

# CCLA Investment Funds ICVC

Prospectus

## Prospectus of CCLA Investment Funds ICVC

**(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC065193)**

**Important: If you are in any doubt about the contents of this prospectus you should consult your professional adviser.**

CCLA Investment Management Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. CCLA Investment Management Limited accepts responsibility accordingly.

This document constitutes the Prospectus for CCLA Investment Funds ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 9 December 2025.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

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## Important Information

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from CCLA Investment Management Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by CCLA Investment Management Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Company and the ACD cannot be bound by an out of date Prospectus when a new version has been issued and investors should check with CCLA Investment Management Limited that this is the most recently published prospectus.

Alternative formats of this Prospectus are available upon request from [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk).

**Important: If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.**

## 1. Definitions

|  |   |
|--|---|
| <b>“ACD”</b>                                     | CCLA Investment Management Limited, the authorised corporate director of the Company  |
| <b>“Administrator”</b>                           | HSBC Bank plc, or such other entity as is appointed to act as administrator to the Company from time to time  |
| <b>“Approved Bank”</b>                           | (in relation to a bank account opened by the Company): <ul style="list-style-type: none"><li>a) if the account is opened at a branch in the United Kingdom:<ul style="list-style-type: none"><li>i) the Bank of England; or</li><li>ii) the central bank of a member state of the OECD; or</li><li>iii) a bank; or</li><li>iv) a building society; or</li><li>v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li></ul></li><li>b) if the account is opened elsewhere:<ul style="list-style-type: none"><li>i) a bank in (a); or</li><li>ii) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or</li><li>iii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li></ul></li><li>c) a bank supervised by the South African Reserve Bank</li></ul> |
| <b>“Associate”</b>                               | any other person whose business or domestic relationship with the ACD or the ACD’s associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties  |
| <b>“Auditors”</b>                                | Deloitte LLP, or such other entity as is appointed to act as auditors to the Company from time to time  |
| <b>“Business Day”</b>                            | a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of a Sub-Fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such   |
| <b>“Class” or “Classes”</b>                      | in relation to Shares, means (according to the context) all of the Shares related to a single Sub-Fund or a particular class or classes of Share related to a single Sub-Fund   |
| <b>“COLL”</b>                                    | refers to the appropriate chapter or rule in the COLL Sourcebook  |
| <b>“COLL Sourcebook”</b>                         | the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time   |
| <b>“Company”</b>                                 | CCLA Investment Funds ICVC  |
| <b>“Conversion”</b>                              | the exchange of Shares in one Class for Shares of another Class in the same Sub-Fund and the act of so exchanging and <b>“Convert”</b> shall be construed accordingly   |
| <b>“Data Protection Legislation”</b>             | 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   |
| <b>“Dealing Day”</b>                             | each Business Day   |
| <b>“Dealing Deadline”</b>                        | 11:59am London time on a Dealing Day, or as otherwise determined by the ACD   |
| <b>“Depository”</b>                              | HSBC Bank plc, or such other entity as is appointed to act as depository  |
| <b>“EEA”</b>                                     | the European Economic Area  |
| <b>“EEA State”</b>                               | a member state of the European Union and any other state which is within the European Economic Area   |
| <b>“Efficient Portfolio Management” or “EPM”</b> | for the purposes of this Prospectus, an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL  |

