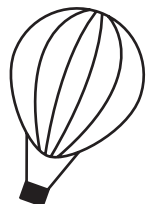




# COIF Charities Global Equity Income Fund

Scheme Particulars  
Investment Policy Statement



# Scheme Particulars

## COIF Charities Global Equity Income Fund

Effective from October 2011

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Global Equity Income Fund (the Fund) prepared pursuant to clause 60 of the Scheme dated 30 October 2007 under section 24 of the Charities Act 1993 (The Scheme), (as amended or replaced from time to time), has been approved by the Charity Commission on 30 October 2007 and adopted by the Manager on 30 October 2007.

Should the provisions of the Scheme and the Scheme Particulars be in conflict, the provisions of the Scheme shall prevail.

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## The Fund

The Fund is a Common Investment Fund established by the Scheme approved by the Charity Commission by an order dated 30 October 2007 under section 24 of the Charities Act 1993 (as amended or replaced from time to time) has been approved by the Charity Commission under Charity Registration Number 1121433. The Fund is not an Authorised Unit Trust within the meaning of the Financial Services and Markets Act 2000. The Fund is operated by CCLA Investment Management Limited, the Manager as an unregulated Collective Investment Scheme in accordance with the Financial Services Authority (FSA) rules.

The Corporate Trustee (Trustee) of the Fund is shown in Appendix 1 of this document. The Trustee is responsible inter alia for the custody and control of the property of the Fund.

There is a Board of individuals (the Board) with responsibilities for certain aspects of the management and administration of the Fund. Members of the Board are listed in Appendix 1.

The Manager and Administrator of the Fund, from the date of commencement, is CCLA Investment Management Limited (the Manager). Details of the Manager are contained in Appendix 1.

## Investment Objectives and Policy

The Fund's investment objective is to provide a high level of income with capital growth over the long term. Investment will be primarily in equities and equity related securities of

companies from around the globe offering attractive yields and sustainable dividends.

A customised performance comparator is used to monitor in more detail the investment performance of the Manager, taking account of the specific asset allocation of the Fund.

### Responsible Investment

The Fund will employ a Responsible Investment Policy as determined by the Board from time to time and this Policy will be reviewed by the Board at least annually. The Board does not believe that this Policy will have an adverse impact on the performance of the Fund.

The Fund is promoted as a responsible fund and it will be the policy of the Fund to avoid investment in companies:

- producing landmines or cluster bombs
- with significant (>33%) turnover relating to tobacco, online gambling or the production of pornography

In addition, remaining companies that continue, after persistent engagement, to violate international and/or industry norms in relation to the following will be excluded (but not before 2013):

- the production or sale of alcohol
- human rights, employment standards and climate change disclosure.

This policy also applies to bonds issued in compliance in these sectors. The Fund also takes a positive approach to proxy voting.

## Investment and Borrowing Powers

The Manager may invest the property of the Fund at its discretion in any kind of investment which it could make if it were absolutely entitled to the property of the Fund. The Manager must have regard to the need for diversification and suitability of investments.

Except with the prior written approval of the Charity Commission, the Manager shall not engage in the business of underwriting or sub-underwriting any new issue of shares, stock or other securities. The Fund may, subject to certain restrictions and as a protective measure, undertake forward currency transactions and may invest in subscription warrants in respect of securities which could be subject to stabilisation activity.

The Fund may borrow up to 10% of the net asset value of the Fund temporarily for the purpose of meeting any payment properly to be made out of the Fund.

The Manager may also borrow up to 25% of the net asset value of the Fund in connection with the acquisition or management of any land. These borrowings can only be exceeded with the prior written consent of the Board and the Charity Commission.

Cash awaiting investment may be deposited with a bank or in a Common Deposit Fund established under section 25 of the Charities Act 1993.

The Manager may invest up to:

- 10% in the net asset value of the Fund

in transferable securities issued by any one single body other than government and other public securities;

- 35% in the net asset value of the Fund in any one collective investment scheme;
- up to a total of 15% collective in investment schemes as a whole.

## Breach of Investment Limits

A breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund if the consent of the Trustee is obtained but, in the event of breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits. The power to invest in direct property is among the wide investment powers of the Fund.

## Eligible Securities and Investment Markets

The Manager may trade on Eligible Securities and Investment Markets on recognised and designated investment exchanges as approved by the Board from time to time.

## Custody of Assets

The Custodian holds the securities of the Fund in specially designated accounts. The name of the Custodian can be found in Appendix 1.

## The Board - Duties and Responsibilities

The Board has been assigned certain duties details of which are set out in the Scheme. It meets regularly to receive reports and monitor the progress of the Fund. It is responsible to prepare Annual

Report and Accounts and inform the Charity Commission if it is not satisfied with the Trustee's or the Manager's compliance with the Scheme and the Scheme Particulars. The Board is made up of individuals who together have wide experience of finance, investments, charities and the law. No Board Member is required to be authorised by the FSA because no Board Member intends to offer investment advice or conduct investment business in relation to the Fund.

