COIF Charities Short Duration Bond Fund

Scheme Particulars

CCLA

GOOD INVESTMENT

Scheme Particulars
COIF Charities Short Duration Bond Fund

Effective from 29 July 2026

Issued by CCLA Fund Managers Limited (the "**Manager**")

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Short Duration Bond Fund (the "**Fund**"), established in 1990 and regulated by a Scheme dated 29 November 2000 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011, as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014, 17 November 2015, 20 November 2023 and 23 October 2025 (the "**Scheme**"), and adopted by the Manager on 22 July 2014 has been filed with the Charity Commission. The Fund is registered with the Charity Commission under Charity Registration Number 803610.

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

Any person relying on the information contained in this document, which was current at the date shown above, should check with the Manager that the document is the most current version and that no revisions or corrections have been made to the information contained herein. The latest version of this document is available on www.ccla.co.uk and alternative formats are available upon request from clientservices@ccla.co.uk.

While the Manager has taken all reasonable care to ensure that the facts stated in these Scheme Particulars are true, clear and not misleading, Unitholders and/or potential Unitholders should not treat these Scheme Particulars as advice relating to their own legal, tax or investment position. If a Unitholder or potential Unitholder is in any doubt as to the meaning of any information contained in these Scheme Particulars, they should consult their independent financial or other professional adviser.

Contents

1. Definitions 5

1.1 Definitions 5

2. The Structure of the Fund 8

2.1 Common Investment Fund 8
2.2 The Board 8
2.3 The Trustee and Depositary 8
2.4 The Manager 9
2.5 The Investment Manager and Sub-Investment Manager 10
2.6 The Registrar 10
2.7 The Transfer Agent 10
2.8 The Administrator 10
2.9 The Auditor 10
2.10 Unitholders' Rights Against Service Providers 10

3. Investment Objective and Policy of the Fund 11

3.1 Investment Objective 11
3.2 Investment Policy 11
3.3 Sustainability Approach 12
3.4 Target Benchmark 13
3.5 Changes to the Investment Objective and Policy 13

4. Participation in the Fund 13

4.1 Target Investors 13
4.2 Eligible Contributors to the Fund 13
4.3 Compulsory Sale of Units where a Unitholder Ceases to be an Eligible Contributor 14
4.4 Income and Accumulation Units 14
4.5 Registration of Units 14
4.6 Anti-Money Laundering Requirements 15
4.7 Fair Treatment of Unitholders 15
4.8 Meetings of Unitholders 15
4.9 Changes to Authorised Signatories and Correspondents 15
4.10 Short-term or Excessive Trading and Market Timing 16

5. Risks 16

5.1 General Investment Risks 16
5.2 Risk Associated with Investment in Other Collective Investment Schemes 16
5.3 Political Risk 16
5.4 Currency Risk 16
5.5 Counterparty Risk 16
5.6 Credit Risk 16
5.7 Settlement Risk 16
5.8 Interest Rate Risk 17
5.9 Concentration Risk 17
5.10 Securitised Assets Risk 17
5.11 Leverage Risk 17
5.12 Leveraged Loans Risk 17
5.13 Emerging Market Risk 17
5.14 Operational Risk 17
5.15 Cyber Event Risk 18
5.16 Suspension Risk 18
5.17 Inflation Risk 18
5.18 Other Risks including Terrorism and Pandemic Risk 18
5.19 Derivatives Risk 18
5.20 Tax Risk 19
5.21 Dividend Risk 19
5.22 Liquidity Risk 19
5.23 Equity Market Risk 19
5.24 Risk Factors Not Exhaustive 19
5.25 Risk Management Process and Liquidity Management 19

6. Investment Powers, Controls and Restrictions 19

6.1 Investment and Borrowing Powers 19
6.2 Breach of Investment Limits 20
6.3 Investment in In-House Collective Investment Schemes 20
6.4 Securities Markets 20
6.5 Leverage 20

7. Pricing of Units and Valuation of the Fund 21

7.1 Valuation Point 21
7.2 Valuation of the Fund 21
7.3 Unit Prices 21
7.4 Dilution Adjustment 21
7.5 Publication of Prices and Performance 22

8. Dealing in Units 22

8.1 Application for Units 22
8.2 Minimum Initial and Subsequent Investments 23
8.3 Buying Units 23
8.4 Selling Units 23
8.5 Deferred Redemptions 24
8.6 Regular Trades 24
8.7 Conversion and Switching 24
8.8 Securities Exchange 24
8.9 Large Deals 24
8.10 Trustee's Refusal to Issue or Cancel Units 25
8.11 Suspension of Dealing 25
8.12 Client Money 25
8.13 Execution Services 26

9. Distributions to Unitholders 26

9.1 Quarterly Distribution 26
9.2 Income Reserve Account 26
9.3 Equalisation 26

10. Reporting 26

10.1 Regular Statements 26
10.2 Report and Accounts of the Fund 26

11. Complaints and Compensation 27

11.1 Complaints 27
11.2 Compensation 27

12. Charges and Expenses 27

12.1 Remuneration and Expenses of the Trustee 27
12.2 Remuneration and Expenses of the Manager 27
12.3 Preliminary Charge 28
12.4 Redemption Charge 28
12.5 Inducements 28
12.6 Research 28
12.7 Other Expenses 28

13. Conflicts of Interest 29

13.1 Conflicts of Interest Policy 29
13.2 Trustee and Depositary Conflicts of Interest 29
13.3 Material Interests and Conflicts 30

14. Taxation 30

14.1 General 30

15. Termination 30

15.1 Winding Up 30

16. General Information 31

16.1 Data Protection 31
16.2 Telephone and Electronic Communications 31
16.3 Corporate Actions 31
16.4 Amending these Scheme Particulars 31
16.5 Professional Liability 31
16.6 Acceptance of Terms and Conditions 31
16.7 Applicable Law and Jurisdiction 31
16.8 Additional Information 32

Appendix 1 – Directory 33

Appendix 2 – Eligible Investments and Restrictions 34

Appendix 3 – Past Performance 36

Appendix 4 – Investment Policy Statement 37

1. Definitions

1.1 Definitions

Accumulation Units means those Units where income distributions are reinvested and reflected in the Unit price.

Administrator means HSBC Bank plc, or such successor entity appointed as administrator by the Manager from time to time.

AIFMD Legislation refers to the Alternative Investment Fund Managers Regulations 2013, the Alternative Investment Fund Managers Directive 2011/61/EU and the Commission Delegated Regulation (EU) 231/2013 as applied in England and Wales from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11:00pm on 31 January 2020.

Annual Management Charge means the periodic charge applied to the Fund by the Manager in payment for carrying out its duties and responsibilities.

Applicant means a Charity (or nominee company acting on its behalf) which is applying for an account.

Application Form means the application form to open an account available from the Manager's website.

Auditor means Deloitte LLP, or such successor entity appointed as auditor by the Board from time to time.

Base Currency means pounds sterling, the currency of the Fund and in which the Report and Accounts of the Fund are prepared.

Board means the persons appointed pursuant to the Scheme and as further described in these Scheme Particulars.

Business Day means any day on which the London Stock Exchange is normally open for business, being a day other than a Saturday, Sunday, public or bank holiday in England.

Charitable Purposes bears the meaning as set out in section 2 of the Charities Act 2011.

Charity means either a charity in England and Wales within the meaning of section 1(1) of the Charities Act 2011 or an "**appropriate body**" in Scotland and Northern Ireland within the meaning of section 97(3) of the Charities Act 2011.

Charity Commission means the Charity Commission for England and Wales of 102 Petty France, London SW1H 9AJ.

Collective Investment Scheme means a collective investment scheme as defined by section 235 of the Financial Services and Markets Act 2000.

Common Deposit Fund means a common deposit fund established under section 100 of the Charities Act 2011.

Common Investment Fund means a common investment fund established under section 96 of the Charities Act 2011.

Conversion means the exchange of Income Units for Accumulation Units or vice versa and the act of so exchanging and **"Convert"** shall be construed accordingly.

Data Protection Legislation means the UK General Data Protection Regulation and the Data Protection Act 2018 or any successor legislations thereto, and any associated codes, regulation or guidance (as may be amended or replaced from time to time) and any related regulations and guidance and all other laws concerning the processing of data relating to living persons.

Dealing Day means each Business Day.

Dealing Deadline means 11:59am London time on a Dealing Day, or as otherwise determined by the Manager.

Depositary Services Agreement means the agreement dated 21 July 2014 entered into by the Trustee, the Board and the Manager in relation to the depositary services the Trustee provides to the Fund (as amended, supplemented or replaced from time to time).

Distribution Account means an account as provided for in the Scheme for the purpose of holding income to be distributed to Unitholders.

Duration means a measure of how long it takes, in years, for an investor to be repaid a bond's price by the bond's total cash flows. Duration can also measure the sensitivity of a bond's or bond fund portfolio's price to changes in interest rates. Certain factors can affect a bond's duration, including the time to maturity and the coupon rate.

Eligible Contributor means a Charity (or nominee company acting on its behalf) which is and continues to be eligible to hold Units.

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

FCA means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or such regulatory authority which may replace or succeed it from time to time.

FCA Rules means the Handbook of Rules and Guidance issued by the FCA, as amended or replaced from time to time.

Forward Foreign Exchange Contract means a binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date.

Fund means the COIF Charities Short Duration Bond Fund.

Group has the same meaning as listed in the glossary to the FCA Rules.

Income Reserve Account means an account in respect of the Fund for the purpose of evening out the amount of income distributed.

Income Units means those Units which pay income distributions to Unitholders.

Investment Committee means the body responsible for the oversight of the Investment Manager's investment processes and activities.

Investment Management Agreement means the agreement dated 22 July 2014 between the Manager and the Investment Manager delegating the portfolio management of the Scheme Property to the Investment Manager (as amended, supplemented or replaced from time to time).

Investment Manager means CCLA Investment Management Limited, part of the Jupiter Group.

Investment Policy means the investment policy as decided in the Investment Policy Statement from time to time.

Investment Policy Statement means the investment policy statement set out in these Scheme Particulars as amended from time to time.

Jupiter Group means Jupiter Fund Management plc, a company incorporated in the UK together with its subsidiaries (which includes the Manager and the Investment Manager).

Key Information Document means the document published for the Fund which contains information to help investors understand the nature and the risks of investing in the Fund. A key information document must be provided to investors prior to subscribing for Units so they can make an informed decision about whether to proceed.

Manager means CCLA Fund Managers Limited, part of the Jupiter Group, or such successor body corporate appointed as manager pursuant to the Scheme.

Money Laundering Regulations means The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as may be amended, updated or replaced from time to time.

Net Asset Value or **NAV** means the value of the Scheme Property less all the liabilities of the Fund determined in accordance with the Scheme.

Recognised Credit Rating Agency means a credit rating agency that the Investment Manager or Sub-Investment Manager has determined meets appropriate regulatory standards.

Register means the register of Unitholders maintained by the Registrar on behalf of the Trustee.

Registrar means a corporate body appointed by the Trustee as registrar from time to time for the purpose of maintaining the Register.

Report and Accounts means the annual (audited) and interim (unaudited) report and financial statements for the Fund prepared by the Manager to the periods ending 31 December and 30 June respectively.

Scheme means the Scheme sealed by the Charity Commission on 29 November 2000 as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014, 17 November 2015, 20 November 2023 and 23 October 2025.

Scheme Particulars means these rules and particulars of the Fund made under the Scheme, as amended or replaced from time to time.

Scheme Property means the investments, assets and property of the Fund.

SONIA means the Sterling Overnight Index Average as published by the Bank of England; a measure of the interest rate paid on sterling short term wholesale funds.

Sub-Investment Manager means Hermes Investment Management Limited, or such successor company that may from time to time be appointed by the Investment Manager as a sub-investment manager.

Switch means the exchange of Units for units in another COIF Charities Fund and the act of so exchanging and "**Switching**" shall be construed accordingly.

Transfer Agent means FNZ TA Services Limited, or such other entity as is appointed to act as transfer agent to the Fund from time to time.

Trustee means HSBC Bank plc, or any successor body corporate appointed as trustee pursuant to the Scheme.

UK AIF refers to an alternative investment fund in the United Kingdom and has the same meaning as listed in the glossary to the FCA Rules.

