invested. Past performance is no guarantee of future returns. The value of shares in the Fund will reflect changes in the price of the asset classes in which the Fund is invested, and movements in foreign exchange rates.

Fund Statistics

Valuation Date	Shares in Issue	Net Asset Value * (pence / share)	Annual Dividend (pence / share)	Yield	Total Value of Fund £000
1 January 2009	25,962,753	100.00			
31 December 2009	27,008,033	118.49	3.61	3.05%	£32,002
31 December 2010	26,940,059	124.41	4.02	3.23%	£33,517
31 December 2011	26,908,705	118.32	4.47	3.78%	£31,839
31 December 2012	27,224,411	125.54	4.30	3.43%	£34,177
31 December 2013	27,509,681	141.72	4.09	2.89%	£38,986
31 December 2014	28,824,005	152.75	4.16	2.72%	£44,030
31 December 2015	29,033,039	150.36	4.35	2.89%	£43,654
31 December 2016	29,207,207	169.91	4.24	2.49%	£49,627
31 December 2017	29,426,621	183.17	4.25	2.32%	£53,900
31 December 2018	30,094,661	174.69	4.33	2.48%	£52,574
31 December 2019	31,505,212	199.63	4.96	2.48%	£62,893
31 December 2020	32,370,166	211.75	3.68	1.74%	£68,544
31 December 2021	33,065,246	234.13	4.12	1.76%	£77,634
31 December 2022	33,910,977	209.56	4.55	2.17%	£71,065
31 December 2023	34,079,342	221.25	5.19	2.35%	£75,399

[*Based on mid price and not bid price.]

Statement of Trustee Responsibilities

The Trustee (the Representative Body) is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Common Investment Fund and of the net revenue, net capital gains and the change in net assets for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice for Authorised Funds issued by the IMA in May 2014 as updated in December 2015;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Common Investment Fund and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the Common Investment Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Administrative Information

Investing in the Fund

Bequests, parochial monies and trusts can be invested in the Fund subject to the completion of a trust deed appointing the Representative Body as Trustee, a copy of which can be obtained from the Representative Body's Trust Solicitor, Miss Natasha Aldridge.

Investments are made quarterly (March, June, September and December) based on the valuation of the fund at the quarter end.

The terms of the bequest or legacy will determine whether the moneys are invested as expendable or non-expendable, which will in turn determine whether income is paid quarterly or upon request from the parish.

Income

If income is available for specific purposes, such as church repairs, then it will be distributed upon receipt of the following documents:

- a) a copy of the PCC Minute stating that the PCC wish to access a specified sum from the funds held on trust (please quote the name or PT reference of the trust) and the purpose for which the funds are required; and
- b) a letter of request signed by the incumbent and both churchwardens requesting a specified amount, the purpose for which the funds are required and the name/reference of the trust fund from which the shares are to be sold; and
- c) a quotation or invoice for at least the amount requested. As the Trustees are under a fiduciary duty to ensure that the funds are used in accordance with the trust terms if quotations, as opposed to invoices, are supplied funds will be released on production of a receipted invoice or alternatively we can arrange payment of the invoice directly to the contractor. The invoices can then be filed as evidence that the funds were used in accordance with the trust terms.

Annual Trust Statements

Where a parish does not receive income on a quarterly basis, and an income distribution notice, they will receive an annual trust statement at the year-end showing income and expenditure and share transactions for the trust.

This will provide information that they require for their annual parish accounts.

Parishes receiving quarterly income will receive an end of year income distribution notice showing the number of shares in the trust and share value, which will be sufficient information for the annual parish accounts.

Administrative Information

Withdrawing Capital or Income from the Fund

If the terms of the trust allow the withdrawal of capital and accumulated income, then Trustee approval is usually required. The Trustees meet four times a year and they will require the following documents:

- a) a copy of the PCC Minute stating that the PCC wish to access a specified sum from the funds held on trust (please quote the name or PT reference of the trust) and the purpose for which the funds are required; and
- b) a letter of request signed by the incumbent and both churchwardens requesting a specified amount, the purpose for which the funds are required and the name/reference of the trust fund from which the shares are to be sold; and
- c) a quotation or invoice for at least the amount requested. As the Trustees are under a fiduciary duty to ensure that the funds are used in accordance with the trust terms, if quotations, as opposed to invoices are supplied, funds will be released on production of a receipted invoice or alternatively we can arrange payment of the invoice directly to the contractor. The invoices can then be filed as evidence that the funds were used in accordance with the trust terms.

