

The Church Commissioners for England have announced their latest financial results with the publication of their annual report.

The Church Commissioners' total return on their investments in 2015 was 8.2 per cent, exceeding their long-term target rate by 2%. Over the past 30 years the fund has achieved an average return of 9.7% per annum. After taking account of expenditure, the fund has grown from £2.4bn at the start of 1995 to £7.0 billion at the end of 2015.

In 2015, the charitable expenditure of the Commissioners was £218.5 million, accounting for 15% of the Church's overall mission and ministry costs. Commissioners-funded projects ranged from clubs and drop-ins to youth work and food bank hubs, all supported by local churches.

Andrew Brown, Secretary of the Church Commissioners, said: "I want to congratulate the investment team for the continued strong performance, delivering more than 8% in a challenging financial climate. Without this leadership and good stewardship it would not be possible to support the Church as we do. But we must not forget the generous support from parishes, dioceses and cathedrals which provide around three quarters of the Church's annual spending on ministry and mission."

First Church Estates Commissioner, Sir Andreas Whittam Smith also congratulated the long-term performance but warned of harder times ahead due to the nervousness of investors: "The Commissioners' fund has grown by an annual average of 9.7% over the past thirty years compared with an annual inflation rate during the same period of 3.4%," he said. "Unfortunately it may be harder in the future to achieve such a satisfactory performance. My message to the wider Church is - don't count on it. The nervousness of investors is explained by the feeling that governments have lost the power to reverse any slowdown in economic activity. In earlier time they would reduce interest rates, but now that rates hover around zero, that remedy is unavailable."

Examples of funding provided in the report include:

- Supporting ministry costs in dioceses with fewer resources
- Providing funds to support strategic mission activities including:
 - Strategic Development Funding for large scale projects amounting to more than £6m, such as the Growing Younger initiative in Birmingham Diocese;
 - Supporting new churches to be planted across the country from a new City Centre Resourcing Churches fund, such as St Swithin's, Lincoln;
 - Pioneering church workers in new communities such as the Olympic Park in Stratford, East London and a new housing estate in Exeter.

Growth and diversification

Notable performance was once again delivered in property, private equity and timber. The property markets in which the Commissioners are invested were strong across the board and their property portfolio totalled just less than £2bn at the end of 2015 with an average return of 14.4%, generated through active management of a high quality set of properties.

The private equity portfolio continued to grow in the year, bringing the total of new commitments to £87.7million. These strategies generated a combined return of 20.2% in 2015.

The Church Commissioners continued to invest in forestry with two new holdings in Australia, bringing the total holdings to nearly 120,000 acres. The timberland and forestry portfolio delivered a total return of 13% in 2015.

Responsible investment

The Church Commissioners' ambition is to be at the forefront of responsible investment practice. In 2015 the Commissioners adopted a new climate change policy, setting out a comprehensive approach to climate change including how we divest, how we seek low-carbon investments and how we engage with companies and public policy. The Church Commissioners are actively integrating environmental, social and governance (ESG) issues into investment analysis and decision-making.

Notable work in 2015 included the Commissioners' role in the Aiming for A initiative and the success of the shareholder resolutions on climate change disclosure that the Commissioners co-filed with BP and Shell. These were overwhelmingly passed at both companies, with the support of their respective boards.

ENDS

Notes

The annual report can be download [here](#). The annual review can be downloaded [here](#).

Andrew Brown, Secretary of the Church Commissioners has commented on 2015's results. Audio is available [here](#), and video [here](#). (1 min).

Edward Mason, Head of Responsible Investment for the Church Commissioners, has commented on our responsible investment work in 2015.

Audio is available [here](#), and video [here](#). (1:53 min)

Further information about work funded by the Church Commissioners:

Growing Younger

In 2014, the Church Commissioners and Archbishops' Council awarded Birmingham Diocese £1m of Strategic Development Funding alongside £1.7m of its own funds to launch Growing Younger. The initiative seeks to welcome 2000 new regular worshippers to join churches around Birmingham over five years by focusing on engagement with children, young people and families.

As part of the initiative, a new city centre church, St Luke's, Gas Street, was launched in September 2015 to reach people in their 20s and 30s.

The church has now grown to 300 members and moved into a converted warehouse in the city centre, aiming to engage with students and young adults and bring 'light for the city'.

Pioneer Minister for the Olympic Park

Mission Development Funding is supporting pioneer ministry on the Queen Elizabeth Olympic Park in Stratford, on the southern edge of Chelmsford Diocese.

In 2014, residents began moving into the East Village (the Athletes Village during the 2012 Olympics), mainly from the five surrounding London boroughs. The area and local community were unknown to them, resulting in little social cohesion and no obvious sense of community. When Revd Annie McTighe moved into the village in the summer of 2014 with the help of a grant from the Commissioners, the Church was ideally placed to support the development of a community.

You can watch Revd Annie speak about her experience in the Olympic Park and how the Church Commissioners' funding has helped [here](#).

About the Church Commissioners for England

The Church Commissioners manage an investment fund of some £7bn, mainly held in a diversified portfolio including equities, real estate and alternative investment strategies. The Commissioners' work today supports the Church of England as a Christian presence in every community.

The annual objectives of the Church Commissioners include:

- A return on investments of RPI +5%
- Supporting ministry costs in dioceses with fewer resources
- Providing funds to support mission activities
- Paying for bishops' ministry and some cathedral costs
- Administering the legal framework for pastoral reorganisation and settling the future of closed church buildings
- Paying clergy pensions for service prior to 1998
- Running the national payroll for serving and retired clergy