UK AIFM refers to the alternative investment fund manager and has the same meaning as listed in the glossary to the FCA Rules.

Unitholder means an Eligible Contributor who is registered as a holder of Units.

Unit or Units means units in the Fund which may be Income Units or Accumulation Units.

Valuation Point means the valuation point as at 12:00 noon London time on each Dealing Day for the purpose of determining the price at which Units may be issued, cancelled or redeemed.

References to any statutory provision or FCA Rules in these Scheme Particulars shall include any statutory provision or FCA Rules which amends or replaces it and any subordinate legislation made under it.

2. The Structure of the Fund

2.1 Common Investment Fund

The Fund is a Common Investment Fund established in 1990 and regulated by the Scheme dated 29 November 2000 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014, 17 November 2015, 20 November 2023 and 23 October 2025. The Fund is managed by the Manager as an unregulated Collective Investment Scheme and as a UK AIF in accordance with the FCA Rules and the AIFMD Legislation.

2.2 The Board

The Fund is subject to oversight by the Board, which 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.

The duties of the Board include (but are not limited to):

- making an annual report regarding the discharge of its responsibilities;
- a duty to inform the Charity Commission promptly and in writing if the Board is not satisfied as to the compliance of the Trustee or the Manager with the Scheme or these Scheme Particulars; and
- a duty to inform the FCA promptly and in writing if the Board is not satisfied as to the compliance of the Trustee or the Manager with the applicable provisions of the AIFMD Legislation.

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 approved by the FCA, in relation to their capacity as a member of the Board, because no Board member offers investment advice or conducts 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 investment objective and Investment Policy of the Fund, monitoring performance, the appointment and discharge of the Manager and the Trustee, 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).

To the extent of those duties and powers specified in the Scheme, the Board members are charity trustees within the meaning of the Charities Act 2011.

The Board members are entitled to be paid out of the Scheme Property any reasonable costs and expenses incurred by them in carrying out their duties as a member of the Board. Such reasonable costs and expenses may be drawn from the Fund. The Manager currently pays the reasonable costs and expenses of the Board members and intends to continue to do so for the foreseeable future.

2.3 The Trustee and Depositary

The Trustee acts as a trustee of the Fund for the purposes of and pursuant to the Scheme. Pursuant to the Depositary Services Agreement and for the purposes of and in compliance with the AIFMD Legislation and the relevant FCA Rules, the Trustee has been appointed as depositary to the Fund.

The depositary, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly-owned subsidiary of HSBC Holdings plc. The depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The depositary provides services to the Fund as set out in the Depositary Services Agreement and, in doing so, shall comply with the AIFMD Legislation, the relevant FCA Rules and the terms of the Scheme.

The depositary's duties include the following: -

- Ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Units have been received.
- Safekeeping the assets of the Fund, which includes (i) holding in custody all financial instruments that can be physically delivered to the depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- Ensuring that issues, redemptions and cancellations of Units are carried out in accordance with applicable law and the Scheme.
- Ensuring that the value of Units is calculated in accordance with applicable law and the Scheme.
- Carrying out the instructions of the Manager, unless they conflict with applicable law or the Scheme.
- Ensuring that in transactions involving the Fund's assets, any consideration is remitted to the Fund within the usual time limits.
- Ensuring that the Fund's income is applied in accordance with applicable law and the Scheme.

The appointment of the depositary under the Depositary Services Agreement may be terminated

without cause by not less than 90 days' written notice provided that the Depositary Services Agreement does not terminate until a replacement depositary has been appointed.

The depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

In general, the depositary is liable for losses suffered by the Fund as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the depositary will be liable to the Fund for the loss of financial instruments of the Fund which are held in its custody. The depositary will not be indemnified out of the Scheme Property for the loss of financial instruments where it is so liable.

The liability of the depositary will not be affected by the fact that it has delegated safekeeping to a third party save where this liability has been lawfully discharged to a delegate any such discharge will be notified to the Unitholders and consent will be obtained from the Manager to such delegation and discharge. At the date of these Scheme Particulars, the depositary has not discharged its liability for the safekeeping of assets in its safekeeping.

The depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The depositary shall not be liable for any indirect, special or consequential loss.

In the event there are any changes to the depositary's liability under the AIFMD Legislation and the relevant FCA Rules, the Manager will inform Unitholders of such changes without delay.

2.4 The Manager

CCLA Fund Managers Limited is the appointed UK AIFM and Manager of the Fund. The Manager is a limited liability company incorporated in England and Wales with company registration number 8735639, whose registered address and details are shown in Appendix 1.

The Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 611707. The Manager has permission from the FCA to act as a full scope UK AIFM. The only business activity of the Manager is the management of UK AIFs as a UK AIFM. The ultimate holding company of the Manager is Jupiter Fund Management plc.

Subject to the FCA Rules and the AIFMD Legislation the Manager may delegate (and authorise its delegate to sub-delegate) its duties as Manager.

The Manager has delegated the provision of certain services including investment management, administration and the preparation of various reports for Unitholders to the Investment Manager and Administrator as detailed below.

The Manager's appointment may be terminated by the Board acquiring approval by the Trustee and serving written notice on the Manager.

The Manager is entitled to its pro rata fees and expenses (as provided for in the Scheme and detailed in these Scheme Particulars) to the date of termination of its appointment as Manager of the Fund and any additional expenses necessarily incurred in settling or realising any outstanding obligations.

The Manager is responsible for all the investment management and administration services in relation to the Fund set out under paragraph 17 of the Scheme. These include:

- the day to day management of the Fund including the power to buy and sell investments and to operate bank accounts and to borrow;
- the preparation of any valuations or other calculations to be made under these Scheme Particulars;
- the receipt of contributions and the satisfaction of withdrawals;
- the decision as to whether any particular asset is to be accepted as a contribution;
- the keeping of such accounts as the Trustee or the Board may require; and
- any matters incidental to the above matters.

The Manager is also responsible for the risk management of the Fund.

The Manager may not have a lien over, or security interest in, the Scheme Property, act as principal in any transaction with the Fund, or undertake stock lending on behalf of 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 objective of the Fund will be successfully accomplished.

2.5 The Investment Manager and Sub-Investment Manager

The Investment Manager

CCLA Investment Management Limited is the appointed Investment Manager of the Fund. The Investment Manager is a limited liability company incorporated in England and Wales with company registration number 2183088, whose address and details are shown in Appendix 1.

The Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 119281.

The Investment Manager has been appointed by the Manager pursuant to the Investment Management Agreement to provide portfolio management and administrative services to the Fund under the Investment Management Agreement. The Investment Manager also provides secretarial services to the Board. The Investment Manager may delegate portfolio management services provided to the Fund.

Under the terms of the Investment Management Agreement, the Investment Manager's appointment may be terminated on three months' written notice by the Investment Manager or by the Manager, or in certain limited circumstances immediately by the Manager. The Investment Manager may not have a lien over, or security interest in, the Scheme Property, act as principal in any transaction with the Fund, or undertake stock lending on behalf of the Fund. The Investment 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 Investment Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Investment Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objective of the Fund will be successfully accomplished.

The Manager is responsible for any fees payable to the Investment Manager and meets the fees of the Investment Manager from the Annual Management Charge the Manager receives for its services to the Fund.

The Sub-Investment Manager

Hermes Investment Management Limited has been appointed by the Investment Manager as the Sub-Investment Manager of the Fund. The Sub-Investment Manager is a limited liability company incorporated in England and Wales with company registration number 02466043 whose address and details are shown in Appendix 1.

The Sub-Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 150000.

The Sub-Investment Manager provides portfolio management services to the Fund.

The Investment Manager is responsible for any fees payable to the Sub-Investment Manager.

2.6 The Registrar

The Trustee has appointed CCLA Fund Managers Limited (the Manager) to act as the Registrar of the Fund. The agreement provides for the appointment to be terminated by either party giving 90 calendar days' written notice to the other. Earlier termination can only occur in specific circumstances, including a material and irremediable breach by either party.

2.7 The Transfer Agent

The Manager has appointed FNZ TA Services Limited to act as Transfer Agent to the Fund. The Transfer Agent's responsibilities include, but are not limited to, processing transactions in Units (including recording changes in ownership of Units on behalf of the Registrar), facilitating the payment of income distributions and processing changes to client static information on behalf of the Manager.

The Manager is responsible for any fees payable to the Transfer Agent and meets the fees of the Transfer Agent from the Annual Management Charge the Manager receives for its services to the Fund.

The registered address of the Transfer Agent is shown in Appendix 1.

2.8 The Administrator

HSBC Bank plc is the appointed Administrator of the Fund and undertakes the Fund pricing and Fund accounting functions and carries out certain administrative tasks including the preparation of valuations and other activities on behalf of the Fund. The Administrator has been appointed under an agreement with the Investment Manager and the Manager meets the fees of the Administrator from the Annual Management Charge it receives for its services to the Fund.

The registered address of the Administrator is shown in Appendix 1.

2.9 The Auditor

The Auditor of the Fund is Deloitte LLP whose registered address is shown in Appendix 1.

2.10 Unitholders' Rights Against Service Providers

A number of third-party service providers provide services to the Fund, including the Investment

Manager, the Sub-Investment Manager, the Transfer Agent, the Auditor and the Administrator, whose details are set out in these Scheme Particulars (the "**Service Providers**"). No Unitholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. This is without prejudice to any right a Unitholder may have to bring a claim against an FCA authorised Service Provider, the Manager or the Trustee under Section 138D of the Financial Services and Markets Act 2000 (as a result of a breach of the FCA Rules by such Service Provider, the Manager or the Trustee), or any tortious or contractual cause of action.

3. Investment Objective and Policy of the Fund

3.1 Investment Objective

The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period.

There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

3.2 Investment Policy

The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature.

The Fund will be managed to ensure that the Fund's Duration is less than 3.5 years, with the aim of reducing the effect of changes in interest rates on the Fund's value. The Fund's Duration measures the sensitivity of the value of the Fund to a change in interest rates; the lower the Duration the less impact a change in interest rates will have on the Fund's value.

The Fund is actively managed which means the Investment Manager/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective.

The Fund will invest in instruments issued in a range of currencies and will hedge the non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%-105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations.

The Fund may invest in instruments that are either investment grade or non-investment grade as rated by a Recognised Credit Rating Agency. Where an instrument does not have an explicit rating from a Recognised Credit Rating Agency ("**Unrated Securities**"), the Investment Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest long-term ratings of the Recognised Credit Rating Agencies used.
- The lower the credit rating, the higher the risk. The lowest risk of non-investment grade securities is known as 'speculative' which is higher risk. As the credit rating falls, the level of risk increases. The maximum exposure to non-investment grade securities with a lower credit rating than 'speculative' s 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that the Investment Manager and/or Sub-Investment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property.
- The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds.

The Fund uses derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

The Fund follows a set of client-driven, values-based investment restrictions.

