

Welsh Church Acts

Investment update

David Read & Richard Stones
January 2023



About Evelyn Partners



1

of the leading wealth management groups



186 YEARS

of helping clients achieve their financial goals



172k+

clients trust us with their financial future



£55.8bn

assets under management



10+

Years Performance track record



A leading

provider of investment and financial advisory services



3000

>3,000 staff across the UK, Ireland and Jersey



265+

Qualified financial planners



300+

Investment managers



27

local offices

Financial Planning Awards



Top Financial Planning Companies 2020

Top Financial Planning Companies 2021

Investment Awards



Professional Adviser RP Women in Financial Advice Awards 2021



As at 14 June 2022
Past performance is not a guide to future performance



What we can do for you

We offer a unique combination of – **financial planning, investment and – where appropriate, tax – advice**, so all your financial affairs are under one roof.

Your Financial Plan

First, we plan your future



We start by turning your life goals into a unique financial plan to achieve them, and we review it with you over time.

- **A full range of advice options:** from one-time to ongoing advice to help you stay on track when your circumstances change
- **A model of your future cash-flows** based on your unique work and personal situation accounting for the full use of allowances, and employment benefits
- **Your financial security** - professional and personal - safeguarded through relevant protection solutions

Your Investments

Then, we invest for your goals



We invest your money to help you meet those life goals, protecting and growing your capital over time.

- **A full range of investment options:** from funds of funds to bespoke portfolios, matched to your investment time horizon, attitude to risk and the returns you require
- **An established investment approach** that delivers performance and incorporates social responsibility considerations (ESG)
- **Onshore and offshore, own and 3rd party** custody options to suit your circumstances

Your Taxes

We can also advise on your taxes



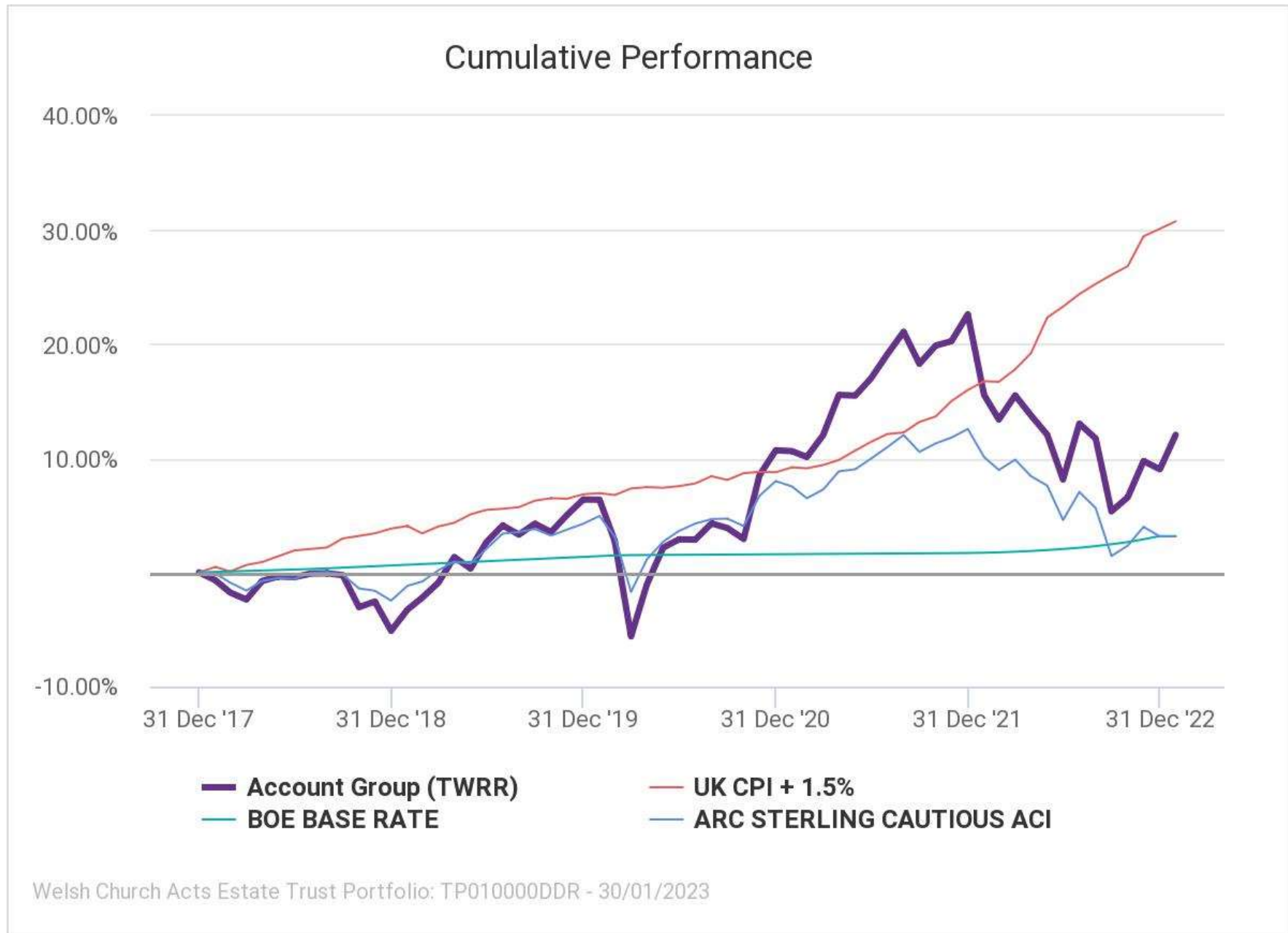
In more complex cases, we can also help prepare your tax returns, maximise tax reliefs and mitigate tax risks.

