THE CHURCH OF ENGLAND

The Church of England Pensions Board ("the Board") has today published its Annual Report and Accounts for 2018, and the Report and Accounts for each of the four pension schemes of which the Board is the corporate trustee.

The Board provides retirement services for those who have served or worked for the Church of England. In total, the Board assists some 40,000 people, including more than 10,000 retired clergy, over 3,000 retired "Church workers" who were employed at some cathedrals, diocesan and parish offices and other agencies, and over 800 retired staff of the National Church Institutions. It also provides housing for retired clergy and their dependants.

Clive Mather, recently appointed Chair of the Pensions Board, paid tribute in the Annual Report to his predecessor, Jonathan Spencer who stepped down in April 2019 following over 10 years' service.

Clive Mather added that Jonathan's leadership "was highly regarded by the trustees and will benefit all our customers" and congratulated him on being awarded the Canterbury Cross for his outstanding service to the Church of England by the Archbishop of Canterbury.

The Annual Report further highlights the Board's commitment to ethical and responsible investment and the first ever negotiated framework between a multi-national energy company, Royal Dutch Shell, and its long-term investors regarding how the company will transition to a low carbon economy.

In 2018, the Pensions Board issued a £50m commercial bond to finance its growing retirement housing portfolio. This is the second commercial bond placed into the market by the Pensions Board.

The Board concluded the valuation for the Church Administrators Pension Fund, which provides pensions and associated benefits for the staff employed by the National Church Institutions.

Investment returns on the Board's pension funds were affected by the global fall in financial markets at the end of 2018. The total return across all its pension scheme assets in 2018 was -2.6%. This was in the context of the FTSE 100 returning -8.7% and the MSCI World -3.8%. For the first six months of 2019 the pension assets have returned just under 12%.

Investment returns over the 15 years to the end of 2018 average 7.4% p.a. Over that time period, RPI has been 3% p.a. and the FTSE100 has returned +6.6% p.a.

Commenting on investment performance, Chief Investment Officer Pierre Jameson, said: "The final quarter of 2018 was a turbulent period, particularly for public equities, and the Board's results dated 31 December 2018 partly reflect this. We have also seen the benefit of diversification away from equities with investments in property and infrastructure delivering strong returns."

The reports can be downloaded here.