3.3 Sustainability Approach

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainable investment label because it does not have a sustainability goal. However, the Fund is managed in line with our sustainability approach for short duration bond funds which includes the management and integration of ESG risks, corporate governance and controversies. The implementation of this approach involves the application of values-based investment restrictions that have been set by CCLA to reflect the values and mission of the Fund's Unitholders. The full policy is available on our website at www.ccla.co.uk/about-us/policies-and-reports/policies/sustainability-approach-short-duration-bond-funds. The restrictions that apply to the Fund are also set out below:

- **Adult Entertainment:** companies that derive more than 3% of revenue from the production and/or distribution of adult entertainment.
- **Gambling:** companies that derive more than 10% of revenue from the operation of gambling establishments and the provision of key support services and products.
- **Alcohol:** companies that derive more than 10% of revenue from the production and/or retail of alcohol and related products or services.
- **Tobacco:** companies that have any involvement in the production of tobacco and/or derive more than 5% of revenue from the production and/or retail of tobacco and related products/services.
- **Cannabis:** companies that derive more than 10% of revenue from the production and/or retail of non-medicinal cannabis.
- **Controversial Weapons:** companies that have any involvement in the production of Controversial Weapons (core weapons and components). These are defined as landmines, cluster munitions, chemical and/or biological weapons.
- **Nuclear Weapons:** companies that have any involvement in the production of core weapons and/or components of nuclear weapons.
- **Military Weapons:** companies that derive more than 10% of revenue from the production of military weapons and equipment (core weapons, components and equipment/services) and/or the provision of key non-weapons related, tailor-made products for the defence industry.
- **Civilian Firearms:** companies that derive more than 10% of revenue from the production and/or retail of civilian firearms (including key components).
- **High Interest Rate Lending:** companies that derive more than 10% of their revenue from high interest rate lending.
- **Breast Milk Substitutes:** companies that do not meet the Manager's minimum standards for breast milk substitutes, based on the Access to Nutrition BMS index.
- **Animal Testing on Cosmetics:** Companies in the Personal Products Global Industry Classification Standard Sub-Industry that have any involvement in testing cosmetics on animals. Due to regulatory requirements in some countries, exceptions will be made for companies that are identified as promoting alternatives to animal testing and which adopt a rigorous, responsible, animal testing policy.
- **Thermal Coal Extraction:** companies that derive more than 5% of revenue from the extraction of thermal coal and/or produce more than 10 million metric tonnes of coal (or have plans to expand their coal production).
- **Oil and Gas Extraction:** companies that derive more than 5% of revenue from the extraction of tar sands and/or companies that generate more than 10% of revenue from the extraction, production, and/or refining of oil and/or gas.
- **Generation of Electricity and Climate Change:** electrical utility and infrastructure companies that intend to expand their coal-fired generation capacity and/or businesses whose principal activity is the generation of electricity and have not demonstrated the ability to align their business with the Paris Climate Change Agreement (as defined by the Manager).
- **Abortifacients:** companies that produce single-purpose abortifacients.
- **Sovereign Debt:** no direct investment in sovereign debt from countries identified by the Manager as being amongst the world's most oppressive.
- **Collective Investment Schemes:** Other investment funds that are assessed by the Manager as having any exposure to landmines, cluster munitions, chemical or biological weapons or exposures that

materially contradict the above approach. This is defined as having more than 10% of Net Asset Value exposed to other precluded activity. As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within such other investment fund holdings remains below 1% of the capital value of the Fund. Due to a lack of data this approach to assessing the eligibility of Collective Investment Schemes is implemented on a 'best-endeavours' basis.

These restrictions are applied based upon data points agreed by CCLA. Full details of how these investment restrictions are implemented, and how they are monitored by CCLA, are set out in our values-based screening policy which is available at www.ccla.co.uk/about-us/policies-and-reports.

Recognising the importance of restrictions to Unitholders the Manager will disclose the percentage of the MSCI World Index that is restricted from investment by the Fund.

3.4 Target Benchmark

The target benchmark for the Fund is SONIA plus 1.75% per annum.

The target benchmark sets a standard against which the performance of the Fund can be assessed.

3.5 Changes to the Investment Objective and Policy

The Board may only alter the Fund's investment objective and, subject to approval by the Board, the Manager may only alter the Investment Policy in accordance with these provisions.

Where it is proposed that the investment objective or Investment Policy of the Fund be altered and the Board or the Manager (as appropriate) reasonably considers that such an alteration would be considered a "**fundamental change**" within the meaning in the FCA Rules such an alteration may only be made following prior approval from the Unitholders by way of an extraordinary resolution (having the same meaning as when used in the FCA Rules and following the same notice procedures for meetings of Unitholders as used in the FCA Rules).

Where it is proposed that the investment objective or Investment Policy of the Fund be altered and the Board or the Manager (as appropriate) reasonably considers that such an alteration would be considered a "**significant change**" within the meaning in the FCA Rules such an alteration may only be made following the provision of 60 days' prior written notice to the Unitholders.

By way of guidance, the Board and/or the Manager (as appropriate) may consider the change to be significant rather than fundamental where:

- the proposed alterations do not alter the risk profile of the Fund;
- there is no change to the nature or purpose of the Fund; and
- the Unitholders are not materially prejudiced by the proposed change.

In certain limited circumstances the Board and/or the Manager (as appropriate) may decide that very minor changes to the Investment Policy and/or investment objective of the Fund (for example, those aimed at clarification of the investment objective and/or Investment Policy) would be considered a "**notifiable change**" within the meaning in the FCA Rules. Such alterations may be made by providing Unitholders with access to an updated copy of these Scheme Particulars. All current scheme particulars for the COIF Charities Funds are available on www.ccla.co.uk or by request please contact Client Services on 0800 022 3505.

4. Participation in the Fund

4.1 Target Investors

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are seeking to invest in an actively managed fund that reflects the investment objective and Investment Policy of the Fund. Investors should be looking to invest for at least three years and understand that that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor.

Investors may be either retail or professional clients (both per se and elective).

4.2 Eligible Contributors to the Fund

Any Charity in England and Wales and any appropriate body in Scotland and Northern Ireland within the meaning of the Charities Act 2011 may normally invest in the Fund, unless precluded by a specific provision in the Charity's governing instrument, provided always that such a Charity is recognised by HM Revenue & Customs as a Charity for tax purposes. The Manager is required under the Money Laundering Regulations to satisfy itself as to the identity of Eligible Contributors (please see the section headed Anti-Money Laundering Requirements below).

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 Unitholder (potential or otherwise) 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 decline any application without giving any reason and to sell Units on behalf of a Unitholder if it reasonably believes that the Unitholder is no longer eligible to invest in the Fund.

4.3 Compulsory Sale of Units where a Unitholder Ceases to be an Eligible Contributor

Where a Unitholder:

- is found not to be eligible or becomes ineligible at a later date; or
- suffers a change in circumstances or is in breach of any applicable law or government rule or regulation which may affect its ability to be an Eligible Contributor,

it, or its nominee, must inform the Manager immediately and at the Manager's request must sell their Units.

As soon as the Manager becomes aware or has reasonable grounds to believe that a Unitholder no longer satisfies the requirements to be an Eligible Contributor, the Unitholder will be deemed to have submitted a sell Units form to sell all the Units held by them in the Fund. Where a Unitholder delays in informing the Manager that it has ceased to be, or may no longer be an Eligible Contributor, the Manager then has the right to treat the request to redeem Units as being made on the date on which the Unitholder's circumstances changed.

The Unitholder agrees that any proceeds of sale in relation to the Units sold as a result of the Unitholder ceasing to be an Eligible Contributor may be retained by the Manager in order to satisfy any losses suffered by the Fund as a result of the Unitholder ceasing to be an Eligible Contributor. Such losses may include, but shall not be limited to:

- any assessment for income or capital gains tax or any other tax to which the Fund would not have been assessed had the Unitholder remained as an Eligible Contributor;
- any distributions paid out to or settled in respect of the Unitholder's Units after the date on which the Unitholder ceased to be an Eligible Contributor; and
- all costs and expenses including professional fees incurred in connection with such assessment.

On the written request of the Manager any Unitholder who is required to sell their Units must:

- irrevocably appoint one or more of the directors of the Manager as its attorney to execute all instruments and other documentation required to effect a sale of its Units and the Unitholder agrees to ratify all and any acts of the attorney; and
- indemnify the Fund against all losses suffered by the Fund as a consequence of the Unitholder no longer remaining an Eligible Contributor.

If at the time a sell Units form is submitted (or is deemed to have been submitted) to the Transfer Agent, the Transfer Agent has received instructions to sell Units from one or more other Eligible Contributors, the sale of the Units held by a Unitholder who has ceased to be eligible to remain invested in the Fund will be sold in priority to all other sale requests in the queue.

In the event that dealings in the Fund are suspended any deemed or actual instructions for the compulsory sale of Units will not be frozen. In such circumstances the relevant Units will be cancelled and the Manager will make an appropriate provision for the sale proceeds due to the affected Unitholder.

Where an event occurs during a period of suspension that results in a Unitholder ceasing to be an Eligible Contributor, the Unitholder's rights to accrued income will be apportioned according to the date on which the event occurred that triggered the ineligibility.

The sale proceeds will be calculated at the Valuation Point for the next Dealing Day after the lifting of the suspension and will be paid to the Unitholder within two Business Days of the Dealing Day.

4.4 Income and Accumulation Units

Eligible Contributors to the Fund may purchase either Income or Accumulation Units or both. Income Units provide regular income distributions and each Unit represents one undivided share in the Scheme Property. Holders of Income Units receive income distributions quarterly.

Holders of Accumulation Units do not receive distributions. The distributions allocated to the Accumulation Units accumulate within the Fund and are reflected in the price of the Units. The effect of this accumulation of distributions 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 Scheme Property. The right represented by the holding of a Unit is that of a beneficial interest under a trust.

A Unitholder may, subject to the terms of its governing instrument, Convert Income Units into Accumulation Units of the corresponding value or vice versa on any Dealing Day free of charge.

4.5 Registration of Units

The Register is maintained on behalf of the Trustee by the Registrar. Holdings are usually registered in the name of Unitholders (or where applicable, holdings may be registered in the name of a nominee company acting on behalf of a Unitholder). Holdings

cannot be registered in the names of the individual trustees. No certificates are issued and the Register is the definitive evidence of title. The Units have no par value and entitle the holder to a proportionate interest in the Fund. Units cannot be assigned or transferred except from one Charity to another. The number of Units held will be certified on written request for audit or other purposes.

The Register may be inspected by or on behalf of Unitholders during normal business hours at the office of the Registrar. Entry in the Register is conclusive evidence of title to the Units. 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:

- details of the nominee company acting on behalf of a Unitholder;
- client designation;
- bank account details for the remittance of distributions and withdrawals; and
- 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 Scheme Property to the Manager.

4.6 Anti-Money Laundering Requirements

The Manager is required by law to maintain procedures to combat money laundering. In order to implement these procedures, electronic or manual identity checks will be undertaken by the Manager and/or Transfer Agent on certain persons, whether named within the Application Form or associated with the Eligible Contributor (or who are subsequently appointed to act for the Eligible Contributor) to satisfy itself as to the identity of the Eligible Contributor and those acting on its behalf. Proof of identity may sometimes be required either when buying or selling Units from time to time, even of existing Unitholders. Until the necessary evidence of identity can be obtained the Manager and/or Transfer Agent may, at its sole discretion, freeze accounts, withhold income distribution payments or refuse to process sale requests or release sale proceeds.

4.7 Fair Treatment of Unitholders

The Manager has established policies and procedures and made arrangements to ensure the fair treatment of Unitholders. Such arrangements include, but are not limited to, ensuring that no one or more Unitholders are given preferential treatment over any rights and obligations in relation to their investment in the Fund that would result in a disadvantage to any other Unitholder. All rights and obligations to Unitholders, including those related to subscription and redemption requests, are set out in the Scheme and these Scheme Particulars.

The Manager has established fair and transparent pricing models and valuation systems and procedures for the Scheme Property and endeavours to ensure that there are no undue costs being charged to the Fund and the Unitholders.

The Manager has also established procedures to identify, manage and monitor conflicts of interest and, where applicable, disclose those conflicts of interest to prevent them from adversely affecting the interests of the Unitholders. The Manager has established a process for recognising and dealing with complaints fairly.

4.8 Meetings of Unitholders

Any meeting of Unitholders shall be held in accordance with the FCA Rules, and all the provisions of the FCA Rules shall apply to such meetings. A meeting of Unitholders duly convened and held by the Trustee may vote on a resolution:

- to approve a proposed scheme of amalgamation put forward by the Manager and the Trustee (or either of them); or
- to approve a proposed scheme of reconstruction put forward by the Manager and the Trustee (or either of them); or
- to approve fundamental changes of investment objective and Investment Policy.

A meeting of Unitholders has no other powers.

4.9 Changes to Authorised Signatories and Correspondents

A Unitholder must immediately notify the Transfer Agent of any change in its authorised signatories or correspondent. Changes to the authorised signatories or correspondent for a Charity's holding of Units must be made on a change of signatory/correspondent form or (where considered appropriate by the Transfer Agent to do so), a mandate form duly completed by the Charity (or the nominee company acting on behalf of the Charity) and be authorised by the trustees/executive directors who have the authority to act on behalf of that Charity. Where an existing authorised signatory is removed by way of such instruction, the correspondent shall receive notification of the removal from the Transfer Agent. Where a correspondent is changed, the Transfer Agent will inform the outgoing correspondent.

4.10 Short-term or Excessive Trading and Market Timing

The Fund is designed and managed to support medium-term investment and frequent trading is discouraged. Short-term or excessive trading into and out of the Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The Manager may at its discretion refuse to accept applications for, or Switching of, Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund. For these purposes, the Manager may consider an investor's trading history in the Fund or other funds managed or operated by the Manager or an associate and accounts under common ownership or control.