- **Tax health check** to identify potential tax opportunities
- **Advice on tax** treatments and maximising available tax incentives, reliefs and efficiencies
- **Tax returns** in full compliance with increasingly complex tax obligations

Portfolio Summary

Row Labels	Sum of Account Value (incl Cash)
03- Strategy 3	£1,784,147.10
Welsh Church Acts Estate Trust Portfolio: TP010000	£1,784,147.10
T81ADDR - SEI - General Investment Account	£1,784,147.10
T81ADDR - SEI - General Investment Account_INC	£0.00
Grand Total	£1,784,147.10

Portfolio Summary

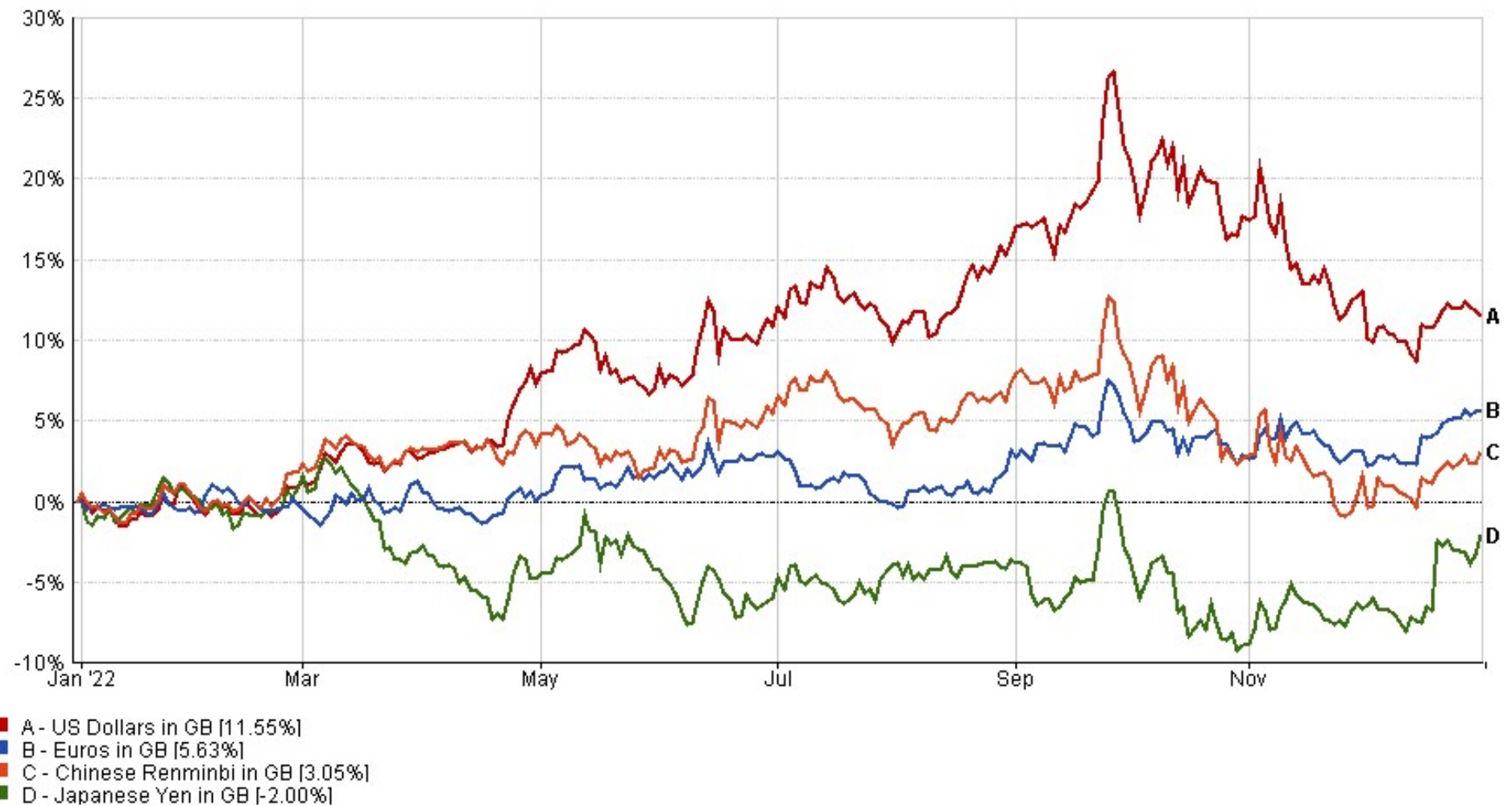


Market Movements



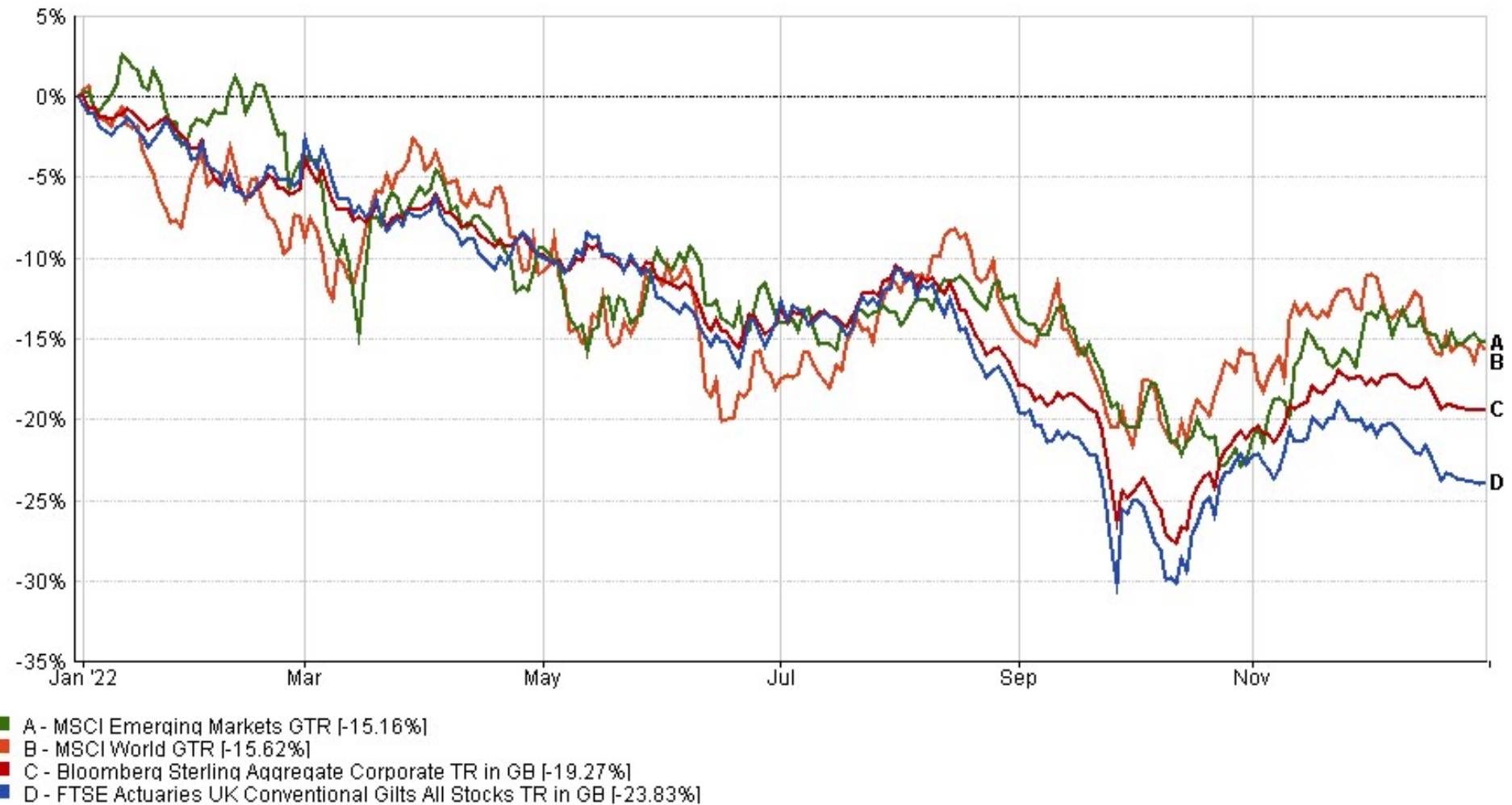
01/01/2020 - 06/01/2023 Data from FE fundinfo2023

