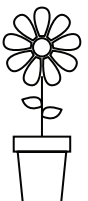




COIF Charities Property Fund

Scheme Particulars
Investment Policy Statement



Scheme Particulars COIF Charities Property Fund

Effective from October 2011

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Property Fund (the Fund) prepared pursuant to clause 59 of the Scheme dated July 2002 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 under Charity Registration Number 1093084.

Where the provisions of the Scheme and the Scheme Particulars are in conflict, the provisions of the Scheme shall prevail.

Contents	Page	Contents	Page
The Fund	4	Duties and Responsibilities of the Board	14
Investment Objectives of the Fund	4	The Manager	14
Participation in the Fund	4	Material Interest and Conflicts	15
Eligible Contributors	5	Unitholders Meetings	15
Remuneration and Expenses of the Trustee	5	Treating Customers Fairly	15
Payments that may additionally be made out of the property of the Fund	6	Additional Information	15
Remuneration and Expenses of the Manager	7	Auditor	16
Registration of Units	7	Complaints	16
Pricing of Units	8	Compensation	16
Issue and Redemption of units	9	Risk Warning	16
Switches	11	Charity Trustee's Obligations	17
Anti-Money Laundering	11	Scheme Particulars	17
Exchanging Existing Property	11	Data Protection	17
Suspension of Dealing	11	Definitions	18
Trustee's Refusal to Issue or Cancel Units	11	Appendix 1 – Corporate Trustee	19
Publication of Prices	11	Appendix 1 – The Manager	19
Distributions to Unitholders	12	Appendix 1 – The Board of the Fund	19
Accounts of the Fund	12	Appendix 1 – Registrar	19
Taxation	12	Appendix 1 – Auditor	19
Investment and Borrowing Powers	13	Appendix 1 – Regulator	20
The Board	14	Appendix 1 – Conflicts of Interest Policy	20
		Appendix 2 – External Property Valuer	21
		Investment Policy Statement	22

The Fund

The Fund is a Common Investment Fund established by the Scheme approved by the Charity Commission by an order dated July 2002 under section 24 of the Charities Act 1993 (as amended or replaced from time to time). Its charity registration number is 1093084. 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 (the Manager). Details of the Manager are contained in Appendix 1. Details of the External Property Valuer are contained in Appendix 2.

Investment Objectives

The Fund aims to achieve a high and sustainable level of income and some capital appreciation. The Fund will principally invest in direct freehold, heritable and leasehold property assets within the United Kingdom.

Direct assets may comprise retail, office, industrial and residential property. Additionally, the Fund may finance the development of, or improvements to, direct property assets and, where appropriate, the purchase of a right or interest in land held on a freehold, heritable or leasehold basis. The Investment Policy may mean that at times it may be appropriate for the Fund not to be fully invested but to hold cash or near cash.

In extreme conditions, the Manager may raise or reduce the liquidity of the Fund from normal working levels within a band of 0% to 20%. The Fund is considered suitable for investment over the longer term.

Participation in the Fund Income and Accumulation Units

Contributors to the Fund may purchase either Income or Accumulation Units or both.

Income Units of the Fund 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 number of undivided shares 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 England and Wales 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 by 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.

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 Annual Management Charge (plus VAT if applicable and if any), and the reimbursement of expenses (including VAT if applicable and if any) properly incurred by the Trustee. The rate of the Trustee's Annual Management Charge is agreed in writing with the Board from time to time.

The maximum Annual Management

Charge that may be made by the Trustee, subject to the prior written approval of the Charity Commission, is 0.1% p.a., (plus VAT if applicable and if any), of the value of the property of the Fund and £1,000 (plus VAT if applicable and if any), for each direct property acquisition or disposal made by the Fund. The actual Annual Management Charge agreed with the Board, based on the value of the property of the Fund, (plus VAT, if applicable and if any) is:

First £50m at 0.045%;
Next £50m at 0.030%;
Next £100m at 0.020%;
Next £100m at 0.010%;
Remainder at 0.005%.

The Trustee may also charge a transaction fee of £250, (plus VAT if applicable and if any) for each direct property acquisition or disposal made by the Fund.

Any increase in the actual or maximum rate of the Annual Management 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 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 Accounts; and
- g) such other duties as the Trustee is required or empowered by law to perform including any legal costs incurred.