In safeguarding the interests of Unitholders the Board has a number of responsibilities which include setting and subsequently advising on the Responsible Investment Policy of the Fund, monitoring performance, the appointment and discharge of the Manager, appointing the Auditor to the Fund, and agreeing the fees charged by the Trustee, the Manager and the Auditor. Prior to the Trustee making any written declaration that the Fund is to be wound up, the Trustee must serve on the Board a notice of the Trustee's intention to wind up the Fund and consider the Board's representations (if any).

## Remuneration and Expenses of the Trustee

The Scheme provides for the remuneration of the Trustee out of the property of the Fund by way of a periodic charge (plus VAT if applicable and if any), and the reimbursement of expenses (plus VAT if applicable and if any) properly incurred by the Trustee. The rate of the Trustee's Periodic Charge is to be agreed in writing with the Board from

time to time.

The expenses will include charges of the Trustee's nominees and agents. The duties of the Trustee for which reimbursement may be made, involve and include (without limitation):

- a) delivery of stock to the Trustee;
- b) custody of assets;
- c) collection of income;
- d) submission of tax returns;
- e) handling of tax claims;
- f) preparation of the Trustee's Annual Report; and
- g) such other duties as the Trustee is required or empowered by law to perform

The maximum periodic charge that may be made by the Trustee, subject to the prior written approval of the Charity Commission, is 0.03% p.a., (plus VAT if applicable and if any) of the value of the property of the Fund, and the actual charge agreed with the Board is 0.01% p.a., (plus VAT if applicable and if any) of such value, up to a maximum of £25,000 p.a., which accrues daily and is payable monthly in arrears.

Any increase in the actual or maximum amount of the periodic charge made by the Trustee shall be subject to:

- a) notice of at least 90 days being given to Unitholders;
- b) the prior written agreement of the Board; and
- c) the prior written approval of the Charity Commission.

## The Manager

CCLA Investment Management Limited is appointed Manager of the Fund in the

Scheme. The Manager is a limited liability company incorporated in England and Wales in 1987 whose address is shown in Appendix 1 of this document.

The Manager is authorised and regulated by the Financial Services Authority whose address is shown in Appendix 1 of this document.

The Manager has been assigned certain duties, details of which are set out in the Scheme. The Manager is required to prepare Annual Report and Annual Accounts of the Fund.

The Manager has been assigned certain duties, details of which are set out in the Scheme. The Manager is required to prepare Annual Report and Annual Accounts of the Fund.

The Trustee has appointed the Manager to act as Registrar to the Fund. The Agreement provides for the appointment to be terminated by either party giving one year's written notice to the other. Earlier termination can only occur in specific circumstances, including a material and irremediable breach by either party.

The Manager may not have a lien or security interest in the property of the Fund. The Manager may not act as principal in any transaction with the Fund

The Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is

given by the Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objectives of the Fund will be successfully accomplished.

## Remuneration and Expenses of the Manager

The Manager is entitled to make an Annual Management Charge out of the property of the Fund.

The maximum charge that may be made by the Manager on the Fund, subject to the prior written approval of the Charity Commission, is 1.25% p.a., of the value of the property of the Fund, (plus VAT if applicable and if any). The current Annual Management Charge, which accrues daily, has been agreed with the Board at 0.75% p.a., (plus VAT if applicable and if any). The month end valuation forms the basis of the charge for the following month and the charge is paid from the Fund's property on or as soon as practicable after the last business day of each month.

Any increase in the actual or maximum amount of the Annual Management Charge made by the Manager shall be subject to:

- a) notice of at least 90 days being given to Unitholders;
- b) the prior written agreement of the Board; and
- c) the prior written approval of the Charity Commission.

For the Fund the Annual Management Charge will be deducted from capital. The policy of taking the Annual Management Charge to capital could lead to capital

erosion. It should not however change the overall return on the Fund, i.e. taking capital and income together.

Where applicable, to avoid double charging, rebates of charges on holdings in the COIF Charity Funds are calculated and applied to the Income Account of the Fund.

## Additional Payments from the Fund:

Payments that may additionally be made out of the Property of the Fund are as follows:

- a) brokers' commission, fiscal charges and other disbursements which are:
  - I. necessary to be incurred in effecting transactions for the Fund;
  - II. normally shown in contract notes, confirmation notes, and margin accounts as appropriate;
- b) interest on borrowings permitted by the Fund and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowing;
- c) taxation and duties payable in respect of the property of the Fund, the Scheme or the issue of units, if applicable;
- d) any costs incurred in modifying the Scheme where modification is:
  - III. necessary to implement, or necessary as a direct consequence of, any changes in the law; or
  - IV. expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interests of Unitholders; or
  - V. to remove from the Scheme

- obsolete provisions;
- e) liabilities on a unitisation, amalgamation or reconstruction arising in certain circumstances;
- f) the audit fee properly payable to the Auditor and Value Added Tax thereon and any proper expenses of the Auditor;
- g) the proper expenses of the Board;
- h) the fees of any relevant regulatory authority in which units are or may be marketed; and
- i) any costs incurred through purchasing and holding of third party funds.