Questions about investments and withdrawals from the fund should be directed to Miss Natasha Aldridge, telephone 029 2034 8230 or email natashaaldrige@churcheinwales.org.uk

Investment Advisers:

Newton Investment Management
BNY Mellon Financial Centre
160 Queen Victoria Street
London
EC4V 4LA

Independent Auditors:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

General Administration:

Claire Thompson
Director of Finance
The Church in Wales
2 Callaghan Square
Cardiff
CF10 5BT

Independent Auditors' Report to the Trustee

Opinion

We have audited the financial statements of the Church in Wales Common Investment Fund for the year ended 31 December 2023 which comprise the Statement of Total Return, Statement of Change in Net Assets, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's Introduction. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a

Independent Auditors' Report to the Trustee

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees are 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 trustees determine 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have 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.

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.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and key accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume

responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
10 Queen Street Place,
London.
EC4R 1AG

27 June 2024

Statement of Total Return

For the year ended 31 December 2023

		2023	2022
	Notes	£	£
Income			
Net Capital Gains / (Losses)	2	4,345,046	(6,469,147)
Revenue	3	2,025,289	1,777,368
Expenditure	4	(249,796)	(252,118)
Total Return before distributions		6,120,539	(4,943,897)
Distribution to Shareholders	5	(1,765,113)	(1,525,251)
Change in Net Assets attributable to Shareholders from investment activities		4,355,426	(6,469,148)

Statement of Change in Net Assets attributable to Shareholders

For the year ended 31 December 2023

	2023	2022
	£	£
Opening Net Assets attributable to Shareholders	71,004,554	77,473,702
Change in Net Assets attributable to Shareholders from investment activities	4,355,426	(6,469,148)
Closing Net Assets attributable to Shareholders	75,359,980	71,004,554

Balance Sheet

As at 31 December 2023

		2023	2022
	Notes	£	£
Investments:			
Stock Exchange Securities	6	74,840,761	69,404,652
Money Market Deposits	7	721,043	1,899,776
		75,561,804	71,304,428
Current assets:			
Debtors	8	261,445	178,739
Creditors: amounts falling due within one year	9	(463,269)	(478,613)
Net Current Liabilities		(201,824)	(299,874)
Net Assets		75,359,980	71,004,554
Represented by:			
Net Assets attributable to Shareholders		75,359,980	71,004,554

The financial statements on pages 13 to 18 were approved by the Representative Body on 27 June 2024.

Professor Medwin Hughes, Chair

The Very Reverend N H Williams, Deputy Chair

Notes to the Financial Statements

1. Accounting Policies

The financial statements of the Church in Wales Common Investment Fund have been prepared on a going concern basis and in accordance with United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and applicable law (United Kingdom Generally Accepted Accounting Practice). A summary of the primary accounting policies, which have been applied consistently, is set out below.

a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention as modified by the annual revaluation of investment assets and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in May 2014 (‘the IMA SORP 2014’) as amended / updated in December 2015.

b) Recognition of Revenue

Interest on short term loans and deposits is fully accrued. Interest and dividends on stock exchange securities are credited on the date of receipt.

c) Expenditure

All expenditure is fully accrued.

d) Investments

Stock exchange securities are stated at market values based on bid price at 31 December 2023. Securities denominated in foreign currency are converted into sterling at rates of exchange ruling at the balance sheet date.

e) Significant accounting judgements, estimates and assumptions

Management have not made any account judgements in this set of financial statements or the prior period.

