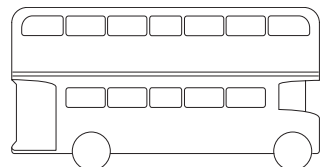




COIF Charities Deposit Fund

Scheme Particulars

THESE SCHEME PARTICULARS ARE APPLICABLE UNTIL 31 MARCH 2012. NEW SCHEME PARTICULARS, REFLECTING THE EXTENSION OF THE WEIGHTED AVERAGE MATURITY, WILL BE ISSUED ON 1 APRIL 2012.



Scheme Particulars

COIF Charities Deposit Fund

Effective from October 2011

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Deposit Fund (the Fund) regulated by a Scheme dated 2 April 2008 under section 25 of the Charities Act 1993 (the Scheme) of the Charity Commission, has been approved by the Charity Commission on 2 April 2008 and adopted by the Manager on 2 April 2008. The Fund is registered with the Charity Commission under Charity Registration Number 1046249.

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 Deposit Fund established by the Scheme approved by the Charity Commission under section 25 of the Charities Act 1993. The Fund is not an Authorised Unit Trust within the meaning of the Financial Services and Markets Act 2000.

Investment Objectives

The Fund aims to pay competitive rates of interest, which reflect the level of short-dated money market rates. The Fund also aims to maintain its' AAA (Triple A) Money Market Rating or equivalent.

Performance Benchmark

The total return performance benchmark for the Fund is the London Interbank 7 - day Bid Rate (LIBID) as measured by the British Bankers Association, before deduction of management expenses.

Investment Powers and Policy

The Manager may invest the property of the Fund in eligible securities of Counterparties and these Counterparties are regularly reviewed and annually approved by the Board Members. The Manager must maintain a satisfactory level of liquidity by ensuring that at least 5% of the investments of the Fund are capable of being repaid within 5 business days. The weighted average maturity of the Fund must not exceed 60 days and the maximum maturity of any investment is 1 year. The Manager must have regard to the need for diversification and suitability of investments and also of Counterparties.

Except in exceptional circumstances and with the consent of the Charity Commission, not more than 20% of the Fund's money is to be deposited with a single body or shall be lent to any one institution or institutions within the same group. There is no restriction on the amount that may be deposited with Her Majesty's Government or any institution guaranteed by Her Majesty's Government.

Eligible Securities and Investment Markets

Eligible securities include deposit accounts, term deposits, certificates of deposit, commercial papers, other funds with similar investment objectives, fixed rate securities, and floating rate securities of deposit taking firms and UK Local Authorities plus Treasury Bills issued by the UK Government. All investments must be in Sterling.

Custody of Assets

The deposits placed with financial institutions are held by the Board Members in the name of the COIF Charities Deposit Fund. In the event that the Manager elects to invest in money market securities, the Board Members have authorised the appointment of a Custodian to hold such securities.

The Board Members - Duties and Responsibilities

The Board consists of a body of individuals (the Board Members) with responsibilities for certain aspects of the management and administration of the Fund. The Board Members are listed in

Appendix 1. The Board Members hold at least four meetings each year to set investment policy and monitor the Manager's performance. The Board Members may, at their discretion, convene meetings of depositors.

The Board Members have been assigned certain duties, details of which are set out in the Scheme. They meet regularly to receive reports and monitor the progress of the Fund. They are required to prepare Annual Reports and inform the Charity Commission if they are not satisfied with the Manager's compliance with the Scheme or the Scheme Particulars. The Board Members are a body of individuals who together have a wide range of experience of finance, investments, charities and law. The Board Members are not 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.

Expenses of the Board Members

The Board Members are entitled to be reimbursed or retain out of the income of the Fund, any reasonable costs or expenses incurred by them in administering or winding up the Fund or otherwise. These include, but are not limited to, the costs (if any) of:

- a) placing deposits;
- b) brokerage;
- c) taxation and governmental duties payable in respect of deposits;
- d) Auditors' fees and expenses;
- e) Board Members' attendance expenses;

- f) preparation of the Board Members' Annual Report; and
- g) such other reasonable costs or expenses as may be incurred by the Board Members from time to time.

The Manager

CCLA, the Manager, is a limited liability company registered in England and Wales. The Manager is authorised and regulated by the FSA. Details of the Manager and the address of the FSA are contained in Appendix 1.

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

The Manager provides the Board Members with all administrative, registration and secretarial services necessary for the operation of the Fund. These include the maintenance of the records of the Deposit Fund accounts opened, the calculation of the daily deposit interest, the payment of interest, the issue of quarterly Deposit Fund Account statements, and the maintenance of the accounts of the Fund. The Fund's financial year ends on 31 December.