### Preliminary Charge

The Scheme provides for a preliminary charge to be included in the price at which units may be purchased, out of which the expenses and remuneration of the Manager may be paid. No preliminary charge is currently levied.

The introduction of a preliminary charge and any increase in the actual or maximum amount of a preliminary charge made by the Manager shall be subject to:

- a) notice of at least 90 days being given to Unitholders;
- b) the prior written agreement of the Board; and
- c) the prior written approval of the Charity Commission

### Dealing Commission Costs

It is CCLA's policy not to enter into any soft commission arrangements with its brokers for the supply of goods and services, in return for an agreed volume of business. However, most brokers provide research services to CCLA. This research is used by CCLA in its fund

management process. The notional costs of this research forms part of the total commission costs charged to our Funds which will be disclosed in the annual and half yearly reports of the Funds.

## Registration of Unitholders

The Register of Unitholders is maintained on behalf of the Trustee by the Manager. Holdings are registered in the name of the Unitholders or where applicable holdings may be registered in the name of the nominee company acting on behalf of the Unitholders, with the name of the Unitholders separately recorded in the Register. Holdings may not be registered in the names of the individual trustees. No certificates are issued, but confirmation of holdings is available on request from the Manager.

The Register may be inspected free of charge during normal business hours at the Registered Office of the Manager. Entry in the Register of Unitholders is conclusive evidence of title to the units in the Fund. The Register contains the name of each participating charity, the number of units held, the type of units and the name and address of the correspondent for each account. In addition, the Register may contain the following particulars:

- a) details of the nominee company acting on behalf of the Unitholders;
- b) client designation;
- c) bank account details for the remittance of income and withdrawals; and
- d) Authorised Signatory(ies) and the number of signatures required.

No notice of any trust, express, implied or constructive, shall be entered in the Register in respect of any unit, and the

Manager and the Trustee shall not be bound by any such notice.

The expenses of maintaining the Register are currently borne by the Manager and covered by the Annual Management Charge paid out of the property of the Fund to the Manager.

The Manager will treat all Unitholders' records as confidential and so reserve the right to provide copies of your particular record, rather than allow access to files which may contain information about other Unitholders.

## Unitholders' Meetings

Any meeting of Unitholders shall be held in accordance with the FSA's Collective Investment Schemes Sourcebook (COLL) (as amended or replaced from time to time), and all the provisions of the COLL shall apply to such meetings. A meeting of Unitholders of the Fund duly convened and held by the Trustee may vote on a resolution:

- a) to approve a proposed scheme of amalgamation put forward by the Manager and the Trustee (or either of them); or
- b) to approve a proposed scheme of reconstruction put forward by the Manager and the Trustee (or either of them).

A meeting of Unitholders has no other powers.

## Participation in the Fund Income and Accumulation Units

Contributors to the Fund may purchase either Income or Accumulation Units or both. Income Units provide a regular income and each unit represents one

undivided share in the property of the Fund. Holders of Income Units receive distributions quarterly.

Holders of Accumulation Units do not receive distributions of income. The income accumulates within the Fund and is reflected in the price of the units. The effect of this accumulation of income is an increase in the price of an Accumulation Unit relative to the price of an Income Unit. An Accumulation Unit represents an increasing undivided share in the property of the Fund. The right represented by the holding of a unit is that of a beneficial interest under a trust.

## Eligible Contributors

Any charity in the United Kingdom and any appropriate body within the meaning of the Charities Act 1993, (as amended or replaced from time to time), may invest in the Fund, unless precluded by a specific provision in its governing instrument. The Manager is required under Money Laundering Regulations to satisfy itself as to the identity of participants. Any charity (or a nominee company acting on its behalf) applying to participate must give a declaration of eligibility of the charity to invest in the Fund. Where a Contributor is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and disinvest. The Manager reserves the right to refuse to accept any application without giving any reason and to sell units on behalf of Contributors if it reasonably believes that the Contributor is no longer eligible to hold the Fund.

## Pricing of Units

### The Dealing Day

There is currently one Dealing Day per week, normally Thursday, except when this is not a business day; that is a day on which the London Stock Exchange (or any successor body) is not open for business, then the preceding business day becomes a Dealing Day. An instruction to purchase or redeem units will need to be received on the business day prior to the Dealing Day. If the Manager is in receipt of cleared funds on the business day prior to the Dealing Day the instruction will be actioned.