2. Net Capital Gains / (Losses)	2023	2022
	£	£
Realised gains	1,406,021	1,861,964
Unrealised gains / (losses)	2,583,741	(9,899,221)
Net contributions	355,284	1,568,110
	4,345,046	(6,469,147)

3. Revenue	2023	2022
	£	£
Stock Exchange Securities	2,012,431	1,774,055
Money Market Deposit interest	12,858	3,313
	2,025,289	1,777,368

4. Expenditure	2023	2022
	£	£
Fund manager fees	238,964	234,982
Custodian's fees	9,582	11,496
Performance measurement fees	1,250	5,640
	249,796	252,118

5. Distribution to Shareholders	2023	2022
	£	£
Paid	1,363,995	1,109,886
Proposed	401,118	415,365
	1,765,113	1,525,251

6. Stock Exchange Securities	2023	2022
	£	£
Market value at 1 January 2023	69,404,652	71,370,093
Additions	10,331,101	22,505,010
Disposals	(7,478,733)	(14,571,230)
Net increase / (decrease) on revaluation	2,583,741	(9,899,221)
Market value at 31 December 2023	74,840,761	69,404,652
Historical cost at 31 December 2023	62,300,983	59,448,614
Unrealised gains calculated on historic basis	12,539,778	9,956,038
Listed in UK	36,870,653	33,166,573
Listed overseas	37,970,108	36,238,079
	74,840,761	69,404,652

7. Money Market Deposits	2023	2022
	£	£
Investment Capital held in Cash	508,838	1,599,902
Money Market Deposits	212,205	299,874
	721,043	1,899,776

Notes to the Financial Statements

8. Debtors	2023	2022
	£	£
Amounts due from Fund Manager	261,445	178,739
	261,445	178,739

9. Creditors: amounts falling due within one year	2023	2022
	£	£
Amounts due to Shareholders	401,118	415,365
Other creditors	62,151	63,248
	463,269	478,613

10. Financial Instruments

The Fund's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations.

Fair Value Measurement - All investments held by the Representative Body are Level 1 investments, made up of bonds, equities and cash.

The principal risks the Fund faces in its portfolio management activities are:

- a) **Foreign currency risk**
- b) **Market price risk**

The policies for managing these risks are summarised below and have been applied throughout the year.

a) **Foreign currency risk**

A portion of the financial assets of the Fund may be denominated in currencies other than sterling with the result that the Statement of Total Return and the Statement of Change in Net Assets attributable to Shareholders can be affected by currency movements.

Management of the risk

The Fund Manager monitors the Fund's exposure to foreign currencies on a daily basis and measures the risk to the Fund of the foreign currency exposure.

Foreign currency sensitivity

The following table illustrates the sensitivity of the net return for Sterling against the US Dollar and the Euro, and assumes an increase or decrease of 5.7% (2022: 10.6%) on the US Dollar and 2.1% (2022: 5.2%) on the Euro in exchange rates. The US Dollar and Euros represent 78.8% of the overseas element of the Fund.

This percentage rate has been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the Fund's foreign currency financial instruments held at the year end.

If Sterling had weakened this would have the following effect on the investment values:

	2023	2022
	£	£
US Dollar	1,441,856	2,560,000
Euros	98,226	185,000
	1,540,082	2,745,000

If Sterling had strengthened this would have the following effect on the investment values:

	2023	2022
	£	£
US Dollar	(1,441,856)	(2,560,000)
Euros	(98,226)	(185,000)
	(1,540,082)	(2,745,000)

b) Market Price Risk

The fair value of investments held by the Fund may fluctuate due to changes in market prices.

The Fund Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the investment portfolio on an ongoing basis.

Management of the Risk

The Investment Committee reviews the portfolio on a quarterly basis and monitors the total return on the portfolio against the benchmark.

Other price risk sensitivity

The following illustrates the sensitivity of the net return for the year and the equity to an increase or decrease of 20% (2022: 20%) in the fair value of the Fund's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Fund's equities at the balance sheet date, with all other variables held constant.

	2023		2022	
	Increase in fair value £	Decrease in fair value £	Increase in fair value £	Decrease in fair value £
Impact on capital return	15,132,093	(15,132,093)	14,253,467	(14,253,467)

11. Related Party Transactions

The Representative Body of the Church in Wales is a Trustee of the Common Investment Fund and meets the administration costs of the Common Investment Fund including the audit fee.