Market Movements



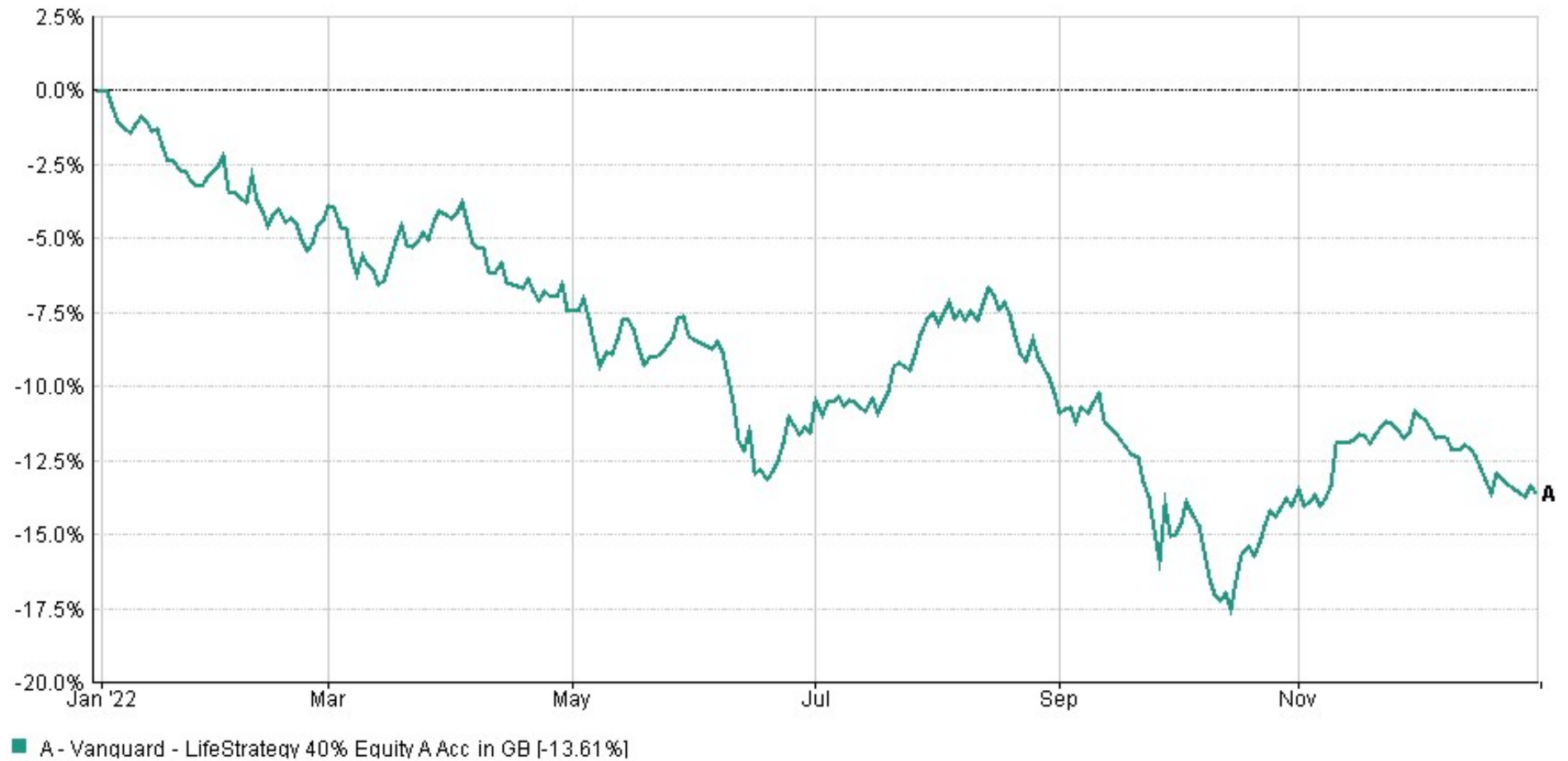
31/12/2021 - 30/11/2022 Data from FE fundinfo2023

Market Movements



31/12/2021 - 30/11/2022 Data from FE fundinfo 2023

Market Movements



31/12/2021 - 30/12/2022 Data from FE fundinfo2023

Market Movements



Diversified Income Fund Unit Class 3 - For charities Fact Sheet – 31 December 2022

Investment objective

To provide a return from income with capital appreciation over time from an actively managed, diversified portfolio structured to control relative risk.

Investment policy

The Fund will use a broad range of assets to achieve the investment objective including equities in the UK and overseas, fixed interest securities, permitted money-market instruments, cash and near-cash investments, and infrastructure related investments, which may be either liquid or illiquid in nature. The control of relative risk will be an important influence on structure and strategy.

Target investors

The Fund is designed for medium to long-term investors seeking income and capital growth and for whom control of relative risk is an important factor.

Who can invest?

Any local authority, public sector, charity or other tax exempt investor in England, Wales, Scotland and Northern Ireland. Investors should note that there is a minimum initial investment and balance in the Fund of £1million. Unit class 3 of the Fund is reserved for charities in England and Wales within the meaning of Section 1(1) of the Charities Act 2011; or an "appropriate body" within the meaning of Section 97(3) of the Charities Act 2011 (as amended).

Responsible investment policy

Information about the ethical and responsible policies to be followed by the Diversified Income Fund is available from the Investment Manager's website www.ccla.co.uk.