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| <b>“Eligible Institution”</b>              | one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook  |
| <b>“FCA”</b>                               | the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time   |
| <b>“FCA Handbook”</b>                      | the FCA Handbook of Rules and Guidance, as amended from time to time  |
| <b>“Financial Services Register”</b>       | the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every: <ul style="list-style-type: none"> <li>a) authorised person;</li> <li>b) authorised unit trust scheme;</li> <li>c) authorised contractual scheme;</li> <li>d) authorised open-ended investment company;</li> <li>e) recognised scheme;</li> <li>f) recognised investment exchange;</li> <li>g) individual to whom a prohibition order relates;</li> <li>h) approved person; and</li> <li>i) person falling within such other class (if any) as the FCA may determine;</li> </ul> <p>except as provided by any transitional provisions</p> <p>refers to the UN’s Global Compact Principles, International Labour Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs)</p> |
| <b>“Global Standards”</b>                  |   |
| <b>“Home State”</b>                        | as defined in the glossary of the FCA Handbook  |
| <b>“ICVC”</b>                              | Investment Company with Variable Capital  |
| <b>“Instrument of Incorporation”</b>       | the instrument of incorporation of the Company as amended from time to time   |
| <b>“Investment Committee”</b>              | the body responsible for the oversight of the ACD’s investment processes and activities   |
| <b>“IOSCO”</b>                             | the International Organisation of Securities Commissions  |
| <b>“Key Investor Information Document”</b> | the Company publishes a Key Investor Information Document (a <b>“KIID”</b> ) for each Share Class of each Sub-Fund which contains information to help investors understand the nature and the risks of investing in the Sub-Fund. A KIID must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest  |
| <b>“Net Asset Value” or “NAV”</b>          | the value of the Scheme Property of the Company or of any Sub-Fund (as the context may require) less the liabilities of the Company (or of the Sub-Fund concerned) as calculated in accordance with the Instrument of Incorporation   |
| <b>“OECD”</b>                              | the Organisation for Economic Co-operation and Development  |
| <b>“OEIC Regulations”</b>                  | the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time   |
| <b>“OTC”</b>                               | over-the-counter or off exchange trading. This type of trading is done directly between two parties (e.g. the ACD and a broker), without the supervision of an investment exchange (e.g. the London Stock Exchange).  |
| <b>“Register”</b>                          | the register of Shareholders of the Company   |
| <b>“Registrar”</b>                         | FNZ TA Services Limited, or such other entity as is appointed to act as registrar to the Company from time to time  |
| <b>“Regulated Activities Order”</b>        | the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)   |
| <b>“Regulations”</b>                       | the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook) and the UCITS Directive   |
| <b>“Scheme Property”</b>                   | the scheme property of the Company or a Sub-Fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary  |
| <b>“Share” or “Shares”</b>                 | a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share)  |
| <b>“Shareholder”</b>                       | a holder of registered Shares in the Company  |

|   |   |
|---|---|
| <b>“Sub-Fund” or “Sub-Funds”</b>                      | a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective and investment policy applicable to such sub-fund  |
| <b>“Switch”</b>                                       | the exchange of Shares of one Class in a Sub-Fund for Shares in a Class of a different Sub-Fund and the act of so exchanging and “Switching” shall be construed accordingly   |
| <b>“The International Tax Compliance Regulations”</b> | The International Tax Compliance Regulations - means SI 878/2015 implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU (sometimes known as <b>“the DAC”</b> ); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29 October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the OECD (sometimes known as <b>“the CRS”</b> ); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as <b>“the FATCA Agreement”</b> ) |
| <b>“UCITS Directive”</b>                              | the Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended  |
| <b>“UK UCITS”</b>                                     | as defined in the glossary of the FCA Handbook  |
| <b>“US” or “United States”</b>                        | the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction  |
| <b>“US Persons”</b>                                   | a person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a “Non-United States Person” within the meaning of United States Commodity Futures Trading Commission Regulation 4.7  |
| <b>“Valuation Point”</b>                              | the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12:00 noon London time on each Dealing Day  |
| <b>“VAT”</b>  | Value Added Tax   |

## 2. Details of the Company

### 2.1 General Information

#### 2.1.1 General

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC065193 and authorised by the Financial Conduct Authority with effect from 2 February 2022. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment.

The FCA's Product Reference Number ("PRN") for the Company is 969184. The product reference number of each Sub-Fund is set out in **Appendix 1**. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

The ACD is also the authorised corporate director and investment manager of certain other authorised open-ended investment companies details of which are set out in **Appendix 5**.

#### 2.1.2 Head Office

The head office of the Company is at One Angel Lane, London EC4R 3AB.

#### 2.1.3 Address for Service

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

#### 2.1.4 Base Currency

The base currency of the Company and each Sub-Fund is British pounds sterling (GBP).

#### 2.1.5 Share Capital

Maximum £100,000,000,000,000,000  
Minimum £1,000

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-Funds.

Shares in the Company may be marketed outside the United Kingdom, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-Funds of the Company is designed and managed to support longer-term investment and frequent trading is discouraged. Short-term or excessive trading into and out of a Sub-Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or Switching of, Shares, 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 a Sub-Fund. For these purposes, the ACD may consider an investor's trading history in the Sub-Funds or other CCLA Investment Management Limited funds and accounts under common ownership or control.

### 2.2 The Structure of the Company

#### 2.2.1 The Sub-Funds

The Company is structured as an umbrella company, in that different Sub-Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-Fund or Class.

The Company is a UK UCITS for the purposes of the Regulations.