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

All costs and expenses reasonably incurred in the management of the Fund including:

- a) agent's acquisition and disposal fees;
- b) fees on lease renewal, letting, rent review and head lease/lease renegotiation, rating and planning advice, landlord's repairs and improvements, surrender payments and premiums received from tenants;
- c) project management fees, building surveyor fees, other specialist advisers' fees including those incurred in dilapidation negotiations;
- d) the cost of preparing, publishing and sending Annual Reports and Unitholder communications;
- e) valuation, insurance and performance measurements fees;
- f) fees for independent risk assessments, for health and safety or environmental purposes;
- g) solicitors and audit fees;
- h) External Property Valuer costs;
- i) brokers' commission, fiscal charges and other disbursement 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;
- j) interest on borrowings permitted by the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- k) taxation and duties payable in respect of the property of the Fund, the Scheme or the issue of units, if applicable;
- l) any costs incurred in modifying the Scheme, where modification is:
 - I. necessary to implement, or necessary as a direct consequence of, any changes in the law; or
 - II. 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
 - III. to remove from the Scheme obsolete provisions;
- m) liabilities on a unitisation, amalgamation or reconstruction arising in certain circumstances;
- n) the expenses of the Board and any remuneration paid to a board member;
- o) the fees of any Auditor appointed or those of IPD or any other benchmark authority;

the fees of any relevant regulatory authority in which units are or may be marketed, or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units are or may be marketed. Payments will be charged to the capital or income of the Fund at the

Manager's discretion; and

any costs incurred through purchasing and holding of third party funds.

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 1.5% p.a. of the value of the property, (plus VAT if applicable and if any). The current charge, which accrues daily and has been agreed with the Board, is 0.65% 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 around the last business day of each month.

Any increase in the actual or maximum rate 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.

The Annual Management Charge is at present deducted from the capital of the Fund. The Trustee retains the right to pay some or all of the Manager's charge out of income. The Manager will receive no payment other than the Annual Management Charge.

Registration of Units

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 office of the Manager at its Registered Office. Entry in the Register of Unitholders is conclusive evidence of title to the units in the Fund. The Register contains the name of each Unitholder, 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 Unitholder;
- 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.

Pricing of Units

The Dealing Day

There is currently one Dealing Day per month, normally the last 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.

Buying (Offer) and Selling (Bid) Prices

The buying and selling prices of the units are based upon the 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 the associated brokers' commission. As a charity, the Fund is currently exempt from UK Stamp Duty.

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

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.

Preliminary Charge

A preliminary charge may 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.

The Issue and Redemption of Units in the Fund

Units are dealt on a forward price basis. All instructions for buying and selling units in the Fund must be received by 5.00 p.m. on the day prior to 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 client at the published offer/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.

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 European Economic Area (EEA) banking institution.

The normal initial minimum investment in the units is £10,000. Any additional amount may be transferred thereafter. 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 Applicant 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.

Unitholders will receive a Valuation Statement every six months, normally at the end of June and December. Unitholders may request a quarterly Valuation Statement. In addition, Certificates of Balance at any month end will be provided upon Unitholders' written request to the Manager.

The Manager may also at its discretion suspend the issue of new units if any such new issue would prevent the orderly investment of monies.

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 by 5.00 p.m. on the day prior to the Dealing Day to obtain that day's price and may be subject to a period of notice. A contract note detailing the transaction will be sent out by the close of business on the next business day.

Proceeds of sales can either be remitted direct by BACS 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.

Period of Notice

For the good management of the Fund and in the interest of other Unitholders, a period of notice of up to 6 months may be applied to sale of units at the Manager's discretion to allow for the orderly disposal of properties held within the Fund. In the event of a notice period being introduced, the Unitholder will be notified in writing and sales will be processed in strict order of the instructions to sell being received. The Unitholder will receive the price ruling as at the date on which the sale is processed.

Switches

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

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.

Exchanging Existing Property

The Manager may accept a transfer of property into the Fund in exchange for units of the Fund but only if it is judged by the Manager to be in the best interest of existing Unitholders of the Fund. An External Property Valuer nominated by the Manager, and independent of the Applicant and Manager, shall produce a valuation of the property which an Applicant has offered to exchange for units at the expense of the Applicant. The property will be valued in accordance with the RICS Appraisal and Valuation Standards. If accepted, the exchange would be made at the market valuation of the property and at the net asset value of the units issued. The costs of the conveyance shall be borne by the Applicant by deduction from the value of the property being exchanged for units. Such costs will include valuation and

legal costs and disbursements of the Applicant and the Fund. The Manager has absolute discretion as to which properties it will accept.

