

Continued strong long-term investment performance enabled the Church Commissioners to extend financial support to the Church of England during the pandemic

Church Commissioners also give confidence about maintaining distributions through this triennium and the next

Determined action on climate change continues whilst the Church Commissioners deepen its focus as Responsible Investors on twin pillars: Respect for People, Respect for the Planet.

The Church Commissioners for England extended financial support to dioceses, cathedrals and churches during the Covid-19 pandemic, underpinned by positive financial returns and despite volatile markets.

The Commissioners, in partnership with the Archbishops' Council, provided £75m of immediate liquidity support and established a £35m Diocesan Sustainability Fund programme, plus a £20m Cathedral Sustainability Fund, following the decline in churches' and cathedrals' income from donations and visitors during Covid-19 pandemic lockdowns.

The Commissioners' returns in 2020 will enable it to maintain previously announced funding levels in the current 2020-2022 triennium (more than £930m). The Commissioners also confirmed today that it expects to be able to maintain funding at broadly the same level in the next triennium (2023-2025). The Commissioners gave £244.1m to the Church last year to support mission activities and ministry support, up from £211.7m the previous year.

Gareth Mostyn, Chief Executive of the Church Commissioners, said: "We were pleased to be able to work with the Archbishops' Council and our partners across the Church, to reinforce our support for dioceses, cathedrals and churches during 2020, which was such a difficult year in so many ways. The financial support we quickly put in place helped the Church to weather the sudden and unexpected financial storm. I am grateful to all my colleagues for their work to support the Church and its mission by addressing the financial challenges it faced as well as providing continued practical support, and I'm pleased that our financial returns last year enable us to give increased confidence for our future distributions."

The total return on the Commissioners' investments in 2020 was resilient at 10.4%, bringing the fund's value to £9.2bn as of December 2020. The fund's average 10-year performance is 9.7% per annum, beating the Commissioners' target return over that period and also over a 30-year time horizon.

Loretta Minghella, First Church Estates Commissioner, said: “The Church Commissioners’ active fund management approach came into its own last year, enabling us to maintain our funding for the Church despite the uncertainty that hit some financial markets. It’s a testament to the investment team that the fund’s returns were so strong, and this financial performance will enable the Commissioners to fulfil our mandate to support the Church’s mission now and for the long-term.”

The Church Commissioners’ Responsible Investment team put in place a new Responsible Investment policy underpinned by two principles of Respect for the Planet and Respect for People. The team actively engaged with companies to effect real world change in areas including ethical exclusions, climate change risk and other environmental, social and governance (ESG) issues.

Following extensive engagement by the Church Commissioners and its National Investment Bodies (NIBs) colleagues, 12 companies made changes to meet the NIBs’ 2020 climate change hurdles and nine were excluded from investment because they didn’t meet the standards of the hurdles. The Commissioners will divest holdings in fossil fuel companies by 2023 that aren’t demonstrably on track to achieve the Paris Agreement targets to reduce climate change.

In April 2021, the Commissioners announced its interim goal to reduce the carbon intensity of its investment portfolio by 25% by 2025, to help deliver its Respect for the Planet policy. The 25% reduction target is a realistic goal in our mission to create real-world change to transition to a net zero carbon global economy and transition the investment fund to net zero. The Commissioners also commissioned sustainability reviews of see houses and of cathedral readiness to address their carbon footprint in alignment with the General Synod’s commitment to the Church (excluding the investment portfolios of the NIBs) being net zero by 2030.

The Commissioners last year also put in place a new voting template that targets board and senior management gender and racial diversity, consistent with its Respect for People policy.

Gareth Mostyn commented: “Our Responsible Investment team is at the forefront of the investment industry to drive change in the real economy through active engagement and our commitment to net zero. We believe that taking account of ESG issues is an intrinsic part of being a good long-term investor, for both ethical and financial reasons.”

Earlier this year, the Archbishops’ Commission on Housing, Church and Community issued a landmark report, Coming Home, about housing provision in England, which called for a national plan to tackle the housing crisis. The Church Commissioners welcomed the study, which came at

a critical time for the nation when so many people are struggling with inadequate homes and living conditions, in an environment worsened by the Covid-19 pandemic. The Church Commissioners are actively exploring a range of initiatives to help deliver the ambitions of the Housing Commission, including the Commission's innovative suggestion of potentially making some development land available.

Under the leadership of Eve Poole, Third Church Estates Commissioner, the new Cathedrals Measure received final approval from General Synod in 2020 and subsequently received Royal Assent in April this year. The new Measure successfully delivers upon the recommendations from the Cathedral Working Group report of 2018 and will ensure strengthened governance and operational frameworks for England's cathedrals.

The Church Commissioners for England, which manages the endowment fund of the Church of England, today published its financial results for 2020 and the year's [Annual Report](#).

The Church Commissioners' endowment seeks to support the Church of England and its mission in perpetuity, and it invests the fund ethically to achieve excellent returns in the long-term. It agrees three-year "triennium" funding plans (amounting to more than £930m for 2020-22), which cover more than 15% of the Church's annual running costs. The fund's investment returns contribute to the cost of mission projects, dioceses in low-income areas, bishops, cathedrals, and pensions. The Church Commissioners is one of the UK's largest charitable givers.

View and download a copy of the 2020 Church Commissioners' Annual Report, [here](#).

Source URL: <https://www.churchofengland.org/media/press-releases/church-commissioners-report-strong-long-term-investment-performance>