Income

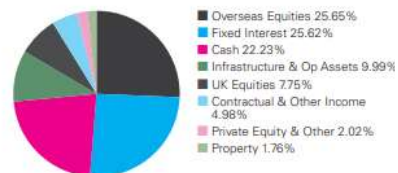
The Fund distributes income on a quarterly basis. As at 31 December 2022, the dividend yield on price was 2.84%. This is based on the last 12 months' dividend of 4.02p.

Fund update

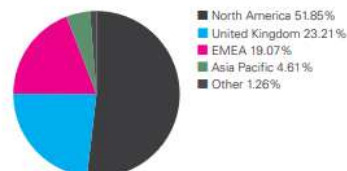
The investment objective of the Fund is to provide income and the potential for capital growth from an actively managed diversified portfolio. The Fund invests

The outlook for global economic growth is weakening with an increasing likelihood of recession, especially in Europe and the UK. Monetary policies will continue to tighten in most major markets but with inflation likely to remain well above target rates for some time, interest rates in most areas will still be negative in real terms. We will maintain the portfolio's emphasis on real assets such as good quality equities and alternatives, with a cautious allocation to the fixed income sectors.

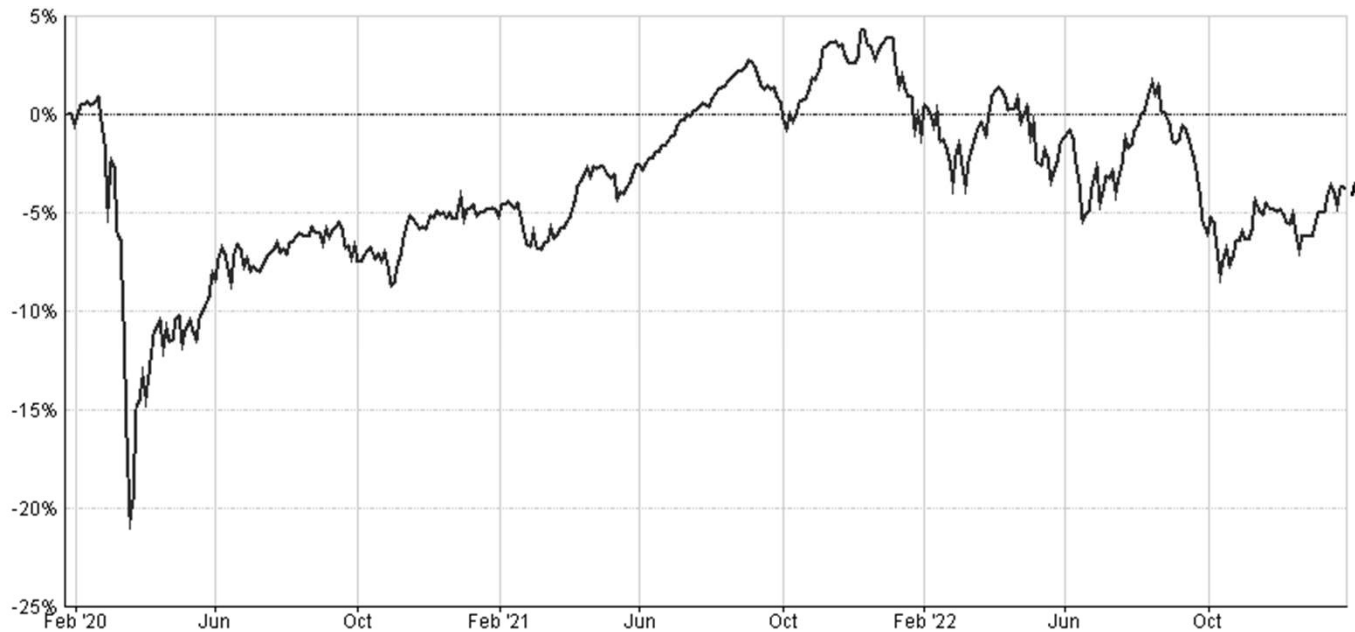
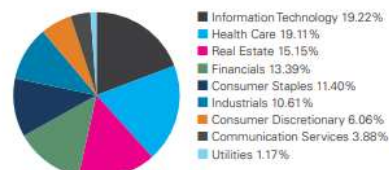
Asset allocation at 31 December 2022