5. Risks

Investors should consider the following risk factors before investing in the Fund.

5.1 General Investment Risks

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in shares, bonds and other market assets. These fluctuations may be more extreme in periods of market disruption and other exceptional events. The Fund may also invest in a range of non-traditional or alternative asset classes and derivatives. The valuation of these assets can vary materially from those of stock and bond markets. There can be no assurance that any appreciation in value of investments will occur or that the investment objective will actually be achieved. The value of investments and the income from them will fall as well as rise and investors may not recoup the original amount they invested. Past performance is not a reliable indicator of future results.

5.2 Risk Associated with Investment in Other Collective Investment Schemes

The Fund may invest in one or more Collective Investment Schemes including schemes that are managed by the Manager or affiliated companies. In some cases, these Collective Investment Schemes may be unregulated. The Fund may invest in Collective Investment Schemes and other assets which may, on occasions, be illiquid. As the Fund may invest in other funds, Unitholders may incur a duplication of fees and commissions (such as management fees (including performance fees), custody and transaction fees, other administration fees and audit fees). To the extent these Collective Investment Schemes are permitted to invest in turn in other funds, Unitholders may incur additional fees to those mentioned below.

5.3 Political Risk

The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. The Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

5.4 Currency Risk

Currency exchange rate fluctuations may impact the value of the Fund which holds currencies or assets denominated in currencies that differ from the Base Currency of the Fund. The Fund may use currency hedging techniques within the limits set by the Board, which may mitigate this risk, however there is no guarantee that this will be either wholly or partially effective.

5.5 Counterparty Risk

Whilst the Investment Manager/Sub-Investment Manager will place transactions, enter into derivatives, hold positions and deposit cash with a range of counterparties, there is a risk that a counterparty may default on its obligations or become insolvent, which may put the Fund's capital at risk.

5.6 Credit Risk

Where the Fund holds bonds or other debt instruments the value of the Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. Government and corporate bonds are assessed by credit rating agencies and given a rating. These ratings determine whether the bond is considered to be investment grade or non-investment grade. Investment grade bonds are considered to be lower risk. Within investment grade and non-investment grade there are a number of different rating levels; the higher the rating, the lower the expected risk of default. However, all ratings are subject to change and in periods of recession or slow growth the risk of non-investment grade bonds defaulting may be appreciably higher.

5.7 Settlement Risk

Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. The Fund bears

the risk of settlement default due to exposure to the risk of default of certain counterparties. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

5.8 Interest Rate Risk

Investment in both fixed rate and floating rate securities involves interest rate risk. Any change to the interest rate relevant for floating rate securities may result in future income either increasing or decreasing. Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the market value of any fixed interest securities held.

In a negative interest rate environment, there is a risk that income derived from these types of securities will cease and could result in a reduction in their capital value.

5.9 Concentration Risk

To the extent the Fund invests in a greater amount in any one financial instrument, sector, asset class or geographical location, the performance of the Fund will depend to a greater extent on the overall condition of the financial instrument, sector, asset class or geographical location and there is increased risk to the Fund if conditions adversely affect that financial instrument, sector, asset class or geographical location.

5.10 Securitised Assets Risk

The Fund may purchase securitised products including asset backed or mortgage backed securities. These are debt instruments, typically issued by special purpose vehicles, that are backed by portfolios of largely financial obligations. These instruments are more complex than corporate debt securities and may exhibit variability or uncertainty of average life and market risks, furthermore they may be less liquid in more stressed market environments.

5.11 Leverage Risk

Leverage is a strategy that can be employed by the Fund in an effort to potentially increase income and enhance returns. Leverage can come in a variety of forms including debt (borrowing) and derivative instruments. When using derivatives, since the initial cost or value of a derivative (the margin) may be small relative to the size of the investment, small market movements may have potentially larger impact on the value of the derivatives than a standard bond or equity. Therefore, the use of leverage introduces the potential for higher volatility in the Net Asset Value and of distributions.

5.12 Leveraged Loans Risk

Leveraged loans are a type of syndicated loan for below investment grade companies. A leveraged loan may be originated for a variety of reasons including general corporate purposes, refinancing of an existing loan etc. The risk inherent within leveraged loans reflects the perceived low credit rating of the borrower, indicating a higher risk of missed payments on the loan or full default on the principal amount of the loan. The Fund may have exposure to such leveraged loans and as such there is increased risk to the Fund in the event of end borrower default.

5.13 Emerging Market Risk

Securities markets in emerging market countries are generally not as large as those in more developed economies and have substantially less dealing volume which can result in a lack of liquidity. Accordingly, where the Fund invests substantially in securities listed or traded in such markets, its Net Asset Value may be more volatile than a fund that invests in the securities of companies in developed countries. Substantial limitations may exist in certain countries with respect to repatriation of investment income or capital or the proceeds of sale of securities to foreign investors or by restriction on investment, all of which could adversely affect the Fund. Many emerging markets do not have well developed regulatory systems and disclosure standards. In addition, accounting, auditing and financial reporting standards, and other regulatory practices and disclosure requirements (in terms of the nature, quality and timeliness of information disclosed to investors) applicable to companies in emerging markets are often less rigorous than in developed markets. Accordingly, investment opportunities may be more difficult to properly assess. Adverse market and political conditions arising in a specific emerging market country may spread to other countries within the region. Political risks and adverse economic circumstances (including the risk of expropriation and nationalisation) are more likely to arise in these markets, putting the value of the investment at risk. These factors may lead to temporary suspension of dealing in the Fund.

5.14 Operational Risk

The Fund, the Manager, the Trustee and other Service Providers, their delegates, and counterparties are exposed to operational risk, which is the risk of financial and non-financial impact resulting from inadequate or failed internal processes, personnel and systems errors, third party service provider errors or external events, and is present in all of its businesses. The Manager, Trustee and Service Providers seek to reduce these operational risks through controls and procedures and by implementing an operational risk framework in order

to identify, assess, manage and report on the operational risks and associated controls including IT, data and outsourcing arrangements. However, operational risks are inherent in all activities and processes and exposure to such risk could disrupt the Manager's, Trustee's and Service Providers' systems and operations significantly, which may result in financial loss, regulatory censure and/or reputational damage.

5.15 Cyber Event Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Fund, the Manager, Trustee and Service Providers and their respective operations to potential risks from cyber-security attacks or incidents (collectively, "**cyber-events**"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Fund and its Unitholders. A cyber-event may cause the Fund, or the Manager, Trustee and/or Service Providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of the Fund or allow Unitholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Fund and the Manager, Trustee and/or Service Providers. In addition, cyber-events affecting issuers in which the Fund invests could cause the Fund's investments to lose value.

5.16 Suspension Risk

In certain circumstances, where the Manager determines that redemption requests may not be met the rights for Unitholders to redeem Units may be suspended, as further set out in these Scheme Particulars. Unitholders should note that where a suspension is implemented, they may not be able to redeem their Units as quickly as they would like to, and that this may have an impact on the price they receive on redemption and may consequently impact the Unitholder's own liquidity.

5.17 Inflation Risk

The real value of returns achieved from investment in the Fund will be affected by the rate of inflation experienced over the holding period.

5.18 Other Risks including Terrorism and Pandemic Risk

The Fund and counterparties with which the Manager on behalf of the Fund may do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities, or as a result of governmental or regulatory actions in anticipation of the same. Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, or governmental or regulatory actions in anticipation or mitigation of the same, such as a lockdown, or a typhoon warning, could severely disrupt the global economy and/or the operation of the Fund and its counterparties. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, relevant persons and entities involved in the operations of the Fund and its counterparties may to the extent that they are affected by such pandemic or natural disaster or by such governmental or regulatory actions, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Fund and materially and adversely affect its operation.

5.19 Derivatives Risk

The Fund will enter into financial derivative transactions for investment or efficient portfolio management purposes (including hedging). Please see Appendix 2 for details of the derivative instruments that may be used. Furthermore, the Fund may invest in other Collective Investment Schemes that also use derivatives for efficient portfolio management as well as investment purposes.

Derivatives can be volatile and involve various degrees of risk. The market performance of derivatives may not replicate the financial instruments they are designed to mirror, and may additionally carry greater counterparty, settlement or leverage risks. In particular, because many derivative instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a portfolio to the possibility of a loss exceeding the original amount invested and in turn this may affect the value of the Fund's investment in a Collective Investment Scheme which uses derivatives for investment purposes.

For details of how leverage risk arising from derivatives is calculated, please refer to the section headed Leverage in section 6 below.

5.20 Tax Risk

The tax information provided in the "Taxation" section is based on tax law and practice at the date of these Scheme Particulars. Tax legislation, the tax status of the Manager, the Fund, the taxation of Unitholders and the availability of any tax reliefs may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction in which the Fund may be registered, marketed or invested could affect the tax status of the Fund and the value of the Fund's investments in the affected jurisdiction.

The availability and value of any tax reliefs to Unitholders will depend on the particular circumstances of individual Unitholders. The information in the "Taxation" section is not exhaustive and does not constitute tax or legal advice. Unitholders should seek professional advice from their tax advisors in respect of the tax consequences of an investment in the Fund.

5.21 Dividend Risk

The Fund makes distributions based on the income received from the fixed interest assets in which it invests. This income may be greater than the yield to maturity of the portfolio. As a result, the capital value of the Fund may be eroded.

5.22 Liquidity Risk

The Fund's investments may be subject to liquidity constraints which means that securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair. Where a fund owns non-traditional or alternative asset classes, non-investment grade instruments or securitised products, it is possible that the liquidity in these assets is more variable than for traditional stocks or bonds.

5.23 Equity Market Risk

The Fund will not purchase equity assets, however, a number of fixed interest securities may have contingent or option related equity risk. This may result in these securities having greater market value volatility than traditional corporate bonds.

5.24 Risk Factors Not Exhaustive

The risks set out in these Scheme Particulars do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time.

5.25 Risk Management Process and Liquidity Management

The Manager employs a risk management process, including the use of appropriate stress-testing procedures, which enables it to identify, measure, manage and monitor at any time the relevant risks of the positions to which the Fund is or may be exposed and their contribution to the overall risk profile of the Fund.

The Manager maintains a liquidity management process to monitor the liquidity risk of the Fund, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

The liquidity management systems and procedures allow the Manager to apply various tools and arrangements necessary to ensure that the Fund is sufficiently liquid to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in these Scheme Particulars.

Other arrangements may also be used in response to redemption requests, including, in extreme cases, temporary suspension which, if activated, will restrict the redemption rights investors benefit from in normal circumstances as set out in these Scheme Particulars.

6. Investment Powers, Controls and Restrictions

6.1 Investment and Borrowing Powers

Subject to the restrictions set out here and in the Scheme the Manager may invest the Scheme Property at its discretion in any kind of investment which it could make if it were absolutely entitled to the Scheme Property. The Manager must have regard to the need for diversification and suitability of investments and is subject to the restrictions in Appendix 2.

The Fund may, subject to certain restrictions and as a protective measure, undertake forward currency transactions.

The Fund may invest in bonds, debentures or loan stocks issued by governments, local authorities, companies or other undertakings, in convertible bonds, debentures or loan stocks and in preference

or convertible preference shares. The Fund may also invest in securitised products, loans, unlisted debt securities, other Collective Investment Schemes or funds and derivative instruments. The limits applied to each category of asset are detailed in Appendix 2.

The Fund may borrow up to 10% of the Net Asset Value of the Scheme Property temporarily for the purpose of meeting any payment properly to be made out of the Fund. The Fund may also borrow up to 25% of the Net Asset Value of the Scheme Property in connection with the acquisition or management of any land.

These borrowings can only be exceeded with the prior written consent of the Board. For further information on the Fund's borrowings please see the Leverage section below. Cash awaiting investment may be deposited with a bank or in a Common Deposit Fund.

6.2 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 a breach, the Investment Manager (or Sub-Investment Manager) must then take such steps as are necessary to restore compliance with the investment limits within a reasonable period of time.

6.3 Investment in In-House Collective Investment Schemes

The Fund may invest in other Collective Investment Schemes, Common Investment Funds and Common Deposit Funds which may be operated or managed by the Manager or an associate of the Manager (**In-House Funds**).