The Manager may not have a lien over, 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 of the Manager Annual Management Charge

The Manager's Annual Management Charge is based upon a fixed percentage of the capital assets of the Fund. The fee is accrued daily and is charged to the Fund on or around the last business day of each month. The charge is a maximum of 0.20% p.a. (plus VAT if applicable and if any), which is charged to the income of the Fund before the declaration of the Daily Interest Rate. The highest current charge is 0.20% p.a. (plus VAT if any).

The Annual Management Charge on large account balances (typically accounts with balances of £5 million and over) may be reduced at the Manager's discretion in order to enable a higher rate of interest to be paid to these accounts.

The current and maximum charges respectively have been agreed with the Board.

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 depositing charities;
- b) the prior written agreement of the

- Board; and
- c) the prior written approval of the Commission.

Preliminary Charge

No preliminary charge is made on the opening of a COIF Charities Deposit Fund account.

Register of Depositors

The Register of Depositors is maintained on behalf of the Board by the Manager. Accounts are registered in the name of the depositing charities or where applicable, holdings may be registered in the name of the nominee company acting on behalf of the depositing charities, with the name of the depositing charities separately recorded in the Register. Accounts may not be registered in the names of the individual trustees.

The Register may be inspected free of charge during normal business hours at the office of the Manager at the registered office of the Company. Entry in the Register of Depositors is conclusive evidence of title to the deposits with the Fund. The Register contains the name of each depositing charity, the sums of money on deposit and the name and address of the correspondent for each account. In addition, the Register may also contain the following particulars: details of the nominee company acting on behalf of the depositing charity; client designation; bank account details for the remittance of interest and withdrawals; authorised alternate 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 deposit, and

the Manager and the Board 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 income of the Fund to the Manager.

Deposits

Applications for the Fund must be on a completed Application Form and appropriate payment made. Cheques, if used, must be drawn on an account in the name of the applicant, the account should be held with an Economic European Area (EEA) banking institution and made payable in sterling to the COIF Charities Deposit Fund.

Deposits may also be made by electronic transfer. This presently includes BACS and CHAPS transfers although the financial services industry is expected to make changes to electronic banking services during 2008 which may involve the replacement of CHAPS and BACS by alternative services.

Eligible Depositors

Any charity within 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 (please see page 9 – Anti-Money Laundering). 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 depositor is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and withdraw the deposit. The Manager reserves the right to decline any application for a Deposit Fund account or to close a Deposit Fund account at any time, without giving any reason.

Minimum Deposit

No minimum sum is required to open a COIF Charities Deposit Fund account and further deposits made may be of any amount.

Withdrawals

Withdrawals of any amount may normally be made on demand without penalty. Withdrawal instructions which must be on the withdrawal forms provided and signed in accordance with the existing mandate, will be carried out on the day of receipt if received by 9.30a.m., otherwise on the next business day. Payments will only be made direct to the charity's bank account by the BACS (or its successor) or by cheque drawn in favour of the charity. The Fund reserves the right, for any depositing charity, to limit the total amount of withdrawals within any seven day period to £5 million. By prior arrangement, and with notice in writing, it is possible in emergencies for withdrawals of £10,000 and over to be made by CHAPS (or its successor) provided instructions are received by 9.30 a.m. on a business day but an appropriate charge may be made to cover the cost.

Deposit Reserve

The Board Members have power to make transfers out of the income of the Fund to a Deposit Reserve. This Reserve is held as a provision against potential default of Counterparties and it is also available to augment the Fund's deposit rate. It is held by the Board Members on trust for depositors for the time being in the Fund.

Interest Declared Daily Interest Rate(s)

After taking into account the Annual Management Charge, expenses of the Board Members, and transfers to or from the Deposit Reserve, the Manager will declare the interest rate for each day. This standard rate will apply to the majority of accounts. Higher interest rates may apply to accounts with large balances. The provision of an enhanced interest rate for larger deposits is achieved at the expense of the Manager who accepts a reduced Annual Management Charge in respect of large balance accounts. In this instance, the points at which higher interest rates apply and the differential between the standard rate and the higher rates may vary from time to time.

Application of Daily Interest Rate(s)

The appropriate Daily Declared Interest Rate is applied to the daily balance of each COIF Charities Deposit Fund account from the day after deposit up to and including the day of withdrawal. At the end of each calendar quarter, interest without deduction of income tax is credited either to the charity's Deposit Fund account or to another Deposit Fund account in the Fund in the charity's name

or is paid to the charity's nominated bank account normally within five working days after the quarter end.

Publication of Deposit Interest Rates

The daily deposit interest rates and tiering points, if applicable, are published in the Financial Times (under Money Market Trust Funds) and on the Manager's website www.ccla.co.uk.