Equity portfolio geographical breakdown at 31 December 2022



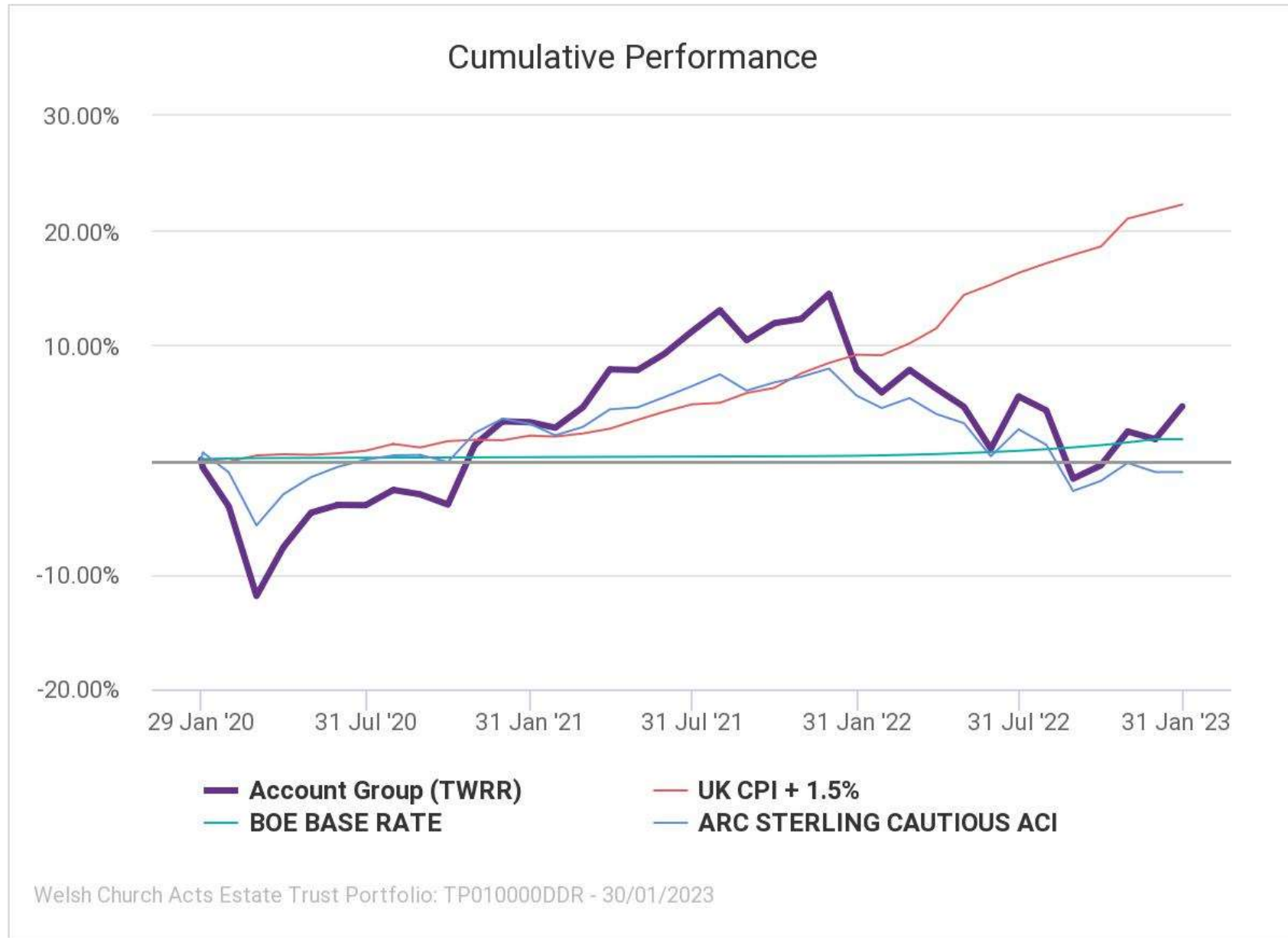
Equity portfolio sector breakdown at 31 December 2022