### Valuation

The Manager values the property of the Fund as at the close of business on the London Stock Exchange on the business day prior to each Dealing Day (the Valuation Point) for the purpose of determining the prices at which units may be issued or redeemed.

In addition, for valuation and reporting purposes, the Fund is valued on the last business day of each calendar month. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Dealing Days and Valuation Points.

The Manager may, at any time during a business day, carry out an additional valuation of the property of the Fund for the determination of unit prices if, after consultation with the Trustee, it is considered desirable to do so.

### Valuation of the Fund

The property of the Fund is valued in accordance with the FSA's Collective

Investment Schemes Sourcebook (COLL) (as amended or replaced from time to time). The valuation is carried out at mid-market prices at the Valuation Point. The unit price includes the value of the income property of the Fund which has not been declared as a dividend on the Dealing Day.

The amount of income to be included is the amount of income received by the Fund up to and including the day before the Dealing Day, together with the amount of income accrued and including UK tax credits to which the Fund is entitled. Any overseas income is treated on the same basis except that overseas tax deducted at source is only credited to the income of the Fund on receipt of claims made under double taxation treaties. All expenses paid or accrued on the same basis as the income will be deducted from the income.

### **Suspension of Dealing**

In exceptional circumstances, the Manager may, if the Trustee agrees, or shall, if the Trustee requires, suspend at any time for a period of up to 28 days the buying and selling of units. The Manager or the Trustee must be of the opinion that there is good and sufficient reason to do so having regard to the interests of the Unitholders. No units can be bought or sold during this period.

### **Buying (Offer) and Selling (Bid) Prices**

The buying and selling prices of the units are based upon the mid-market valuation of the Fund, as described above. To this valuation is added or deducted a fixed percentage of the valuation, representing the estimated transaction costs incurred

in purchasing or disposing of assets. These costs are principally the difference between the bid and offer prices on the sale and purchase of assets and any associated costs.

The Manager may vary the amount of these provisions to reflect their estimate of the costs associated with any transaction. The most recent estimate of the cost is shown on our website [www.ccla.co.uk](http://www.ccla.co.uk)

The offer and bid prices represent the buying and selling prices for Unitholders and also the creation and cancellation prices for the Trustee. No units are held by the Manager or any other party involved in the management of the Fund other than in the capacity as a Custodian or Trustee for an eligible investor.

The offer price (the price at which a Contributor may purchase units) and bid price (the price at which an Unitholder may sell units), as last notified to the Trustee, is available from the Manager upon request.

### **Buying Units**

Applications to buy units must be on a completed Application Form and appropriate payment must be made.

Cheques, if used, must be drawn on an account in the name of the applicant. The account should be held with an EEA (European Economic Area) banking institution and made payable in sterling.

When monies are received early they will be banked in a 'fund intake in advance account' in the name of the Fund for investment in the Fund on the next

Dealing Day. The Manager complies with FSA requirements with regard to holding customer monies awaiting a purchase of units in the Fund. Interest will not be payable on these accounts.

The Manager reserves the right not to execute a transaction until the charitable status and eligibility of the application has been demonstrated.

On acceptance of an application, units will be issued at the relevant offer price. A contract note will normally be despatched by the end of the next business day following the Dealing Day. The contract note will show, inter alia the number of units and the issue price. Units are issued to two decimal places.

### **Top Ups or Additional Investments**

The original application to create a new account needs to be accompanied by a cheque drawn on an account in the name of the applicant, see above. Funds may be sent via CHAPs or BACs for additional investments or top ups. For further details please contact Client Services, freephone 0800 022 3505.

### **Conditional Orders**

The Manager cannot accept conditional purchase or sale instructions from clients. A conditional order is one where the instruction specifically states that a purchase or sale may only proceed at a specified price, e.g. purchase £50,000 worth of COIF Investment Fund units if the offer price is less than £5.

### **Selling Units**

All instructions to sell units must be on a completed Renunciation Form and received by the Manager prior to the

Valuation Point on the Dealing Day to obtain that day's price. A contract note detailing the transaction will be sent out by the close of business on the next business day.

Proceeds of sales will be remitted to the nominated bank account of the charity or be paid direct to a COIF Charities Deposit Fund account held in the name of the charity or be sent by cheque to the correspondent and made payable to the charity. Settlement cheques are sent out within four business days of the Dealing Day.

Proceeds that are transferred to a COIF Charities Deposit Fund account are credited with effect from the Dealing Day.

### **Switches**

Switches between COIF funds are permitted although switches involving the property fund can only be undertaken on the monthly Property Fund Dealing Day.

### **The Issue and Redemption of Units**

The Issue and Redemption of Units in the Fund are dealt on a forward price basis. All instructions for buying and selling units in the Fund must be received prior to the Valuation Point on the Dealing Day if they are to be processed at the prices to be calculated on that day. Instructions received later will be held over to the next Dealing Day.