Authority to Open and Operate Accounts

The Manager is entitled to assume that the persons signing the Application Form as Trustees or as authorised officials, are duly authorised on behalf of the charity to open a Deposit Fund account in the charity's name and to transfer money to and from that account. The Manager requires that an Authorised Correspondent is nominated by the Charity for each Deposit Fund account opened and requires the signatures of two Authorised Signatories to act, one of which may be the Authorised Correspondent, in respect of all transactions until they receive written notice to the contrary.

Regular Statements

All deposits and withdrawals are acknowledged within two business days. Statements of Account are sent quarterly.

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

the Registered Office of the Company shown in Appendix 1.

Changes to the Correspondent and Authorised Signatories

Changes to the correspondent and authorised signatories for a charity with deposits in the Fund must be made on a duly completed Mandate Form by the charity (or the nominee company acting on behalf of the charity) and authorised by the Trustees of that charity. Where an existing correspondent is removed by way of a Mandate Form, they shall receive notification of the removal by the Manager.

Change in Correspondents

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

Depositors' Meetings

Any meeting of Depositors 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 Sourcebook shall apply to such meetings. A meeting of Depositors of the Fund duly convened and held by the Board Members may vote on a resolution:

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

A meeting of Depositors has no other powers.

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 accepting or releasing deposits. In the case where deposits are released, 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 Treatin 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

The Manager has established a complaints handling procedure to investigate all complaints received. Any complaints regarding the operation or marketing of the Fund, or the Manager, should be addressed in writing to the address shown in Appendix 1. Depositors 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 depositor. The address and telephone number of the FOS is shown in Appendix 1.

Risk Warning

The Manager undertakes to exercise reasonable care in its placing of deposits with a selected list of Counterparties in the United Kingdom but it cannot give guarantees regarding repayment of deposits. The daily rates on the Fund are variable and past performance is no guarantee of future returns. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

Compensation

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

Material Interests and Conflicts

The COIF Charities Deposit Fund is associated with the COIF Charities Investment Fund which 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.

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 depositors. 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. Depositors have a right to inspect copies of contract notes and entries in the Manager's books or computerised records relating to their transactions. The Manager will treat all depositors' records as confidential and so reserves the right to provide copies of your particular record, rather than allow access to files which may contain information about other depositors.

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.

Auditor

The Auditor of the Fund is shown in Appendix 1.

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.

This is our understanding of the tax position as of the date of the Scheme Particulars. The tax position may change in the future. Quarterly income distributions are paid gross without any deduction of tax as all depositors in the Fund as charities are entitled to receive such payments without deduction of tax. 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 Manager's website.

Acceptance of Terms and Conditions

By completing the Application Form, the Depositor acknowledges and accepts the terms and conditions of deposit as set out in these Scheme Particulars and the Scheme. Copies of the Scheme and the Scheme Particulars are available on request from the Manager.

Applicable Law

Any agreement to invest in the COIF Charities Deposit Fund is governed by English Law and is 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.

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

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.

Amendments

The Board Members and the Manager reserve the right to amend these Scheme Particulars at any time. Depositors will receive notice of any amendment material to them.

Winding Up

The Board Members have the power to wind up the Fund in accordance with the terms of the Scheme.

Definitions

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

Capital Assets means the daily total of all deposits in the Fund by participating charities plus the value of the Income Reserve at the previous month end.

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

Counterparties means a list of financial institutions with which money is invested either through the placing of money market deposits or the purchase of money market instruments issued by the counterparty.

Eligible Depositor means any charity within the United Kingdom and any appropriate body within the meaning of the Charities Act 1993 (as amended or replaced from time to time).

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

FSMA means the Financial Services Markets Act 2000.

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.

Oversight

The Board Members have appointed the Royal Bank of Scotland Plc to oversee the Manager in respect of its activities related to the management and administration of the Fund and to provide semi-annual reviews of its findings to the Board Members.

The Board of the Fund

The members of the Board are:

D. Henderson (Chairman)

T. Bell

P. Cawdron

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.

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.

Depositors 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).

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.

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.

Appendix 2

CHAPS Payments

Payments may be made by CHAPS (Clearing Houses Automated Payment System) (or its successor) to the account of the COIF Charities Deposit Fund at the Royal Bank of Scotland, London City Office – Sorting Code 15-10-00, Account No. 11601602. Provided the Fund is advised in writing by post or fax by 9.30a.m. on a business day that the money is to be expected and it arrives at its bank before midday, the COIF Charities Deposit Fund account will be credited on the same day.

BACS Payments

Payments may also be made by the BACS (Bankers Automated Credit Services) (or its successor) to the account of the COIF Charities Deposit Fund at the Royal Bank of Scotland, London City Office, Sorting Code 15-10-00, Account No. 21851321, provided the COIF Charities Deposit Fund account number is quoted. The COIF Charities Deposit Fund account will be credited on the day of receipt of funds.



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.

www.ccla.co.uk

A5a/October 2011