6.4 Securities Markets

The Investment Manager or the Sub-Investment Manager may trade in securities that are admitted to or are traded on an exchange or under the rules of a securities market that has been approved by the Investment Committee from time to time.

6.5 Leverage

This section explains in what circumstances and how the Manager may use leverage as defined by the AIFMD Legislation ("**Leverage**") in respect of the Fund and the maximum level of Leverage permitted.

Leverage means any method by which the Fund increases its exposure whether through borrowing cash or securities or leverage embedded in derivative positions or any other means. The sources of Leverage which can be used when managing the Fund include:

- cash borrowing; and
- financial derivative instruments.

Leverage may be used to facilitate the purchase of Scheme Property, but the Fund does not intend to use its borrowing powers to meet redemption requests. The Investment Manager (or Sub-Investment Manager) may use Forward Foreign Exchange Contracts to hedge any currency exposure in the Fund and other derivatives for investment and efficient portfolio management purposes.

The Manager is required to calculate and monitor the level of leverage of the Fund. Leverage is expressed as a ratio between the exposure of the Fund and its Net Asset Value (Exposure/NAV). The exposure of the Fund shall be calculated in accordance with the commitment method ("**Commitment Method**") and the gross method ("**Gross Method**").

Under the Gross Method, the exposure of the Fund is calculated as follows:

a) include the sum of all assets purchased, plus the absolute value of all liabilities;
b) exclude the value of cash and cash equivalents which are highly liquid investments held in the Base Currency of the Fund, that are:
    - readily convertible to a known amount of cash; and
    - are subject to an insignificant risk of change in value;
c) derivative instruments are converted into the equivalent position in their underlying assets;
d) exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
e) include exposure resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of the cash borrowed; and
f) include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Under the Commitment Method, the exposure of the Fund is largely calculated in the same way as under the Gross Method; however, whilst certain cash instruments and cash borrowings are included, the exposure of derivative or security positions employed in hedging and netting arrangements are not included in this calculation, provided certain conditions are met. These conditions aim to ensure that only those trades which offset the risks linked to other trades, leaving no material residual risk, are taken into account.

Further information regarding these different Leverage calculation methods can be found in the AIFMD Legislation and the investment risk management policy, which is available upon request from the Manager.

Where derivatives are used for purposes other than hedging there will be a corresponding increase in the net Leverage of the Fund. Such Leverage will

increase the potential exposure of the Fund to market risks and therefore increase the volatility of the Fund's capital value and future returns.

The total amount of Leverage employed by the Fund will be disclosed in the Fund's Report and Accounts.

The maximum levels of Leverage are as follows;

Gross Method: 300%

Commitment Method: 200%

As these calculations of regulatory leverage do not fully take into account whether a particular financial derivative instrument increases or decreases investment risk, they will not necessarily be fully representative of the actual level of investment risk within the Fund.

It is not intended that the Trustee or any sub-custodian shall be entitled to re-use for its own benefit any of the Fund's assets with which it has been entrusted.

7. Pricing of Units and Valuation of the Fund

7.1 Valuation Point

The Manager values the Scheme Property at 12:00 noon on each Dealing Day for the purpose of determining the prices at which Units may be issued, cancelled or redeemed. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Valuation Points.

The Manager may also, at any time during a Business Day, carry out an additional valuation of the Scheme Property for the determination of Unit prices if, after consultation with the Trustee, it is considered desirable to do so.

7.2 Valuation of the Fund

The Scheme Property is valued in accordance with the FCA Rules and the value of the Fund shall be the value of its assets less the value of its liabilities. The valuation of exchange traded securities is carried out at mid-market prices at the Valuation Point. The valuation of non-exchange traded securities is determined as follows;

- units in a Collective Investment Scheme – if the scheme is single priced then that price will be used. If the scheme is dual priced the mid-market price will be used;
- private equity holdings – the Manager will calculate the price based on valuation information provided by the private equity company;
- other assets – the Manager will value all other assets at a value which, in the opinion of the Manager, represents a fair and reasonable value based on independent inputs.

The Unit price includes the value of the income of the Fund which has not been declared as a distribution or accumulated by the Fund 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 Dealing Day, together with the amount of income accrued and including any 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.

7.3 Unit Prices

Dealing in Units takes place on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Manager. Units in the Fund are single priced and prices of Units are expressed in the Base Currency. The prices of the Units are based on the Net Asset Value per Unit.

The Unit 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 Contributor.

7.4 Dilution Adjustment

The actual cost of purchasing or selling assets and investments in the Fund may vary due to dealing charges, taxes, and any spread between buying and selling prices of the underlying investments of the Fund. These costs could have an adverse effect on the value of the Fund, known as "**dilution**". In order to mitigate the effect of dilution the Manager may at its discretion adjust the sale and purchase price of Units to take into account the possible effects of dilution to arrive at the price of the Units. This practise is known as making a "**dilution adjustment**" or "**swing pricing**". The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Fund. If the price of the Units does contain a dilution adjustment, such dilution adjustment will be paid into the Fund and will become part of the Scheme Property thus mitigating the effects of dilution that would otherwise constrain the future growth of the Fund.

The Manager reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated

dealing costs of the Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

The discount or premium to NAV per Unit (i.e. the rate of dilution adjustment) will depend on the volume of subscriptions or redemptions of Units and the Manager is not currently able to predict the likely frequency of such events. The Manager may in its discretion make a dilution adjustment if, in its opinion, the existing Unitholders, in the case of subscriptions, or remaining Unitholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Unitholders and potential Unitholders. In particular, the dilution adjustment may be made in relation to the Fund in the following circumstances:

- where the Fund is expanding or contracting;
- where the Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day; and
- in any other case where the Manager is of the opinion that the interests of Unitholders requires the imposition of a dilution adjustment.

The Fund is regarded as expanding where, based on the daily movements in and out of the Fund, the Fund has experienced a material net inflow of money over a period of time. The Fund is regarded as contracting where, over a period of time, the Fund has experienced a material net outflow. The Fund is regarded as level where it is considered to be neither expanding nor contracting based on the above criteria.

Where the Fund is expanding, the Manager will normally swing the price to "**offer**" (i.e. increase the price by the adjustment rate referred to above), however the Manager may leave the price at "**mid**" (i.e. the price without any adjustment applied) if the flows are not of significant size relative to the size of the Fund.

Where the Fund is contracting, the Manager will normally swing the price to "**bid**", however the Manager may leave the price at "mid" if the flows are not of significant size relative to the size of the Fund.

The dilution adjustment will be applied to the Net Asset Value per Unit resulting in a figure calculated up to four decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Units. The most recent dilution adjustment figures can be obtained from the Manager on request.

On the occasions when a dilution adjustment is not applied if the Fund is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the Fund attributable to each underlying Unit, although the Manager does not consider this likely to be material in relation to the potential future growth in value of a Unit. As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Manager will need to make a dilution adjustment.

In normal market conditions and under the tax and exchange fee regimes currently in operation in the relevant markets, the dilution adjustment is, based on historical data, likely to be in the range of minus 0.35% (for redemptions) to plus 0.35% (for subscriptions). Positive dilution adjustment figures indicate a typical increase from mid-price when the Fund is experiencing net inflows. Negative dilution adjustment figures indicate a typical decrease from mid-price when the Fund is experiencing net outflows. In more volatile or less liquid market conditions the dilution adjustment could be materially wider.

7.5 Publication of Prices and Performance

The Unit prices are published on every Dealing Day on the Manager's website www.ccla.co.uk or can be obtained by calling 0800 022 3505 during the Manager's normal business hours. As the Manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can deal.

The Unit prices may also appear in other third party websites or publications. The Manager does not accept responsibility for the accuracy of the Unit prices published in, or for the non-publication of Unit prices by, these sources for reasons beyond the control of the Manager.

The Fund's past performance is set out in Appendix 3 and is also available on the Manager's website www.ccla.co.uk.

8. Dealing in Units

8.1 Application for Units

To apply for Units, the Applicant must have an active open account. An application to open (or reactivate) an account will normally take up to five Business Days provided all documents required are provided along with the Application Form. Instructions cannot be accepted until the account is active.

All instructions to buy and sell Units must be received on or prior to the Dealing Deadline if they are to be processed at the prices to be calculated on that day. Instructions received after this time will be held over to the next Dealing Day.

The Transfer Agent will execute purchases or redemptions on the instructions of the investor at the published Unit price at the relevant Valuation Point. Units can only be created or cancelled through the Trustee on behalf of the Fund.

8.2 Minimum Initial and Subsequent Investments

The normal minimum initial investment in the Units is £1,000. Any additional amount may be invested thereafter. The Manager reserves the right to waive the minimum initial investment amount.

8.3 Buying Units

Applications for the initial purchase may, (and all subsequent purchases of Units will), require a buy Units form to be completed. By completing the form, the Applicant/Unitholder will confirm that they have received, read and understood the Key Information Document. Appropriate payment must be made by bank transfer by the Dealing Deadline or by opting to debit a COIF Charities Deposit Fund account in the Unitholder's name or their nominee at the same time as the submission of the buy Units form.

Cheques, if used, must be drawn on an account in the name of the Applicant/Unitholder and made payable in the Base Currency of the Fund to "**CCLA Fund Managers Limited CMPA**". Purchases will be processed on the relevant Dealing Day providing the instruction is received and the cheque is cleared (typically within two Business Days of receipt) on or before the Dealing Deadline.

Except as specified below (in the section titled Applications from nominees), applications to purchase Units can only be actioned on a particular Dealing Day if, on or prior to the Dealing Deadline:

- a correctly completed buy Units form has been received by the Transfer Agent; and
- the Trustee is in receipt of cleared funds.

Applications from nominees
Where a nominee company acts on behalf of an Applicant/Unitholder, the Transfer Agent may process an application to buy Units which has been received on or prior to the Dealing Deadline even where the Trustee is not in receipt of cleared funds.

Where the Transfer Agent has acted upon such an instruction, cleared funds must be received by the end of two Business Days following the Dealing Day. Should cleared funds not be received by this time, the Manager reserves the right to immediately redeem any Units created as a result of that instruction.

The nominee company will be responsible for any losses (including costs, expenses or other liabilities) incurred as a result of that nominee company failing to provide cleared funds by the end of two Business Days following the relevant Dealing Day. Such losses may include (without limitation) any loss sustained by the Manager or the Fund as a consequence of a fall in the price of Units and any costs sustained by the Manager or the Fund when redeeming such Units.

Provisions applicable to all applications
Bank accounts of Applicants/Unitholders should be held with a banking institution in the United Kingdom and payments made payable in the Base Currency of the Fund.

Applications to purchase, once made, are irrevocable. However, subject to its obligations under applicable law and regulation, the Manager has the right to reject, on reasonable grounds relating to the circumstances of the Applicant/Unitholder (or nominee company, where applicable), any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the Applicant/Unitholder.

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 by the Fund.

When monies are received early, they will be banked in a client money account for investment on the next Dealing Day providing a corresponding buy Units form has been received. Interest will not be payable on these monies.

On acceptance of an application, Units will be issued at the relevant Unit price. A contract note will normally be dispatched by the end of the next Business Day following the Dealing Day. The contract note inter alia, will show certain information, such as the number of Units and the issue price. Units are issued to two decimal places.

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

Conditional Orders
The Transfer Agent cannot accept conditional purchase or sale instructions from investors. 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 the Fund Units if the Unit price is less than £5.

8.4 Selling Units

All instructions to sell Units must be made using a completed sell Units form and be received by the Transfer Agent on or prior to the Dealing Deadline to obtain that day's price. On acceptance of a redemption, Units will be redeemed at the relevant Unit price. A contract note detailing the transaction will normally be sent out by the close of business on the next Business Day.

In order for a redemption to be deemed as accepted, the Manager may, in its discretion, require that a telephone 'call-back' be performed in accordance with anti-fraud and other security measures. Where the Manager determines that a call-back is required, they will endeavour to do this in a timely manner, but reserve the right to not a process an instruction should an authorised signatory not be contactable.

Proceeds of sales will be remitted to the nominated bank account of the Unitholder or be paid direct to a COIF Charities Deposit Fund account held in the name of the Unitholder. Proceeds relating to settlement of sales are usually remitted within two Business Days of the Dealing Day.

