

# Church Commissioners announce another year of outstanding results

6th May 2008

The Church Commissioners achieved a return of **9.4** per cent on their investments in 2007. This far exceeded the return of 7.0 per cent from the fund's comparator group\* for that year.

Over the past **10 years**, the Commissioners' total return on their investments has averaged **9.5** per cent per year – placing them in the **top two per cent** of funds in the comparator\* group for the decade.

As a result of this 10-year performance, the Commissioners' asset value has grown to **£5.67 billion**, and the fund has been able to distribute **£37 million** more each year to the Church than if the investments had performed only at the industry average of 7.1 per cent per year over the last ten years.

Over the last **five years**, the Commissioners have outperformed the comparator group, achieving returns of **14.5** per cent per year, against the benchmark of 13.1 per cent.

Andrew Brown, Secretary to the Church Commissioners, explained: "Strong performance from our property portfolio was the major contributor to our success in 2007. But during the year and over the longer term, the spread of asset types within the fund and the strength of the Commissioners' stock selection have both contributed to these robust results.

"We were particularly pleased by the performance of our commercial, rural let land and strategic land sectors last year, but our quoted equities portfolios underperformed their benchmarks, in part due to the continuing strength of stocks excluded on ethical grounds.

"At a time of tighter finances across the economy, these returns will help the Church of England continue to fulfill its mission to serve all the people of this country.

"We manage our investments for the long term and, while we cannot be immune from the current uncertainties in the world economy, we have a diverse portfolio and are well positioned to weather difficult financial conditions."

The Church Commissioners manage the historic resources of the Church of England and contribute around 17 per cent of the cost of running the Church – the vast majority of the costs are met by the generosity of local parishioners.

The Commissioners' activities in 2007 included providing £32.9 million towards parish-level ministry and mission projects around the country. This compares with £32.4 million last year

The key elements of the Church Commissioners' investment portfolio, as at December 31<sup>st</sup> 2007 are set out below. The 2006 levels are in brackets.

Investments, including fixed interest, UK and overseas equities: £3,601.6million (£3,349.9 million) Investment properties, including urban, let land, strategic land and global indirect property holdings: £1,598.0 million (£1,428.9 million); Other investments, including loans, short term deposits and cash: £441.2 million (£573.8 million).

### ***Serving the Church***

***Details of how the Church Commissioners support the Church of England's ministry are set out in the Annual Report published today. It details the contribution that the Commissioners make to the ministry of each of the Church's 44 dioceses, in addition to their major role of funding all clergy pensions earned before 1998. This contribution includes supporting the ministry of bishops and cathedrals, as well as parish ministry particularly in poorer dioceses.***

In 2007, the Church Commissioners continued to provide significant support to encourage the growth of the Church's existing ministries and new opportunities. Since it began in 2002, the parish mission fund has given dioceses extra resources for parish ministry totalling £24.2 million, including £4.6 million in 2007.

The Commissioners' total expenditure in 2007 was **£177.8 million** (£172.6 million in 2006). Total non-pensions expenditure, including support for ministry within dioceses and for the ministry of bishops and cathedrals, totalled £72.3 million in 2007 – an increase of £2.4 million on the previous year.

The main items of expenditure were (with 2006 figures in brackets):

**£105.5 million** (£102.7 million) for clergy pensions based on service before 1998 **£32.9 million** (£32.4 million) for parish ministry, primarily to less-resourced dioceses **£24.9 million** (£24.5 million) for supporting bishops in their diocesan and national ministries **£6.8 million** (£6.6 million) for stipends of cathedral clergy and grants to cathedrals, mainly for staff salaries **£7.7 million** (£6.4 million) for other support including administration and restructuring costs, support for other Church bodies and church buildings

ends

### **Further information from:**

**Steve Jenkins or Louis Henderson tel (020) 7898 1457/1621**

### **Notes to Editors:**

\*(See *para one*) The comparator group quoted is the WM All Funds Universe. It is a collection of the investment results of UK pension funds and is widely used as an independent measure of the performance of funds. There were 233 funds in the 2007 universe, and there were 172 and 144 funds that have been included in the sample for the last five and 10 years respectively.

**The full report of the Church Commissioners for 2007 is available on the Church of England website at <http://cofe.anglican.org/about/churchcommissioners/annualreport/>**

### **The Church Commissioners**

The Church Commissioners are trustees either elected from General Synod or nominated for their specific finance, property, securities, heritage and legal skills by the Archbishops and the Crown. They currently comprise Archbishops, bishops, deans, clergy and lay members of the Church of England.

The Commissioners fund all clergy pensions earned before 1998. (Pensions earned since then are paid from

the separate Funded Scheme, which is funded by contributions from dioceses and other Church bodies) The Commissioners' fund is a closed fund, taking in no new money. Actuaries assess the Commissioners' fund in detail every three years (with yearly 'desktop' reviews) to advise on how much they can safely plan to spend. Administrative costs have been reduced by approximately one third in real terms in the last 10 years.

The Church Commissioners manage assets worth around £5.67 billion on behalf of the Church of England. The portfolio of assets includes stock market investments, and commercial, residential and rural property investments.

The Commissioners' mission is to support the Church of England's ministry, particularly in areas of need and opportunity. Their main responsibilities are:

- to obtain the best possible long term return from a diverse investment portfolio in order both to meet their pension commitments and to provide the maximum sustainable funding for their other purposes such as support for the work of bishops, cathedrals and parish ministry.
- to administer the legal framework for pastoral reorganisation and settling the future of redundant churches.

The 33 Church Commissioners are:

the two Archbishops; three Church Estates Commissioners, who represent the Church Commissioners in General Synod and (Second Commissioner) in Parliament; eleven people elected from General Synod: four bishops, three clergy, four lay people; two deans or provosts; nine people who are appointed by the Crown and the archbishops;

six *ex officio* members: the Prime Minister, the Lord President of the Council, the Home Secretary, the Secretary of State for Culture, Media and Sport, and the Speakers of both Houses of Parliament.