CCLA will execute purchases or redemptions on the instructions of the Unitholder at the published offer or bid price at the Valuation Point on the

Dealing Day. Units can only be created or liquidated through the Trustee on behalf of the Fund.

## Trustee's Refusal to Issue or Cancel Units

Where, on receipt of instructions to issue or cancel units, the Trustee is of the opinion that it is not in the interests of Unitholders that:

- a) units should be issued; or
- b) units should be cancelled; or
- c) units should be issued or cancelled in the number requested by the Manager.

The Trustee must give notice to the Manager that the Trustee refuses to issue or, as the case may be, cancel, all, or a specified number of, the units.

On giving such a notice the Trustee is relieved of the obligation to issue or cancel the number of units to which the notice relates.

## Publication of Prices

The latest offer and bid prices of the units in the Fund will be published in the Financial Times. Month end prices for valuation purposes and daily bid and offer prices are displayed on the Manager's website [www.ccla.co.uk](http://www.ccla.co.uk).

## Minimum Investment

The normal initial minimum investment in the units is £1,000. Any additional amount may be invested thereafter.

## Securities Exchange

Quoted securities in which the Fund has power to invest may be offered to the Fund in exchange for the issue of units on a Dealing Day. If accepted, securities are

taken in at mid-market valuation. The Manager has absolute discretion as to the securities that will be accepted. The procedure for exchange is complex and may require some time for completion; further details are available upon request. Neither the Trustee nor the Manager accepts any responsibility for the fluctuation in asset values during the transition into units.

## Large Deals

Deals of any size can normally be completed without delay, and there is normally no restriction on the carrying out of transactions. For the purpose of these Scheme Particulars, a 'large deal' is one of £1,000,000. The Manager may at its discretion elect to settle such deals by way of a transfer of securities from the assets of the Fund to the seller (in specie transfer) and may be applied at the discretion of the Manager and subject to the agreement of the Trustee.

## Distributions to Unitholders

### Quarterly Distribution

Income unit distributions are calculated quarterly at the end of March, June, September and December. The distribution is based upon undistributed income received and receivable to each quarterly date less any costs and expenses for the period and subject to flows to or from the Income Reserve (see below). Distributions in respect of the preceding quarter are made at the end of February, May, August and November. Monies received will be paid directly to a bank account held in the name of the investing charity or a nominee company acting on behalf of that charity, or into a

COIF Charities Deposit Fund account in the name of the investing charity. Changes in tax law and regulations may affect the basis of calculation and payment of distributions.

### **The Income Reserve**

Each quarter income may be transferred to an Income Reserve, thereby reducing the distribution for that quarter, or income can be transferred from the Income Reserve to the Distribution Account, which increases the distribution. The Income Reserve is used to even out fluctuations in income which arise from time to time. The Income Reserve of the Fund forms part of the capital of the Fund and is included in the price of Income Units of the Fund until it is used in the payment of a distribution. The Income Reserve is operated by the Trustee. The Income Reserve applies to Income Units only.

### **Equalisation**

The first allocation of income to which a Unitholder is entitled, following the purchase of units, is calculated as if the purchase had been made at the beginning of the quarter. The distribution will therefore include that part of the purchase price consisting of income from the beginning of the quarter to the date of purchase. The Manager is able to supply a breakdown of the amount of accrued income in the purchase price.

### **Regular Statements**

Unitholders will receive a Valuation Statement every six months, normally to the end of May and November unless instructed to the contrary. Unitholders may request a quarterly Valuation

Statement. In addition, Certificates of Balance at any month end will be provided upon Unitholder's written request to the Manager.

CCLA reserve the right to charge reasonable expenses in relation to printing and postage of any additional documentation required by the client.

### **Charity Trustees' Obligations**

Under the Trustee Act 2000, charity trustees are obliged to review their investments regularly. If you need a valuation to be able to conduct this review please contact the Manager at its Registered Office.

### **Changes to Authorised Signatories**

Changes to the Authorised Signatories for a charities holding of units in the Fund must be made on a duly completed Mandate Form by the charity, signed by the Authorised Signatories. Where an existing Authorised Signatory is removed by way of a Mandate Form, they shall receive notification of the removal by the Manager.

### **Changes in Correspondents**

A charity must notify the Manager of any change in the Authorised Correspondent for its Fund Account.

### **Anti-Money Laundering**

Firms conducting investment business are required by law to maintain procedures to combat money laundering. In order to implement these procedures, proof of identity may sometimes be required either when buying or when selling units. In the case where units are

being sold, the remittance of proceeds may be delayed until proof of identity has been obtained. Electronic identity checks may be undertaken on the persons named within the Application Form.

## Treating Customers Fairly

The Manager is committed to Treating Customers Fairly (TCF). The Manager has reviewed these Scheme Particulars in the context of TCF and believes it is in accordance with its TCF commitment.