In the event funds are returned, the Manager will take reasonable steps to contact the Unitholder to re-confirm payment instructions and arrange for them to be updated as necessary. Neither the Trustee or the Manager accepts any responsibility for any delay in the repayment of funds that may arise as a result of a Unitholder's payment instructions being incorrect or not being kept up to date.

Proceeds that are transferred to a COIF Charities Deposit Fund account are usually credited with effect from the settlement date (two Business Days after the Dealing Day).

8.5 Deferred Redemptions

If requested redemptions from the Fund on a particular Dealing Day exceed 10% of the value of the Fund, redemptions of Units may be deferred to the next Valuation Point. Any such deferral will only be undertaken in such manner as to ensure consistent treatment of all Unitholders who had sought to redeem Units at the Valuation Point at which redemptions were deferred. Deferral will be pro-rated based on the value of Units being redeemed (provided that the Manager may determine in its discretion a value threshold below which all redemptions will be effected and above which the foregoing pro rata deferral shall apply) and so that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

8.6 Regular Trades

An Applicant/Unitholder may buy and sell Units at set intervals over a period of time not exceeding 12 months by making an application using the relevant form. For purchases, cleared funds must be presented as detailed in the form for the transactions to be placed. Should a payment be missed, the standing instruction will be terminated. By completing the form the Applicant/Unitholder will confirm that they have received, read and understood the Key Information Document. For transactions beyond 12 months, or where a transaction is missed, a new instruction will be required to be submitted.

8.7 Conversion and Switching

A Unitholder may Convert or Switch all or some of their Units ("**Original Units**") for Units of a different type or units in another COIF Charities Fund ("**New Units**").

A Conversion is an exchange of Income Units for Accumulation Units or vice versa.

A Switch is an exchange of Units for units in another COIF Charities Fund.

The number of New Units issued to a Unitholder following a Conversion or a Switch will be determined by reference to the price of the Original Units relative to the price of the New Units at the relevant Valuation Point, and in the case of Switches, to the relevant valuation point of the other COIF Charities Fund.

Unitholders are required to provide written instructions to the Transfer Agent before the Switch or Conversion is effected. Moreover, a Switch to another COIF Charities Fund will require the Unitholder to confirm that they have received, read and understood the Key Information Document for the relevant fund.

Whilst Switches between the COIF Charities Funds are permitted at any time, Switches involving the COIF Charities Property Fund can only be undertaken on the COIF Charities Property Fund dealing day. Further details are available in the relevant scheme particulars for this fund on the Manager's website.

8.8 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 any fluctuation in asset values during the transition into Units. It is the investor's responsibility to arrange for the transfer of acceptable securities to the Fund. Neither the Trustee nor the Manager accepts any responsibility or liability for any loss that may arise as a result of any failure or delay in the transfer of securities by an investor or an investor's investment manager.

8.9 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.

8.10 Trustee's Refusal to Issue or Cancel Units

The Trustee has the power to refuse to issue or cancel Units where:

a) the Trustee is of the opinion that it is appropriate to do so; or
b) the Trustee considers that there may be an issue with the Manager's ability or competence to continue as the Manager of the Fund; or
c) on receipt of instructions from the Manager to issue or cancel Units, the Trustee is of the opinion that such action would result in a breach of law or regulation; or
d) the Applicant may be ineligible for the Fund; or
e) there may be potential detriment to the Fund; or
f) it is not in the interests of Unitholders that:
    - Units should be issued; or
    - Units should be cancelled; or
    - Units should be issued or cancelled in the number requested by the Manager.

In all the cases where the Trustee refuses to issue or cancel Units 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.

8.11 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 issue, cancellation, 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 best interests of the Unitholders. No Units can be bought or sold during this period. The Manager will notify Unitholders as soon as reasonably practicable if it is decided to suspend dealing in the Fund.

8.12 Client Money

The Manager is obliged to comply with the FCA's Client Money Asset Rules ("**CASS**") where it holds client money (as defined by CASS).

Client money typically arises during the creation and redemption processes where a Unitholder passes money to the Manager for the purpose of investing in Units or the Manager passes money due to the Unitholder as the result of the redemption of Units. All subscriptions are received into a client money account and all redemptions are passed into, and paid from, a client money account. Unitholders should note that in their dealings in Units the Manager is responsible for arranging for the issue and the cancellation of the Units.

Money received for subscription or redemption of Units: Any money which is received by the Manager prior to investment in the Fund or following a redemption of Units will be held in accordance with the FCA's client money rules. Where the Manager is required to protect client money it will deposit the cash in the UK with an authorised bank to be held on its behalf in a 'client money' account separate to any account used to hold money belonging to the Manager in its own right. Interest will not be paid on cash balances held in the client money account. The purpose of client money accounts is to protect Unitholders' money should the Manager become insolvent. The Manager will not be responsible for any acts or omissions of the bank.

Paying money away: Where the Manager is holding unclaimed money, the Manager, may, in accordance with CASS, eventually pay away such amounts to a registered Charity. This would be after a period of six years has elapsed since the date of the last movement on the relevant account. Prior to paying away, the Manager will have ensured that it has taken reasonable steps in accordance with CASS, to attempt to pay these monies to the relevant Unitholder.

Insolvency of the third-party bank holding client money: If the third-party bank holding client money becomes insolvent, the Manager will have a claim on behalf of the investors against the bank. It is important to note that if the bank holding client money fails, there may be a shortfall between the amount of client money held with the bank and any client money claimed by the Manager on behalf of investors. In these circumstances, investors will share that shortfall with all other clients in proportion to their respective claims, and investors may not receive back all the client money due to them.

Compensation payments: In the event that the Manager decides that compensation is payable to a Unitholder (the "**Compensation Payment**"), the Compensation Payment will become due and payable to the Unitholder on the date of the decision. The Manager will pay the Compensation Payment into a client money account within one Business Day of the date of such decision. The Compensation Payment will be held in a client money account until it is paid to the Unitholder.

8.13 Execution Services

In accordance with the FCA Rules, the Investment Manager must act in the best interests of the Fund when executing decisions to deal on behalf of the Fund and must establish and implement an order execution policy to allow it to obtain the best possible result and to ensure that all sufficient steps are taken to act in the Unitholders' best interests in line with its treating customers fairly policy.

The Investment Manager's order execution policy sets out the basis upon which the Investment Manager will effect transactions and place orders in relation to the Fund whilst complying with its obligations in relation to execution. Details of the order execution policy are available on the Manager's website www.ccla.co.uk. A copy will also be made available on request.

9. Distributions to Unitholders

9.1 Quarterly Distribution

Distributions are calculated quarterly on the last Business Day of each calendar quarter, being March, June, September and December (the "**Ex-dividend date**").

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 Account (see below).

Distributions in respect of the preceding quarter are usually paid on the last Business Day of the second calendar month following the Ex-dividend date, being May, August, November and February. In order for a Unitholder to be eligible to receive a distribution in relation to Units, the Unitholder concerned must have held the Units on the Business Day immediately prior to the Ex-dividend date.

Monies will be paid directly to a bank account held in the name of the Unitholder (or a nominee company acting on behalf of the Unitholder) or paid into a COIF Charities Deposit Fund account in the name of the Unitholder (or nominee company acting on behalf of the Unitholder).

In addition, if a distribution made in relation to any Income Units remains unclaimed over the subsequent three accounting periods for which distributions are made for those Units, the Manager may, at its discretion, re-invest that distribution. If a distribution made in relation to any Income Units remains unclaimed for a period of six years after it has become due, it may be forfeited and will revert to the Fund.

Holders of Accumulation Units do not receive distributions of income as explained under the section headed Income and Accumulation Units in section 4 above.

Changes in tax law and regulations may affect the basis of calculation and payment of distributions.

9.2 Income Reserve Account

Each quarter income may be transferred to an Income Reserve Account which reduces the amount available for distribution in respect of that quarter, or income can be transferred from the Income Reserve Account to the Distribution Account, which increases the amount available for distribution. The Income Reserve Account is used to even out fluctuations in income available for distribution which may arise from time to time. The amount held in the Income Reserve Account forms part of the capital of the Fund and is included in the price of Income Units until it is used in the payment of a distribution. The Income Reserve Account is used in respect of Income Units only. Additionally, where there is a balance brought forward on the Income Reserve Account new holders of Income Units are acquiring a right to a proportion of the income reserve, and those selling are giving up the right to the income reserve of the Fund.

9.3 Equalisation

The first allocation of income within a distribution 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.

10. Reporting

10.1 Regular Statements

Applicants can opt to receive regular statements on a monthly, quarterly or biannual basis when completing the Application Form. Applicants should note that monthly statements are only available via the CCLA Digital Portal.

10.2 Report and 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 on its website, www.ccla.co.uk, the annual Report and Accounts for the period to 31 December (the accounting reference date) and the half-yearly Report and Accounts for the period to 30 June (the interim accounting date) within six months of the end of the relevant period.

The Report and Accounts include, amongst other things, information on the Fund's risk profile and details of any changes to the Fund's liquidity management. The Report and Accounts will also include details of any change to the Fund's use of Leverage and further disclosures required by the AIFMD Legislation.

If a hard copy or an email of the Report and Accounts is required, please contact Client Services on 0800 022 3505.

11. Complaints and Compensation

11.1 Complaints

The Manager has established a complaints policy to investigate complaints received.

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

Unitholders who are eligible complainants (as defined in the FCA Rules) 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, telephone number and website of the FOS is shown in Appendix 1.

A copy of the Manager's complaints policy is available on www.ccla.co.uk.

11.2 Compensation

The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund. The Manager will not be liable for any loss arising where it has acted on the instructions of the Unitholder (or nominee company acting on behalf of the Unitholder) in accordance with the mandate.

In certain circumstances a Unitholder may be entitled to protection from the FSCS. The maximum amount that can be claimed under the FSCS is £85,000. However, please be aware that the compensation limits from the FSCS apply at a firm level. This means, for example, that if the Manager cannot meet its obligations and a Unitholder has investments in more than one CCLA fund (and each fund is eligible under the FSCS), then it is likely that the maximum amount that would be protected would be £85,000, provided the Unitholder is eligible to claim.

For further information about the FSCS please refer to www.fscs.org.uk or phone 0800 678 1100.

12. Charges and Expenses

12.1 Remuneration and Expenses of the Trustee

The Scheme provides for the remuneration of the Trustee out of the Scheme Property by way of a periodic 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 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):

- delivery of securities to the Trustee;
- custody of assets;
- collection of income;
- submission of tax returns;
- handling of tax claims;
- preparation of the Trustee's annual report; and
- 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% per annum, (plus VAT, if applicable and if any), of the value of the Scheme Property.

The actual periodic charge agreed with the Board is calculated on a sliding scale:

- 0.0075% per annum on assets up to £100m;
- 0.0056% per annum on assets from £100m to £500m;
- 0.0038% per annum on assets over £500m.

The periodic charge (plus VAT, if applicable and if any), accrues daily to the Scheme Property 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:

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

In addition to the annual charge the Trustee is entitled to be paid custody charges as follows;

- Transaction – £3 to £67.50 per transaction;
- Safekeeping – 0.003% to 0.1875%.

12.2 Remuneration and Expenses of the Manager

The Annual Management Charge has been agreed by the Board and approved by the Charity Commission. Currently the charge is 0.22% (plus VAT, if

applicable) per annum of the Net Asset Value of the Scheme Property. The Annual Management Charge accrues daily and is calculated by reference to the Net Asset Value of the Scheme Property on the immediately preceding Valuation Point. The accrued Annual Management Charge is paid from the Fund monthly in arrears.

The Annual Management Charge will be paid 100% from income.

Where applicable, to avoid double charging, rebates of charges on holdings in the other funds managed or operated by the Manager or an associate are calculated and applied to the Fund. However, it should be noted that such rebate would not include any management charges paid to the Sub-Investment Manager.

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

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

Further information on costs and charges can be found on the Manager's website www.ccla.co.uk.

12.3 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:

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

12.4 Redemption Charge

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

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

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

12.5 Inducements

In accordance with the FCA Rules, the Manager when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the Fund must not accept and retain any fees, commission or monetary benefits from a third party.

The Manager must not accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to financial instruments on behalf of the Fund, except those which are capable of enhancing the quality of the service provided to the Fund, and which are of a scale and nature such that they could not be judged to impair the Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Fund.