The assets of each Sub-Fund will be treated as separate from those of every other Sub-Fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-Fund. Investment of the assets of each of the Sub-Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-Fund. Details of the Sub-Funds, including their investment objectives and policies, are set out in **Appendix 1**.

Each Sub-Fund will generally invest in "approved securities", which are transferable securities which are admitted to, or dealt in, on an eligible market as defined for the purposes of the COLL Sourcebook. The eligible securities markets (in addition to those established in the UK and EEA States) and eligible derivatives markets for the Sub-Funds are as set out in **Appendix 3**. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-Fund is set out in **Appendix 4**.

The Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Sub-Fund and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations. It is therefore not free from doubt that the assets of a Sub-Fund will always be "ring-fenced" from the liabilities of the other Sub-Funds of the Company.



Subject to the above, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund, and within each Sub-Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-Funds.

Please also see **paragraph 5.12** below “Liabilities of the Company and the Sub-Funds”.

### **2.2.2 Classes of Share within the Sub-Funds**

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Sub-Fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-Fund will be invested in the specific pool of assets constituting that Sub-Fund. The Company will maintain for each current Sub-Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-Fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-Funds in a manner which is fair to all Shareholders of the Company.

Details of the Classes of Share presently available for each Sub-Fund, including details of their criteria for subscription and fee structure, are set out in

### **Appendix 1.**

The Instrument of Incorporation allows income and accumulation Shares to be issued.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but

that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

Where a Sub-Fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-Fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-Fund for Shares of another Class within the same Sub-Fund or for Shares of the same or another Class within a different Sub-Fund of the Company. Details of this switching facility and the restrictions are set out in **paragraph 3.4** “Conversion and Switching”.

### **2.2.3 Currency Class Hedging**

In the future the ACD may choose to introduce classes of shares that may be “hedged”. This means that in relation to such classes of shares the ACD can use hedging transactions to reduce risk by limiting the impact of exchange rate movements between the base currency of the Company (which is GBP) and the currency in which the hedged classes of shares are denominated.

## **3. Buying, Redeeming and Switching Shares**

The dealing office of the Registrar is normally open from 9:00am to 5:00pm (London time) on each Business Day to receive postal and email requests for the purchase, sale, Conversion and Switching of Shares.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. The Registrar will accept instructions to transfer title or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the investor or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- a) prior agreement between the ACD and the person making the communication as to:
  - i) the electronic media by which such communications may be delivered; and
  - ii) how such communications will be identified as conveying the necessary authority; and
- b) assurance from any person who may give such authority on behalf of the investor that they will

have obtained the required appointment in writing from the Shareholder.

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

### 3.1 Money Laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity. Until satisfactory proof of identity is provided and validated, the ACD/Registrar reserves the right to refuse to enter into any transaction to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested (i) in the event that the investor or the investor's duly authorised agent instructs a sale of those Shares the ACD/Registrar may refuse to pay the proceeds of sale until satisfactory proof of identity has been provided or (ii) the ACD/Registrar may sell the Shares purchased and at the ACD's/Registrar's sole discretion return the proceeds to the account from which the subscription was made or withhold the proceeds of sale until satisfactory evidence of identity has been provided. These proceeds may be less than the original investment.

### 3.2 Buying Shares

#### 3.2.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. For details of dealing charges see **paragraph 3.5** below. Application forms may be obtained from the ACD/Registrar.

The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Any subsequent application to purchase Shares directly from the ACD must, at the discretion of the ACD, be accompanied by a subscription form. This must be received on or prior to the Dealing Deadline and confirm that the investor has received, read and understood the Key Investor Information Document for the Share Class of the Sub-Fund to be invested in.

Valid and verified applications to purchase Shares in a Sub-Fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-Fund has been suspended as set out in **paragraph 3.10**.

Settlement is due by no later than the second Business Day following the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD/Registrar once it is

in receipt of cleared funds for the application. Investors will not receive title to Shares until cleared funds have been received from the investor and received by the Sub-Fund.

The ACD/Registrar, at its discretion, has the right to cancel a purchase deal if settlement is overdue and any loss arising on such cancellation shall be the liability of the applicant. The ACD/Registrar is not obliged to issue Shares unless it has received cleared funds from an investor.

No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

A purchase of Shares in writing or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except where cancellation rights apply, irrevocable.