## Complaints

CCLA has established a complaints handling procedure to investigate complaints received.

Any complaints regarding the operation of the Fund, or the Manager, should be addressed in writing to the addresses shown in Appendix 1.

Unitholders who are eligible complainants (as defined in the FSA's Handbook of Rules and Guidance) may have the right to complain directly to the Financial Ombudsman Service (FOS) if a complaint is not dealt with to the satisfaction of the Unitholder. The address and telephone number of the FOS is shown in Appendix 1 of this document.

## Regulatory Position

The Fund, being constituted as a Common Investment Fund established by the Scheme approved by the Charities Act 1993, is not regulated by the FSA or other regulatory bodies under the FSMA. The Board is not considered to be operating the Fund 'by way of business'. Consequently the Board is not required to be regulated by the FSA and its members

are not required to be authorised by the FSA for this purpose. This extends to CCLA in respect of its administration, registrar and secretarial functions for the Fund, although investment management activities of the Manager are regulated by the FSA.

## Risk Warning

The Fund's units and the income from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns.

The Fund's units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each weekly Valuation Point.

The Fund may invest in emerging market countries which could be subject to political and economic change. The Fund's unit value will reflect fluctuations in the unit prices and currency exchange rates.

## Compensation

As the Fund is not an Authorised Unit Trust within the meaning of the FSMA 2000, investments in the Fund are not covered by the Financial Services Compensation Scheme. The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

## Material Interests and Conflicts

The Fund has power to invest in other COIF Charities Funds and a rebate of charges is made to ensure no double charging of the Annual Management Charge. The Manager operates a client relationship management service to offer suitable support to charities. It should be noted that this service is associated with the COIF Charities Funds and that the COIF Charities Investment Fund owns 25% of the share capital of the Manager.

The Manager operates a Conflict of Interest Policy to ensure fair treatment of its clients. A brief summary is provided in Appendix 1 of this document.

## Data Protection

The Manager is the data controller and in accordance with data protection legislation will hold relevant personal details which have been supplied to the Manager for the purposes of fulfilling its obligations to Unitholders. Data will be stored by the Manager, either on computer or hard copy, in order to fulfil the services described. This will be treated as confidential. Any personal data will be maintained in accordance with the provisions of the Data Protection Act 1998. The Manager may pass your data to others in order to fulfil the service obligations described. The Manager may use the information to contact you from time to time by post, fax, e-mail or telephone to bring your attention to additional products or services which may be of interest to you. You may ask us to stop doing this by contacting us at any time.

The Manager will keep records of all business transactions for at least five years. You have a right to inspect copies of contract notes and entries in the Manager's books or computerised records relating to your transactions. The Manager will treat all Unitholders' records as confidential and so reserve the right to provide copies of your particular record, rather than allow access to files which may contain information about other Unitholders.

## Accounts of the Fund

The Report and Accounts of the Fund are normally prepared for the half year to 30 June (unaudited) and the year to 31 December (audited).

The Manager will make available, free of charge on its website, [www.ccla.co.uk](http://www.ccla.co.uk), Annual Report and Accounts for the period to 31 December (the accounting reference date) within four months of the end of the relevant period, and half-yearly Reports and Accounts for the period to 30 June (the interim accounting date) within two months of the end of the relevant period.

If a hard copy or an email of a report is required please contact customer services telephone helpline on 0800 022 3505.

## Auditor

The Auditor of the Fund is shown in Appendix 1 of this document.

## Taxation

The Fund has charitable status and is exempt from UK Income and Capital

Gains tax pursuant to Section 505 and 506 of the Income and Corporation Taxes Act 1988. To the extent that the Fund invests overseas, it may not be possible for the Manager to recover withholding tax suffered. As a charity, the Fund is exempt from UK Stamp Duty.

This is our understanding of the tax position as of the date of these Scheme Particulars. The tax position may change in the future. Investors should obtain their own tax advice in respect of their own position. Any changes to the tax position of the Fund will be notified on the CCLA website.

Distributions are paid and reinvested income credited gross to Unitholders on the basis that all UK taxation has been both reclaimed and recovered. Overseas income is credited net and any overseas withholding tax is credited to income when it is recovered. No deductions in respect of tax are made with regard to income distributions or income passed to capital.

## Corporate Actions

The Fund will take an active policy with regard to corporate actions and voting. Please see comments on the Responsible Investment Policy on the Fund.

## Execution and Research Services

The Manager may receive research services from brokers when executing or receiving and transmitting orders. The services provided will assist the 17 Manager's fund managers to make investment and trading decisions within the Fund. The notional costs of this

research forms part of the total commission costs charged to the Fund.

The Manager has controls in place to provide investors with the best possible result in accordance with its best execution policy and to ensure that all reasonable steps are taken to act in the investors' best interest in line with its Treating Customers Fairly Policy. Full details of the brokers, costs of execution and research services are disclosed in the Fund's Annual Report and Accounts to investors.