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.

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.

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 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 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 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.

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, 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.

Taxation

The Fund has charitable status and is thus not currently liable to tax under current legislation. It is exempt from UK Stamp Duty on its property purchase transactions. The Fund's quarterly income

distributions are paid gross without any deduction of tax as all the Unitholders have charitable status and are entitled to receive such payments without deduction of tax.

The Fund, being a charity, is exempt from UK Income and Capital Gains tax pursuant to sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid and reinvested income credited gross to Unitholders on the basis that all UK taxation has been both reclaimed and recovered.

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.

Investment and Borrowing Powers

Investment

The Fund's powers permit investment in:

- a) direct property assets in the United Kingdom, freehold, heritable and leasehold;
- b) the financing of the redevelopment of, or improvements to, direct property, freehold, heritable and leasehold, or the purchase of a right or interest in, or over, freehold, heritable and leasehold land;
- c) the shares and loan stock of property companies and joint ventures investing in direct property assets;
- d) property collective investment schemes (including specialist property unit trusts, investment trusts and

- limited partnerships); and
- e) the COIF Charities Deposit Fund, sterling accounts with authorised banks in the United Kingdom, sterling negotiable certificates of deposit and other similar short-term money market investments.

The Fund will maintain a suitable spread between different types of direct property and geographical location. Consideration will be given to the property's specific location, standard of construction, quality of the tenant's covenant and the occupational lease terms.

The Fund will not invest more than 15% of its total assets at the time of investment in any single direct property. The Fund will not invest more than 15% at the time of investment of its total assets in financing or acquiring property redevelopments at any one time. The Fund will not invest more than 5% at the time of investment of its total assets in any property collective investment scheme, up to a total of 15% in property collective investment schemes as a whole. The Fund will not invest more than 5% at the time of investment of its total assets in any individual security of a property company or joint venture, up to a total of 15% in such investments as a whole.

The Fund may effect transactions in investments, the price of which may be stabilised. The Fund may not contain securities of which any issue or offer for sale was underwritten, managed or arranged by the Manager. No property of the Fund shall be lent to or deposited by way of collateral with a third party. The Fund shall not undertake stock lending

activity.

A breach of any of these limits does not prevent the exercise of rig 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.

Borrowing

- 1) The Manager may borrow temporarily for the purpose of meeting payments to be made out of the Fund (other than for the purpose specified in (b) below) provided that the borrowing does not exceed 10% of the value of the property of the Fund on any business day.
- 2) The Manager may borrow with the prior written consent of the Board:
 - a) in the course of reinvestment of any property comprised in the Fund;
 - b) for the purpose of the management or improvement of any property comprised in the Fund;
 - c) for the purpose of investment in direct property assets; and
 - d) for the purpose of discharging any liability properly payable out of the Fund. Provided that the aggregate borrowing under (a) and (b) does not exceed 25% of the value of the property of the Fund on any business day.
- 3) With the prior written approval of the Charity Commission the Manager may borrow for any of the purposes set out in (1) or (2) notwithstanding the limits set out therein.

The Board

The Board has been assigned certain duties. It meets regularly to receive reports and monitor the progress of the Fund. It is required 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. 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.

Duties and Responsibilities of the Board

In safeguarding the interests of Unitholders the Board has a number of responsibilities which include setting and subsequently advising on the 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).

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 (FSA), whose address is shown in Appendix 1 of this document. 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 shall not have a lien or security interest in the property of the Fund.

The Manager will 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.

Material Interest 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 management fee. 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 Conflicts of Interest Policy to ensure fair treatment of its clients. A brief summary is provided in Appendix 1 of this document.

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.

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.

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

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.

Auditor

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

Complaints

CCLA has established a complaints handling procedure to investigate all 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 also 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.

Compensation

As the Fund is not an Authorised Unit Trust within the meaning of the FSMA 2000, investments or deposits 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.

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. Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result, valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after the Valuation Point. The performance of the Fund could adversely be affected by a downturn in the property market in terms of capital value or a weakening of rental yields. The income received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants. Rental revenues and property values are affected by changes in the general economic climate and local conditions. Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant creditworthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

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 at each monthly Valuation Point.

The Fund has the facility to borrow up to 25% of the Fund's value which may increase the volatility within the Fund.