Settlement should be made by electronic bank transfer to the bank account detailed on the subscription form.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the investor, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the investor.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the investor. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Investors who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD/Registrar. If an investor decides to cancel the contract, and the value of the investment has fallen at the time the ACD/Registrar receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

#### 3.2.2 Documents the buyer will receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the Registrar upon receipt of any required registration details.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an

entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the Shareholder.

### **3.2.3 Minimum Subscriptions and Holdings**

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-Fund are set out in **Appendix 1**.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

## **3.3 Redeeming Shares**

### **3.3.1 Procedure**

Every Shareholder is entitled on any Dealing Day to redeem their Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the Registrar to redeem Shares in a Sub-Fund, received on or prior to the Dealing Deadline on the applicable Dealing Day, will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-Fund has been suspended as set out in **paragraph 3.10**.

A redemption instruction in respect of Shares in writing or any other communication media made available is a legally binding contract. However, an instruction to the Registrar to redeem Shares, although irrevocable, may not be settled if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if documentation or anti-money laundering information which the ACD considers is sufficient for the ACD to meet and discharge its obligations under the regulatory system has not been received by the ACD.

For details of dealing charges see **paragraph 3.5** below.

### **3.3.2 Documents a redeeming Shareholder will receive**

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint

Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will be made to the first named Shareholder (at their risk) via electronic transfer to the nominated bank account in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within two Business Days of the later of (a) receipt by the Registrar of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the Registrar of the request to redeem.

No interest will be paid on redemption proceeds held whilst the Registrar awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

The ACD shall not be liable for any costs or losses whatsoever in the event that documentation provided is not sufficient to enable the ACD to discharge all applicable obligations under the regulatory system including, but not limited to, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended).

### **3.3.3 Minimum redemption**

The ACD reserves the right to refuse a redemption request if the remaining value of the Shares of any Sub-Fund held is less than the minimum holding stated in respect of the appropriate Class in the Sub-Fund in question (see **Appendix 1**).

### **3.3.4 Deferred Redemptions**

If requested redemptions across all Classes of a Sub-Fund on a particular Dealing Day exceed 10% of the value of a Sub-Fund, redemptions of Shares 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 Shareholders who had sought to redeem Shares at the Valuation Point at which redemptions were deferred. Deferral will be pro-rated based on the value of Shares being redeemed (provided that the ACD 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.

### 3.4 Conversion and Switching

Subject to any restrictions on the eligibility of investors in relation to a particular Share Class, a Shareholder in a Sub-Fund may at any time Convert or Switch all or some of their Shares (“**Original Shares**”) for Shares in a different Class or Sub-Fund (“**New Shares**”).

A Conversion is an exchange of Shares in one Class for Shares of another Class in the same Sub-Fund.

A Switch is an exchange of Shares of one Class for Shares in a Class of another Sub-Fund.

Conversions and Switches will be effected by the Registrar recording the change of Class (and, in the case of Switches the change of Sub-Fund) on the Register of the Company at the next Valuation Point following receipt of instructions by the Registrar.

The number of New Shares issued to a Shareholder following a Conversion or a Switch will be determined by reference to the price of the Original Shares relative to the price of the New Shares at the relevant Valuation Point.

If a Shareholder wishes to Convert or Switch Shares they should contact the ACD for further information. Shareholders are required to provide written instructions to the Registrar (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before the Switch or Conversion is effected.

The ACD may at its discretion make a charge on the Switching of Shares (but does not currently do so). Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Shares originally held. For details of the charges on Switching currently payable, please see the “Charges on Switching and Conversions” paragraph below. There is no charge payable on a Conversion.

If a partial Conversion or Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, exchange the whole of the Shareholder’s holding of Original Shares to New Shares (and make a charge for this) or refuse to effect any Conversion or Switch of the Original Shares.

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. Written instructions must be received by the Registrar before the Valuation Point on a Dealing Day in the Sub-Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Requests to Switch or Convert received after a Valuation Point will be held over until the next day

which is a Dealing Day for the relevant Sub-Fund or Sub-Funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

On completion of a Switch or a Conversion, subsequent Share dealing instructions may be limited, restricted or denied where the ACD’s identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

Please note that under UK tax law a Switch of Shares is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for UK tax purposes. It may give rise to a liability to tax, depending upon the Shareholder’s circumstances. Conversions will not generally be treated as a disposal for capital gains tax purposes.

A Shareholder who Switches Shares in one Sub-Fund for Shares in any other Sub-Fund (or who Converts between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

### 3.5 Dealing Charges

The price per Share at which Shares are bought, redeemed or Switched is the Net Asset Value per Share. Any redemption charge, is deducted from the proceeds and is taken from the gross redemption monies.