## Acceptance of Terms and Conditions

By completing the Application Form to purchase units the Unitholder acknowledges and accepts the terms and conditions for the unitholding and agrees to be bound by the provisions of these Scheme Particulars and the Scheme Rules.

The Trustee and Manager reserves the right to amend these terms and conditions at any time; any amendment shall be subject to the prior written agreement of the Board.

## Applicable Law

Any agreement to invest in the Fund is governed by English Law and subject to all applicable laws, regulations and rules. In the event of a conflict between such agreement and any such laws, regulations and rules the latter shall prevail. These Scheme Particulars summarise the terms on which the Fund operates. For further information as to the terms on which units are issued, reference should be made to the Scheme

made on 30 October 2007 under Section 24 of the Charities Act 1993.

## Scheme Particulars

Any person relying on the information contained in this document which was current at the date shown, should check that the document is the most current version and that no revisions or corrections have been made to the information contained herein. Copies of this document are available free of charge on [www.ccla.co.uk](http://www.ccla.co.uk)

## Additional Information

A Unitholder is entitled to request an unaudited periodic report to be provided within 25 days after the end of the period to which it relates.

The Manager will make available copies of the Scheme Particulars, Factsheets, current Investment Policy and annual and half yearly report and accounts, free of charge, on its website [www.ccla.co.uk](http://www.ccla.co.uk) If a hard copy or an email copy of any of these documents or the Scheme Rules is required please contact customer services on telephone helpline 0800 022 3505.

## Winding Up

If, upon consideration of the Board's representations (if any), the Trustee remains of the opinion that a winding-up of the Fund is expedient in the interests of the Unitholders, the Trustee may execute a written declaration that the Fund is to be wound up, and if it does so, the Trustee shall send copies of the declaration to the Charity Commission, the Manager and the Board and publish it as the Charity Commission may direct. As

soon as practicable after the Fund falls to be wound up, the Trustee shall realise the property of the Fund and after paying or provide for the liabilities of the Fund and the costs of the winding-up, distribute the proceeds to the Unitholders pro rata to their holdings.

## Definitions

*CCLA or the Manager* means CCLA Investment Management Limited of 80 Cheapside, London EC2V 6DZ.

*Eligible Securities and Investment Markets* means the investment markets on which the Fund may invest.

*Income Units* means those shares in the Fund which pay income to holders.

*Accumulation Units* means those shares in the Fund where income is rolled up into the share price.

*Bid price* means the price at which units in the Fund may be sold by investors.

*Offer price* means the price at which units in the Fund may be bought by investors.

*Annual Management Charge* means the periodic charge applied to the Fund by the Manager.

*Equalisation* means an adjustment to the price of the shares to reflect the fact the investors buying shares part way through the Fund's accounting period are not entitled to all of the income earned over that period.

*FSA* means the Financial Services Authority. 25 The North Colonnade, Canary Wharf, London, E14 5HS.

## Appendix 1

### Corporate Trustee

The Corporate Trustee of the Fund is HSBC Bank plc which is a public limited company, incorporated in England and Wales. It is a 100% subsidiary of HSBC Holdings plc, incorporated in England with limited liability. Its principal business is banking. The Head Office, which is also the Registered Office, is at 8 Canada Square, London E14 5HQ.

### The Manager

The Manager, CCLA, is a limited liability company registered in England and Wales with its Registered Office at 80 Cheapside, London EC2V 6DZ.

Incorporated on 26 October 1987.

Directors of CCLA Investment Management Limited

J. Dawnay (Chairman)\*

J. Bevan

S. Curran

R. Fitzalan Howard\*

C. Peters

M. Quicke

A. Robinson

T. Salmon\*

J. Tattersall\*

R. Williams\*

(\* indicates a Non-Executive Director)

The Manager also manages the COIF Charities Ethical Investment Fund, COIF Charities Investment Fund, the COIF Charities Fixed Interest Fund, the COIF Charities Property Fund and the COIF Charities Deposit Fund.

CCLA Investment Management Limited  
Customer Telephone Helpline Number is 0800 022 3505. Please note telephone calls may be recorded.

### The Board of the Fund

The members of the Board are:

D. Henderson (Chairman)

T. Bell

T. Clark

A. Daws

R. Fitzalan Howard (Non-Executive Director of CCLA)

G. Newson

### Registrar

The Registrar of the Fund is CCLA. The Register of Unitholders may be inspected at the Registered Office of CCLA.

### Custodian

The Custodian to the Fund is HSBC Bank PLC, 8 Canada Square, London, E14 5HQ.

### Auditor

The Auditor of the Fund is Ernst & Young LLP, 1 More London Place, London SE1 2AF.