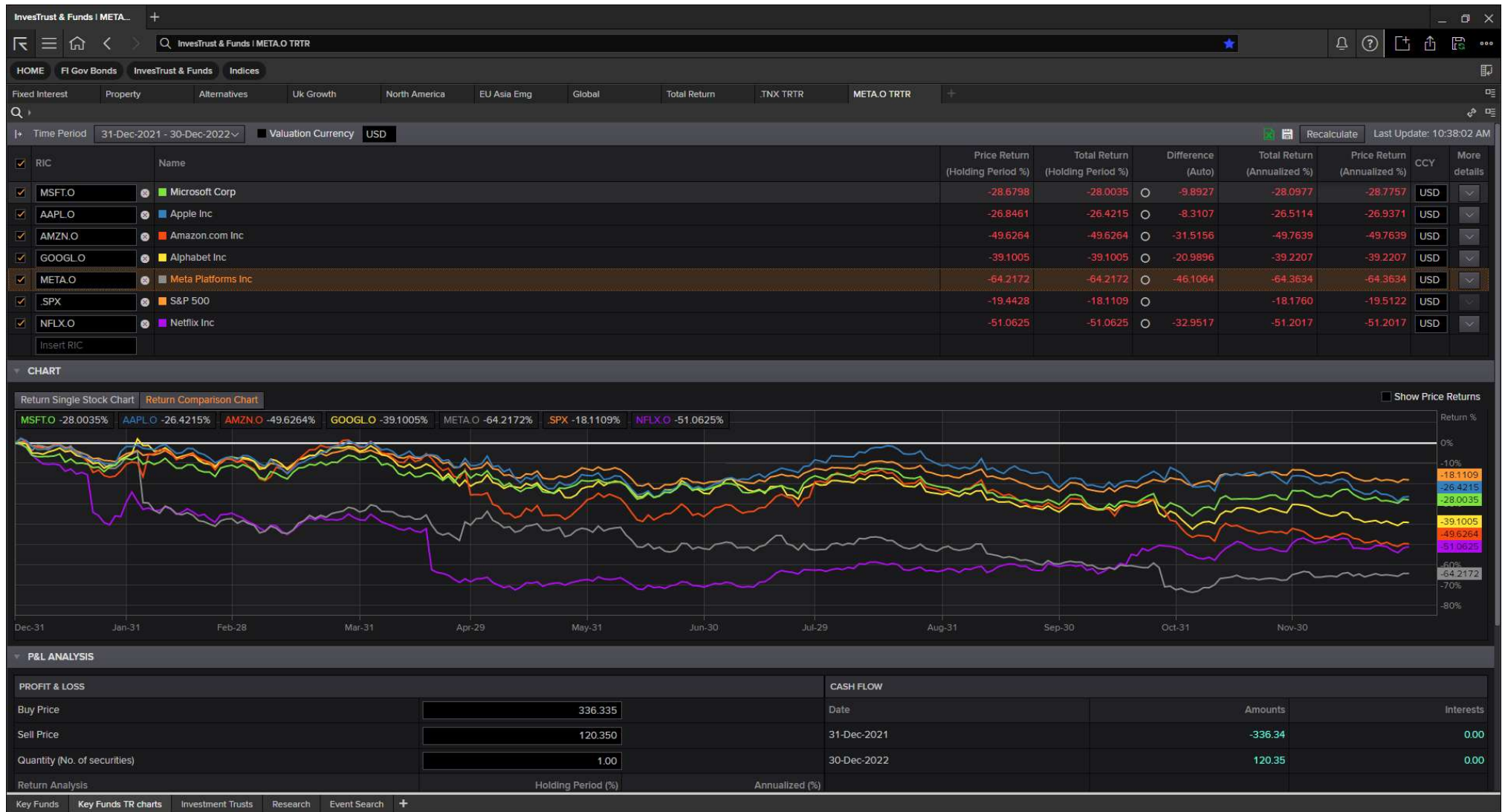
■ A - CBF - Diversified Income 3 Unit GBP TR in GB** [-3.76%]

27/01/2020 - 27/01/2023 Data from FE fundinfo 2023

Portfolio Performance



Equity Exposure



Transactions

Row Labels	Purchase	Sale	Grand Total
2021	£206,916.76	-£224,565.51	-£17,648.75
Jan	£73,470.00	-£73,180.00	£290.00
ISHARES \$ TIPS 0-5 ETF USD		-£73,180.00	-£73,180.00
LYXOR CORE US TIPS ETF HEDGED GBP	£73,470.00		£73,470.00
Feb		-£54,880.01	-£54,880.01
HENDERSON UK PROPERTY I FEEDER INC		-£54,880.01	-£54,880.01
Mar	£55,369.48		£55,369.48
RENEWABLES INFRASTRUCTURE GROUP	£27,695.00		£27,695.00
SUPERMARKET INCOME REIT PLC	£27,674.48		£27,674.48
Nov	£78,077.28	-£96,505.50	-£18,428.22
ABERDEEN STANDARD UK ETHICAL I ACC		-£38,913.00	-£38,913.00
INVESCO PERPETUAL GLOBAL TARGETED RETURNS Z ACC		-£57,592.50	-£57,592.50
KLS ARETE MACRO SI GBP ACC	£78,077.28		£78,077.28
2022	£567,115.40	-£562,936.81	£4,178.59
Feb		-£47,999.50	-£47,999.50
CIVITAS SOCIAL HOUSING PLC		-£47,999.50	-£47,999.50
Apr	£194,256.61	-£209,339.23	-£15,082.62
ABERDEEN STANDARD UK ETHICAL I ACC		-£49,905.00	-£49,905.00
BAILLIE GIFFORD RESPONSIBLE GLOBAL EQ INC B INC	£111,017.55		£111,017.55
BMO RESPONSIBLE UK EQUITY 2 ACC		-£76,503.00	-£76,503.00
FUNDSMITH SUSTAINABLE EQUITY I		-£82,931.23	-£82,931.23
INVESCO PHYSICAL GOLD P ETC GBX	£46,246.15		£46,246.15
STEWART INVESTORS WORLDWIDE SUS B (INC) GBP	£36,992.91		£36,992.91
May	£125,424.38	-£71,630.54	£53,793.84
ISHARES US TREASURY BOND 3-7 YR UCITS ETF GBP HEDGED	£53,732.90		£53,732.90
LYXOR CORE US TIPS ETF HEDGED GBP		-£71,630.54	-£71,630.54
TWENTYFOUR SUSTAINABLE SHORT TERM BOND INCOME AQG GBP	£71,691.48		£71,691.48
Jun	£34,473.01		£34,473.01
CITI UKX / SX5E 8.22% DEFENSIVE AUTO CALL GBP	£34,473.01		£34,473.01
Dec	£212,961.40	-£233,967.54	-£21,006.14
AEGON ETHICAL CORPORATE BOND B INC		-£87,585.01	-£87,585.01
AEGON GLOBAL SHORT DATED INV GRADE BOND GBP S INC	£88,170.00		£88,170.00
GREENCOAT UK WIND IT		-£53,360.40	-£53,360.40
INSIGHT GLOBAL II HIGH GRADE ABS B GBP	£88,170.00		£88,170.00
ISHARES US TREASURY BOND 3-7 YR UCITS ETF GBP HEDGED	£36,621.40		£36,621.40
JPM GLOBAL MACRO OPPORTUNITIES C INC		-£93,022.13	-£93,022.13
Grand Total	£1,936,618.43	-£1,863,939.65	£72,678.78