12.6 Research

Certain brokers may from time to time provide research services to the Investment Manager/Sub-Investment Manager which are used by the Investment Manager/Sub-Investment Manager in its management of the Fund. The costs and expenses for such research services will be borne by the Investment Manager/Sub-Investment Manager.

12.7 Other Expenses

Payments that may additionally be made out of the Scheme Property include all costs and expenses reasonably incurred in the management of the Fund including:

a) brokers' commission (where such payment may be made in accordance with the FCA Rules), fiscal charges and other disbursements which are:
   - necessary or properly to be incurred in effecting transactions for the Fund;
   - normally shown in contract notes, confirmation notes, and margin accounts as appropriate;

b) interest on borrowing 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 Scheme Property, the Scheme or the issue of Units, if applicable;

d) any costs incurred in modifying the Scheme where modification is:
   - necessary to implement, or necessary as a direct consequence of, any changes in the law; or

- expedient having regard to any change in the law made by or under any fiscal enactment; or
- to remove obsolete provisions from the Scheme; or
- agreed by the Manager and Trustee to be in the interests of Unitholders.

e) liabilities on a unitisation, amalgamation or reconstruction arising in certain circumstances;
f) the audit fee properly payable to the Auditor and VAT which may be chargeable thereon and any proper expenses of the Auditor;
g) the proper expenses of the Board;
h) the fees of any relevant regulatory authority in a country or territory in which Units are or may be marketed;
i) any costs incurred through purchasing and holding third-party funds; and
j) such other fees and expenses as may from time to time be agreed with the Trustee and depositary.

13. Conflicts of Interest

13.1 Conflicts of Interest Policy

The Manager and Investment Manager operate a conflicts of interest policy to ensure that their clients are treated fairly. The policy seeks to avoid circumstances which they consider may give rise to potential conflicts of interest and materially disadvantage their clients. It describes the controls and arrangements for preventing the Manager, the Investment Manager and their staff from:

- favouring one client over another;
- making a financial gain, or avoiding a financial loss, at the expense of the client;
- favouring a member of staff over a client;
- providing to (or receiving from) a person other than the client, an inducement in relation to a service provided to the client, in the form of a financial interest;
- market abuse and disclosing confidential information;
- giving or receiving gifts and entertainment, monetary or otherwise that would be in breach of the conflicts of interest policy;
- favouring one of the Investment Manager's owners at the disadvantage of its clients;
- not disclosing the Investment Manager's close association with The CBF Church of England Funds, COIF Charities Funds and the Local Authorities' Property Fund; and
- not disclosing any remaining conflicts of interest to clients before advising or transacting on their behalf.

Full details of the conflicts of interest policy are available on request and on the Manager's website www.ccla.co.uk.

13.2 Trustee and Depositary Conflicts of Interest

From time to time actual or potential conflicts of interest may arise between the depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Fund. The depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Fund, the Unitholders or the Manager on the one hand and the depositary on the other hand. For example, such actual or potential conflict may arise because the depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Fund or the Manager and from which fees and profits in relation to the provision of those products or services may arise and from which the depositary may benefit directly or indirectly. In addition, the depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Fund, or may have other clients whose interests may conflict with those of the Fund, the Unitholders or the Manager.

In particular, HSBC Bank plc may provide foreign exchange services to the Fund for which they are remunerated out of the Scheme Property. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Fund; provide broking services to the Fund and/or to other funds or companies; act as financial adviser, banker, derivatives counterparty or otherwise provide services to the issuer of the investments of the Fund; act in the same transaction as agent for more than one client; have a material interest in the issue of the investments of the Fund; or earn profits from or have a financial or business interest in any of these activities.

The depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed.

The depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of

interest and the depositary's issues to be properly identified, managed and monitored.

13.3 Material Interests and Conflicts

The Manager, the Investment Manager, the Sub-Investment Manager, the Trustee, the Transfer Agent and the Administrator are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest in the management of the Fund. In addition, the Fund may enter into transactions at arm's length with companies in the same Group as the Manager.

The Trustee may, from time to time, act as trustee of other funds.

Each of the parties will, to the extent of their ability and in compliance with the FCA Rules and the AIFMD Legislation, ensure that the performance of their respective duties will not be impaired by any such involvement.

The Fund has the power to invest in other funds operated or managed by the Manager or an associate of the Manager, and a rebate of charges is made to ensure no double charging of the management fee. However, it should be noted that such rebate would not include any management charges paid to the Sub-Investment Manager.

The Manager operates a client relationship management service to offer suitable support to Charities.

14. Taxation

14.1 General

The Fund has charitable status and is recognised as a Charity for UK tax purposes. As a Charity, the Fund should not be subject to UK tax on gains (provided such gains are applied for Charitable Purposes) or income from investments (provided such income is applied for Charitable Purposes). Tax suffered on investment income from UK equity dividends is not recoverable. 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.

Distributions by the Fund are made gross (i.e. without deduction of tax). Unitholders should not be liable to UK tax in respect of such distributions provided such income is applied for Charitable Purposes.

Distributions are paid and reinvested income is 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.

For the purposes of the US Foreign Account Tax Compliance Act (FATCA), the Fund is deemed compliant.

This is the Manager's understanding of the tax position as of the date of these Scheme Particulars. The tax position may change in the future. Unitholders should obtain their own tax advice in respect of their own position. Unitholders will be notified in writing with regards to any material changes in the tax position of the Fund.

15. Termination

15.1 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.

Once the Trustee has executed the declaration to wind up the Fund dealings in the Fund will be suspended and all Unitholders will be deemed to have submitted a sell Units form to sell their Units to the Manager.

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

Any sell Units forms already received by the Transfer Agent to sell Units in advance of the declaration to wind up the Fund but not yet processed will be prioritised ahead of the deemed sales that have been triggered as a result of the decision to wind up the Fund. After the priority instructions to sell have been processed the Scheme Property will be distributed to the remaining Unitholders on a pro-rata basis according to the number of Units held by them in the Fund. The Manager has discretion to make in-specie redemptions in place of payments in cash.

In the event of winding up, any amount in the Income Reserve Account is distributed at the discretion of the Trustee.

16. General Information

16.1 Data Protection

The Manager is a data controller and the Transfer Agent is a data processor in accordance with the Data Protection Legislation and both will hold personal data about each Unitholder's representatives (referred to below as "**representatives**") that has been supplied to the Manager or Transfer Agent (whether by the representative, a Unitholder or otherwise) as set out in the Manager's Privacy Notice. Each Unitholder agrees to ensure that the contact details and other personal data provided for it and its representatives to the Manager and Transfer Agent remains up to date at all times.

The Unitholder acknowledges that the Fund may invest in investment schemes operated and managed by the Manager and/or by third parties (referred to below as "**investment schemes**") and that the Manager may need to pass data, including personal data regarding the representatives, to those investment schemes. The Manager will not pass on any personal data to any other third party or permit the investment schemes to pass the personal data to third parties except: (i) where, in relation to the performance of its services to the Unitholder, the Manager (or the investment scheme) sub-contracts part of the services or any support services; (ii) as agreed by the Unitholder; or (iii) where required to do so for legal or regulatory purposes as set out in the Manager's Privacy Notice.

The Manager (and the investment schemes) may keep records of all business transactions for at least seven years. Unitholders have a right to inspect copies of contract notes and entries in the Manager's books or computerised records relating to their transactions. Their representatives also have certain rights under applicable Data Protection Legislation, including the right to access copies of their personal data and change the permissions given in respect of the processing of it. The Manager will treat all Unitholders' records as confidential and so reserves the right to provide copies of the Unitholder/representative's particular record, rather than allow access to files which may contain information about other Unitholders. Requests to access the above records/personal data or to exercise any other rights under applicable Data Protection Legislation should be directed to The Data Protection Office (DPO@jupiteram.com) at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ.

16.2 Telephone and Electronic Communications

Please note the Manager and Transfer Agent may record telephone calls for training and monitoring purposes and to confirm instructions.

16.3 Corporate Actions

The Fund will take an active policy with regard to corporate actions and voting.

16.4 Amending these Scheme Particulars

These Scheme Particulars may be updated or amended by the Manager from time to time, subject where applicable to the approval of the Board or the Charity Commission where necessary as set out in the Scheme and these Scheme Particulars, and in relation to any changes to the investment objective and Investment Policy only in accordance with the provisions dealing with such changes as set out above in these Scheme Particulars.

The approval of the Board is necessary where the Manager seeks to amend the investment objective or Investment Policy, or where the Manager wishes to enter into a course of borrowing in excess of 10% of the Net Asset Value of the Scheme Property.

The approval of the Charity Commission is required in the following circumstances:

- if it is proposed that the fees of the Manager or the Trustee be increased; or
- if any amendment is proposed that modifies or relaxes any duty to account to the Fund which may result from a conflict of interest or duty on the part of the Trustee, Manager or other person.

The Manager will endeavour to give Unitholders 30 days' notice of changes to the Scheme Particulars save in respect of any proposed increase in the fees of the Manager and/or Trustee when a minimum of 90 days' prior notice is required to be given under the Scheme. For changes other than changes to the fees of the Manager and/or Trustee, in some circumstances it may not be possible to give 30 days' notice when changes are required for regulatory or other reasons.

16.5 Professional Liability

The Manager holds professional indemnity insurance to cover professional liability risk.

16.6 Acceptance of Terms and Conditions

By completing the Application Form the Applicant acknowledges and accepts the terms and conditions set out in these Scheme Particulars and the Scheme and agrees to be bound by them.

16.7 Applicable Law and Jurisdiction

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 which is available upon request from the Manager.

By applying for Units, a Unitholder acknowledges that it will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with such a Unitholder's investment in the Fund or any related material.

16.8 Additional Information

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

The Manager will make available copies of the Scheme Particulars, Key Information Document, factsheet and annual and half yearly Report and Accounts on its website www.ccla.co.uk. Alternative formats of these documents are available upon request from clientservices@ccla.co.uk.

If a hard copy or an email copy of any of these documents or the Scheme is required, please contact Client Services on 0800 022 3505.

Appendix 1 – Directory

Trustee and Depositary
The Trustee and depositary 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.

Manager
The Manager of the Fund is CCLA Fund Managers Limited which is a limited liability company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. The Manager is authorised by the FCA as a full scope UK AIFM and is entered on the FCA's register under reference number 611707.

The main business activity of the Manager is the management of unregulated and regulated Collective Investment Schemes in the form of UK AIFs.

CCLA Fund Managers Limited is a wholly-owned subsidiary of CCLA Investment Management Limited and is part of the Jupiter Group. The registered office of CCLA Fund Managers Limited is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ.

Incorporated on 16 October 2013.

Directors of CCLA Fund Managers Limited are:

J. Bailie (Chair)*
R. Fuller*
S. Fuschillo
N. McLeod-Clarke*
E. Sheldon
J. Singh
(* indicates a Non-Executive Director)

The Manager also manages the COIF Charities Investment Fund, the COIF Charities Ethical Investment Fund, the COIF Charities Global Equity Fund, the COIF Charities Property Fund and the COIF Charities Deposit Fund.

CCLA Fund Managers Limited Client Services telephone helpline number is 0800 022 3505. Please note telephone calls may be recorded.

Investment Manager
The Investment Manager of the Fund is CCLA Investment Management Limited which is a limited liability company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. Registered office at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. .

CCLA Investment Management Limited is a wholly-owned subsidiary of Jupiter Fund Management plc. The registered office of Jupiter Fund Management plc is at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ.

Sub-Investment Manager
The Sub-Investment Manager of the Fund is Hermes Investment Management Limited which is a limited liability company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. Registered Office at Sixth Floor, 150 Cheapside, London EC2V 6ET.

The Board of the Fund
The members of the Board are:

K. Shenton (Chair)
K. Corrigan
J. Hobart
A. Richmond

Administrator
The Administrator of the Fund is HSBC Bank plc, 8 Canada Square, London E14 5HQ.

Registrar
The Registrar of the Fund is CCLA Fund Managers Limited. The Register may be inspected at the registered office of CCLA Fund Managers Limited during normal business hours by a Unitholder or any Unitholder's duly authorised nominee/agent.

Transfer Agent
The Transfer Agent of the Fund is FNZ TA Services Limited, 7th Floor, 2 Redman Place, London E20 1JQ.