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

Charity Trustee's 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 CCLA Investment Management Limited, at the Registered Office of the Company.

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

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.

Definitions

CCLA means CCLA Investment Management Limited of 80 Cheapside, London EC2V 6DZ.

Eligible Securities and Investment Markets means the investment markets in 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 the income element, pertaining to income earned to date and included in the purchase price of a unit, which is returned as capital to the investor at the next distribution point.

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.

Appendix 2

External Property Valuer

BNP Atisreal Limited Norfolk House, 31
St James Square, London SW1Y 4JR.

Lawyers

Lovells LLP Atlantic House, Holborn
Viaduct, London EC1A 2FG. DLA Piper
Scotland LLP 249 West George Street,
Glasgow G2 4RB.

COIF Charities Property Fund

Investment Policy Statement

This statement is provided in accordance with clause 54(4) of the Scheme. It should be read in conjunction with the Scheme Particulars. The Investment Policy of the COIF Charities Property Fund (the Fund) is designed to meet the objective and performance benchmark of the Fund and is made and reviewed by the Board.

Investment Objective of the Fund

The Fund aims to achieve a high and sustainable level of income and some capital appreciation.

Benchmark of the Fund

The total return benchmark for the Fund is the IPD Monthly and Quarterly Valued Funds Index, excluding the smallest and largest 5% of funds by size and single asset companies.

Investment Policy Investments

The Fund will principally invest in direct freehold, heritable and leasehold property assets within the United Kingdom. Direct assets may comprise retail, office, industrial and residential property. Additionally the Fund may finance the development of, or improvements to, direct property assets and where appropriate, the purchase of a right or interest in land held on a freehold, heritable or leasehold basis. Reflecting the need for diversification, the Fund will maintain a suitable spread of properties by sector and by

geographical location. To ensure suitability, consideration will be given to each property's specific location, standard of construction, quality of the tenant's covenant and the occupational lease terms. The Fund will not invest more than 15% of its total assets at the time of investment in any single direct property. The Fund will not invest more than 15% at the time of investment of its total assets in financing or acquiring property redevelopments at any one time.

The Fund may also invest in the shares and loan stock of property companies, joint ventures investing in direct property assets and property collective investment schemes (including specialist property unit trusts, investment trusts and limited partnerships). The Fund will not invest more than 5% at the time of investment of its total assets in any property collective investment scheme, up to a total of 15% in property collective investment schemes as a whole. The Fund will not invest more than 5% at the time of investment of its total assets in any individual security of a property company or joint venture, up to a total of 15% in such investments as a whole. The Investment Policy may mean that at times it may be appropriate for the Fund not to be fully invested but to hold cash or near cash. In extreme conditions, the Manager may raise or reduce the liquidity of the Fund from normal

working levels within a band of 0% to 20%.

Balance between different kinds of Investment

The balance between the different kinds of investment will be established by reference to the sector allocation of the performance benchmark and the Manager's judgement of the future returns likely to be obtained on each type of property. To control risk, the differences will be regularly monitored and reviewed by both the Manager and the Board.

Risk

The nature of the Fund is to be exposed to a number of kinds of risks, including market, price risk, interest rate risk, liquidity risk, credit risk and stock selection risk. This means the unit price may fluctuate, more or less in line with its benchmark. Risk will be controlled by diversification across the property sectors, by diversification, if possible, within each property sector and by following standard administrative procedures.

Projected return

The Fund expects to provide a higher income to investors, derived from the rent paid on its direct property investments, which may grow as higher rental levels are achieved. The future capital return, which may be negative, cannot be projected as it is dependent

upon the level of demand for investment properties and the rate of economic growth.

The Realisation of Investments

The Fund will be actively managed, which means that properties will be sold by the Manager for both property specific and asset allocation reasons in furtherance of the Policy.

Borrowing

Borrowing increases the risks involved in the Fund, magnifying both gains and losses. The Manager may borrow temporarily up to 10% of the value of the property of the Fund. With the prior written consent of the Board, the Manager may borrow up to 25% of the value of the property of the Fund for investment in or improvement of property and other purposes.

October 2011

CCLA

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 Property Fund (Registered Charity No. 1093084). CCLA Investment Management Limited (registered in England No. 2183088 at the above office) is authorised and regulated by the Financial Services Authority. COIF Charities Property Fund (Registered Charity No. 1093084).

www.ccla.co.uk