Portfolio Summary

Investment objective

- Funding ongoing income target of c. £40,000 (2.2% annual withdrawal)

Income

- Natural income paid out every quarter
- 2022: £32,058 paid out
- 2021: £30,222 paid out
- Historical Yield of 1.8%, but would expect this to be close to 2.2% target going forward.

Tax

- Trust incorporated as a charity and CGT not an issue

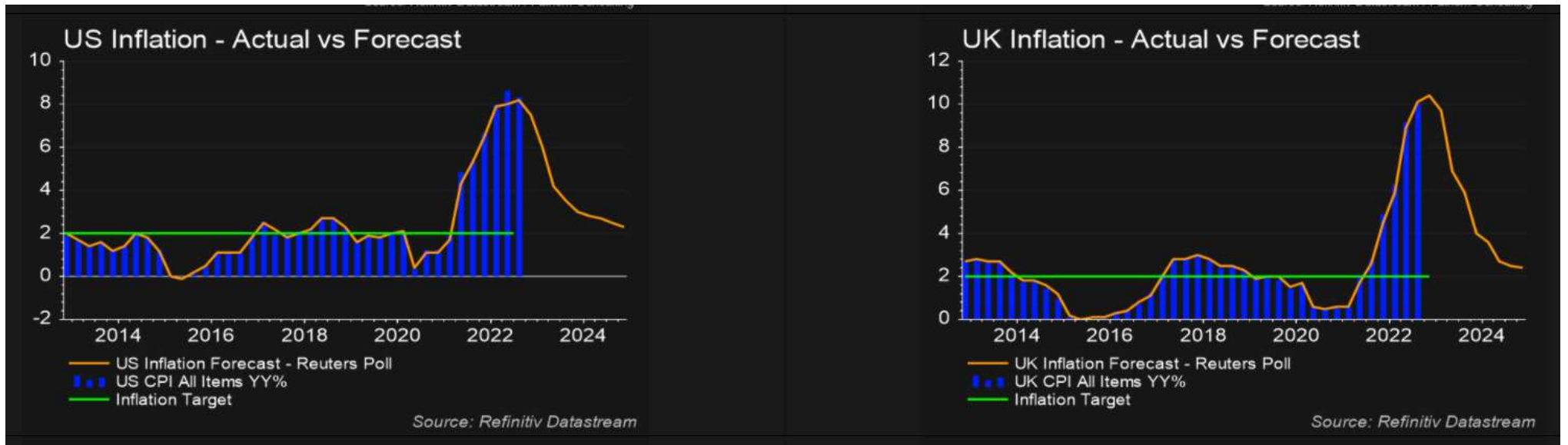
Discussion points

- Ethical investments impact on performance & Yield

Investment Restrictions

- Ethical framework

Inflation concerns



Inflation concerns




Investment criteria

✓ The portfolios will focus on funds which invest in companies that operate in areas such as:

- ✓ The conservation of energy or natural resources and resource efficiency
- ✓ Sustainable transport and infrastructure
- ✓ High-quality products and services of long-term benefit to society such as healthcare and affordable housing
- ✓ Sustainable food and water management
- ✓ Companies supportive of the United Nations' Sustainable Development Goals through practices such as strong equality and human rights policies, good employee relations, training and education of staff, and a commitment to community involvement



Investment criteria

 The portfolios will aim to limit their exposure to investments involved in:

-  The production of weapons and weapons systems
-  Avoidable environmental damage, unsustainable resource depletion, water and air pollution and land contamination
-  Casinos or gambling businesses
-  Contributing or benefitting from the violation of human and workers' rights
-  Producing and distributing pornographic material
-  Producing alcohol for human consumption
-  Growing tobacco or the manufacture of tobacco products