Auditor
The Auditor of the Fund is Deloitte LLP, 110 Queen Street, Glasgow G1 3BX.

Address for Complaints
Complaints regarding the operation of the Fund should be addressed to: The Head of Client Services, CCLA Investment Management Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ or The Compliance Officer, HSBC Bank plc, 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, Exchange Tower, London E14 9SR (telephone number 0800 023 4567 or by visiting www.financial-ombudsman.org.uk).

Appendix 2 – Eligible Investments and Restrictions

Securities
Save as provided in the section headed Additional below, the Investment Manager or Sub-Investment Manager shall not invest the Scheme Property in transferable securities which are not approved securities (an approved security being a transferable security that is admitted to official listing in the United Kingdom or a European Economic Area State or is traded on an exchange or under the rules of an eligible securities market (otherwise than by the specific permission of the market authority)).

The Fund will not invest in securities underwritten by the Manager or the Investment Manager.

The Investment Manager shall not invest more than 10% of the Net Asset Value of the Scheme Property as at the date of the investment in transferable securities issued by any single body, other than government and public securities.

The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments including the following:

- Bonds issued by corporates and governments (government and public securities)
- Private placements including those pursuant to Rule 144A[1] and/or Regulation S[2] in the United States
- Leveraged loans
- Floating rate notes
- Inflation-linked securities
- Asset backed securities/Mortgage backed securities
- Third party funds and other Collective Investment Schemes
- Money market instruments
- Cash and cash equivalents

Such securities may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices).

1. refers to a legal provision under the U.S. Securities and Exchange Commission (SEC) regulations that allows privately placed securities to be traded among qualified institutional buyers.
2. An SEC regulation allowing publicly-traded companies not to register stocks sold outside the United States to foreign investors.

- At least 80% of the Net Asset Value of the Scheme Property must be invested in securities rated investment grade by a Recognised Credit Rating Agency. For Unrated Securities, the Investment Manager or Sub-Investment Manager is permitted to calculate a deemed rating.
- The maximum exposure to non-investment grade securities with a lower credit rating than 'speculative' is 5% of the Net Asset Value of the Scheme Property.
- The Fund is not permitted to invest more than 5% of the Net Asset Value of its Scheme Property in securities that are unrated by a Recognised Credit Rating Agency.
- The Fund may invest up to 10% of the Net Asset Value of its Scheme Property in Collective Investment Schemes including both In-House Funds and Non-In House Funds.

Derivatives
The Fund will employ derivative instruments which may be exchange traded or over-the-counter and may include:

- Interest rate futures
- Deliverable and non-deliverable currency forward contracts
- Currency swaps
- Credit default swaps
- Index swaps
- Interest rate swaps
- Credit options and options on credit default swaps
- Index options
- Options on futures

Such derivative instruments will be used for (i) investment purposes and/or (ii) efficient portfolio management purposes. The derivatives will be used to assist in achieving the investment objective of the Fund by allowing for the adjustment of risk (including credit, currency and interest rate risk) and by implementing trades in a more efficient and cost effective manner. Futures, options, and forwards may allow the Fund to hedge against market risk, modify exposure to the underlying market and/or take investment positions. Caps and floors will be used by the Fund to minimise loss for the buyer in a volatile interest rate environment or to maximise gains for the seller from the premium received in a stable interest rate environment. Credit linked notes may be used to gain access to debt markets that would otherwise be unavailable to the Fund but will not be used by the Fund to achieve economic exposure greater than would otherwise be achieved if executed in the cash market.

In-House Funds
The Fund may invest in other Collective Investment Schemes, Common Investment Funds and Common Deposit Funds operated by the Manager or an associate of the Manager (In-House Funds).

Non In-House Funds
The following restrictions apply to investment in Collective Investment Schemes other than investment in In-House Funds.

The Fund shall not invest in a Collective Investment Scheme (second scheme) unless the second scheme meets each of the requirements set out in 1.1 to 1.3:

1.1 the second scheme complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

a) is a non-UCITS retail scheme; or
b) is a recognised scheme; or
c) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
d) is a Common Investment Fund.

1.2 the second scheme operates on the principle of the prudent spread of risk; and

1.3 the participants in the second scheme shall be entitled to have their units redeemed in accordance with that scheme at a price;

a) related to the net asset value of the property to which the units relate; and
b) determined in accordance with that scheme.

Additional

The Fund may invest not more than a total of 10% of the Net Asset Value of the Scheme Property as at the date of the investment in any transferable securities which are not approved securities.

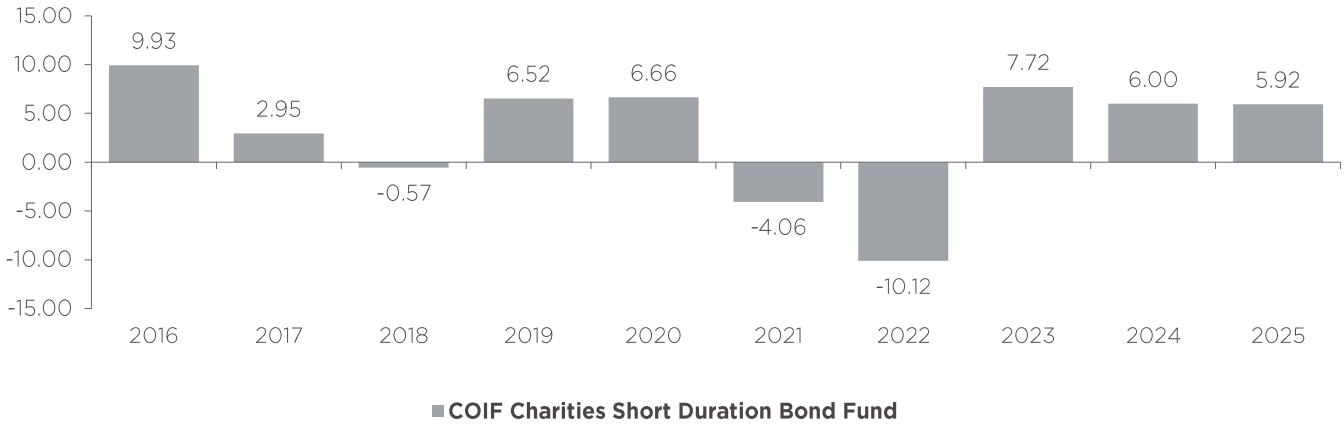
Cash

To the extent that it is not otherwise permitted under the provisions of the Scheme, the Scheme Property may include cash and near cash where this may reasonably be regarded as necessary in order to facilitate the cancellation of Units, or to further the efficient management of the Fund, or otherwise to enable the Manager to discharge its functions under the Scheme.

Appendix 3 – Past Performance

The calendar year performance below is shown net of all Fund charges and expenses, with income reinvested. It has been calculated in the Base Currency of the Fund.

The Fund's investment objective changed with effect from 27 July 2022 and therefore past performance before that date was achieved under circumstances that no longer apply.



The Fund launched in April 1990 and until 20 November 2023, was known as the COIF Charities Fixed Interest Fund.

Past performance is not a reliable indicator of future results.

Appendix 4 – Investment Policy Statement

This Investment Policy Statement is provided in accordance with clause 51.4 of the Scheme. It should be read in conjunction with these Scheme Particulars. The Investment Policy of the Fund is designed to meet the investment objective of the Fund and is made and reviewed by the Manager.

Investment Objective
The Fund aims to generate a total return (income plus capital growth) of cash (represented by SONIA) plus 1.75% per annum (net of fees and expenses) when measured over a rolling three year period.

There is no guarantee that the investment objective of the Fund will be achieved over any time period. Capital is at risk.

Investment Policy
The Fund will invest in a range of fixed and floating rate debt and/or debt related instruments issued by corporates and governments (government and public securities) including loans (which may be leveraged), inflation-linked securities, money market instruments and asset backed or other securitised products. Such instruments may be issued by issuers located in developed and emerging markets (as defined by MSCI for the purposes of its developed and emerging markets indices). Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the Manager, the Sub-Investment Manager or their associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds. Investments made by the Fund may be either liquid or illiquid in nature.

The Fund will be managed to ensure that the Fund's Duration is less than 3.5 years, with the aim of reducing the effect of changes in interest rates on the Fund's value. The Fund's Duration measures the sensitivity of the value of the Fund to a change in interest rates; the lower the Duration the less impact a change in interest rates will have on the Fund's value.

The Fund is actively managed which means the Investment Manager/Sub-Investment Manager uses their discretion to pick investments to seek to achieve the investment objective.

The Fund will invest in instruments issued in a range of currencies and will hedge the non-sterling denominated portion of the portfolio back to the Fund's Base Currency in a range of 95%-105% of the Net Asset Value of the Scheme Property, to reduce the risk of exposure to non-sterling currency fluctuations.

The Fund may invest in instruments that are either investment grade or non-investment grade as rated by a Recognised Credit Rating Agency. Where an instrument does not have an explicit rating from a Recognised Credit Rating Agency ("**Unrated Securities**"), the Investment Manager or Sub-Investment Manager is permitted to calculate a deemed rating.

The constraints set out below will apply to the Fund. During periods of rapid credit rating downgrades and/or market illiquidity however these constraints may be temporarily exceeded. Where this occurs steps will be taken to bring the Fund into compliance with the constraints stated below within a reasonable period of time.

- The maximum exposure to non-investment grade securities is 20% of the Net Asset Value of the Scheme Property. Credit ratings used for measuring compliance with this rule are the highest long-term ratings of the Recognised Credit Rating Agencies used.
- The lower the credit rating, the higher the risk. The lowest risk of non-investment grade securities is known as 'speculative' which is higher risk. As the credit rating falls, the level of risk increases. The maximum exposure to non-investment grade securities with a lower credit rating than 'speculative' is 5% of the Net Asset Value of the Scheme Property.
- The maximum exposure to Unrated Securities (including securities that the Investment Manager and/or Sub-Investment Manager have given a deemed rating) is 5% of the Net Asset Value of the Scheme Property.
- The Fund will invest no more than 10% of its Net Asset Value in Collective Investment Schemes including In-House Funds.

The Fund uses derivatives (financial instruments whose value is linked to that of another asset) for investment purposes and efficient portfolio management. Efficient portfolio management includes hedging (for example, reducing currency risk) and otherwise managing the Fund in a way that is designed to reduce risk or costs and/or to generate extra income or growth with a level of risk consistent with the risk profile of the Fund.

The Fund follows a set of client-driven, values-based investment restrictions.

Target Benchmark
The target benchmark for the Fund is SONIA plus 1.75% per annum.

The target benchmark sets a standard against which the performance of the Fund can be assessed.

Target Investors
The Fund is intended for eligible Charity investors, with at least a basic knowledge of relevant financial instruments, which are seeking to invest in an

actively managed fund that reflects the investment objective and Investment Policy of the Fund. Investors should be looking to invest for at least three years and understand that that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

Balance between different kinds of Investment
The balance between the different kinds of investment will be established in accordance with prudent diversification rules and the Manager's judgment of the future asset returns likely to fulfil the Fund's investment objective. To ensure that risk is mitigated as far as possible, the Fund's portfolio and its balance of assets will be monitored regularly by the Sub-Investment Manager, the Investment Manager and the Board.

Risk
The nature of the Fund is to be exposed to a number of risks as detailed in the Risks section of these Scheme Particulars. This means that the Unit price may fluctuate. Risk will be managed to the extent possible by diversification, the use of derivatives, and by following controlled administrative procedures.

Projected Return
It is not possible to accurately project a total return for a fund of this kind since markets are volatile and the value of investments can go down as well as up. Past performance is not a reliable indicator of future results. Policy will be to expect the Investment Manager/Sub-Investment Manager to match the target benchmark (after fees and expenses) over a three year rolling period.

The Realisation of Investments
The Fund will be actively managed, which means that investments will be realised by the Investment Manager/Sub-Investment Manager for both stock specific and asset allocation reasons in furtherance of the Investment Policy.

CCLA Fund Managers Limited

The Zig Zag Building
70 Victoria Street
London
SW1E 6SQ

Freephone 0800 022 3505
clientservices@ccla.co.uk

www.ccla.co.uk

CCLA Fund Managers Limited (registered in England & Wales No. 8735639) is part of the Jupiter Group and is authorised and regulated by the Financial Conduct Authority.

CCLA

BECAUSE GOOD IS BETTER