### Address for Complaints

Complaints regarding the operation of the Fund or the Manager should be addressed to The Compliance Officer, CCLA Investment Management Limited, 80 Cheapside, London EC2V 6DZ or The Compliance Officer, HSBC Bank plc, Corporate Trustee of the COIF Charities Funds, 8 Canada Square, London E14 5HQ.

Unitholders who are eligible complainants may have the right to complain directly to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. (Telephone 0845 0801800).

Full details of CCLA's Conflicts of Interest Policy is available on request.

**This document, issued by CCLA Investment Management Limited, is effective from October 2011.**

## Regulator

CCLA Investment Management Limited is authorised and regulated by the Financial Services Authority.

## Conflicts of Interest Policy

CCLA operates a Conflicts of Interest Policy to ensure that our clients are fairly treated. Our policy seeks to avoid circumstances which we consider may give rise to potential conflicts of interest and materially disadvantage our clients. It describes the controls and arrangements for preventing CCLA and its staff from:

- favouring one client above another;
- market abuse and disclosing confidential information;
- giving or receiving, gifts and entertainment, monetary or otherwise that would be in breach of our Conflicts of Interest Policy;
- favouring one of CCLA's owners, The CBF Church of England Investment Fund (60%), COIF Charities Investment Fund (25%) and the Local Authorities' Mutual Investment Trust (15%) at the disadvantage of its clients;
- not disclosing CCLA's close association with The CBF Church of England Funds, COIF Charity Funds and the Local Authorities' Property Fund or its ownership (above); and
- not disclosing any remaining conflicts of interest to our clients before we advise or transact on their behalf.



# COIF Charities Global Equity Income Fund

## **Investment Policy Statement**

The statement of the principles governing decisions about investment by the Manager of the assets of the COIF Charities Global Equity Income Fund (the Fund) is provided in accordance with clause 54(4) of the Scheme. It should be read in conjunction with the Scheme Particulars.

The Investment Policy is designed to meet the objective and performance benchmark of the Fund and is reviewed periodically by the Board.

## **Investment Objective and Policy**

The Fund's investment objective is to provide a high level of income with capital growth over the long term. Investment will be primarily in equities and equity related securities of companies from around the globe offering attractive yields and sustainable dividends.

A customised performance comparator is used to monitor in more detail the investment performance of the Manager, taking account of the specific asset allocation of the Fund.

## **Investment and Borrowing Powers**

The Manager may invest the property of the Fund at its discretion in any kind of investment which it could make if it were absolutely entitled to the property of the Fund. The Manager must have regard to the need for diversification and suitability of investments.

Except with the prior written approval of the Charity Commission, the Manager shall not engage in the business of underwriting or sub-underwriting any new issue of shares, stock or other securities. The Fund may, subject to certain restrictions and as a protective measure, undertake forward currency transactions and may invest in subscription warrants in respect of securities which could be subject to stabilisation activity.

The Fund may borrow up to 10% of the net asset value of the Fund temporarily for the purpose of meeting any payment properly to be made out of the Fund.

The Manager may also borrow up to 25% of the net asset value of the Fund in connection with the acquisition or management of any land. These borrowings can only be exceeded with the prior written consent of the Board and the Charity Commission.

Cash awaiting investment may be deposited with a bank or in a Common Deposit Fund established under section 25 of the Charities Act 1993.

The Manager may invest up to:

- 10% in the net asset value of the Fund in transferable securities issued by any one single body other than government and other public securities;
- 35% in the net asset value of the Fund in any one collective investment scheme.

There are additional investment restrictions which are detailed in Clause 58 of the Scheme.

### **Risk**

It is in the nature of the Fund to be exposed to a number of risks, including market price risk, currency risk, interest rate risk, liquidity risk, credit risk and stock specific risk. This means that the unit price may fluctuate. Risk will be controlled by diversification within each asset class, and by following standard administrative procedures.

### **Projected Return**

It is not possible accurately to project a total return for a fund of this kind since markets are volatile and the value of shares can go down as well as up. Past performance is not necessarily a guide to future performance. Policy will be to expect the Manager to outperform the benchmark over a medium term time

frame.

### **The Realisation of Investments**

The Fund will be actively managed, which means that investments will be realised by the Manager for both stock specific and asset allocation reasons in furtherance of the policy.

### **Responsible Investment Policy**

The Fund will employ a Responsible Investment Policy as determined by the Board from time to time.

October 2011



**CCLA INVESTMENT MANAGEMENT LTD**

**80 Cheapside**

**London EC2V 6DZ**

**Client Service:**

**Freephone: 0800 022 3505**

**Fax: 0844 561 5126**

CCLA Investment Management Limited (registered in England No. 2183088 at the above office) is authorised and regulated by the Financial Services Authority. COIF Charities Global Equity Income Fund (Registered Charity No. 1121433).

**[www.ccla.co.uk](http://www.ccla.co.uk)**

A4a/October 2011