#### 3.5.1 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. At present, no initial charge is levied. The initial charge is calculated as a percentage of the amount invested by a potential Shareholder and is set out in **Appendix 1**. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries.

#### 3.5.2 Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a

charge were to be introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

### 3.5.3 Charges on Switching and Conversions

The ACD is permitted to impose a charge where a Shareholder Switches or Converts their Shares.

The charge on Switching and Conversions is payable by the Shareholder to the ACD. The charge will be no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in **Appendix 1**.

The ACD's current policy is to allow Switches free of any initial charge.

There is currently no charge for Conversions of Shares in one Class of a Sub-Fund for Shares in another Class of the same Sub-Fund.

### 3.5.4 Dilution Adjustment

The actual cost of purchasing or selling assets and investments in a Sub-Fund may vary due to dealing charges, taxes, and any spread between buying and selling prices of the underlying investments of a Sub-Fund. These costs could have an adverse effect on the value of the Sub-Fund, known as "dilution". In order to mitigate the effect of dilution the ACD may at its discretion adjust the sale and purchase price of Shares to take into account the possible effects of dilution to arrive at the price of the Shares. 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 a Sub-Fund. If the price of the Shares does contain a dilution adjustment, such dilution adjustment will be paid into the Sub-Fund and will become part of the Scheme Property of the Sub-Fund thus mitigating the effects of dilution that would otherwise constrain the future growth of the Sub-Fund.

The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Sub-Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

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

may be made in relation to a Sub-Fund in the following circumstances:

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

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

Where a Sub-Fund is expanding, the ACD will normally swing the price to "offer" (i.e. increase the price by the adjustment rate referred to above), however the ACD 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 Sub-Fund.

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

The dilution adjustment will be applied to the Net Asset Value per Share in each Class 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 Shares. The most recent dilution adjustment figures can be obtained from the ACD on request.

On the occasions when a dilution adjustment is not applied if a Sub-Fund is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the Sub-Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from a Sub-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 ACD will need to make a dilution adjustment.

The rates of the dilution adjustment at the time of this Prospectus for each Sub-Fund are as set out in **Appendix 1**.



### 3.6 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. However, the ACD in its discretion, may also accept electronic transfers in a format specified by the ACD.

Completed instruments of transfer, together with such documentary evidence of proof of identity as may have been requested by the ACD, must be returned to the Registrar in order for the transfer to be registered. The ACD shall not be liable for any costs or losses that may be incurred as a result of any failure to or delay in providing satisfactory evidence of identity to the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

### 3.7 Restrictions and Compulsory Transfer, Conversion and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares (“**Affected Shares**”):

- a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- d) are owned by a Shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the Affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer the Affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the Affected Shares, they shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the Affected Shares.

A Shareholder who becomes aware that they are holding or own Affected Shares shall immediately, unless they have already received a notice as set out above, either transfer all the Affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all the Affected Shares.

Where a request in writing is given or deemed to be given for the redemption of Affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

Upon giving 60 days' written notice to Shareholders, the ACD may compulsorily Convert Shares of one Class to Shares of another Class within the same Sub-Fund where to do so is considered by the ACD to be in the best interests of Shareholders.

### 3.8 Issue of Shares in Exchange for In Specie Assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Sub-Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-Fund.

### 3.9 In Specie Redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-Fund or in some way detrimental to the Sub-Fund, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must

give written notice to the Shareholder of the intention to make an in specie transfer.

The ACD will select the Scheme Property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

If a Shareholder redeems Shares in specie in return for an appropriate value of assets out of the Company, there will be no Stamp Duty Reserve Tax (“SDRT”) on UK equities provided the Shareholder receives a proportionate part of each holding. Otherwise the Shareholder will be liable to SDRT at 0.5% on the value of any UK equities transferred.

### **3.10 Suspension of Dealings in the Company**

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the Shareholders in the Company.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA State where the Company is offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

When such suspension takes place, the ACD will publish, on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the

review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

### **3.11 Client Money**

The ACD 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 Shareholder passes money to the ACD for the purpose of investing in Shares in a Sub-Fund or the ACD passes money due to the Shareholder as the result of the redemption of Shares in a Sub-Fund. All subscriptions are received into a client money account and all redemptions are passed into, and paid from, a client money account. Shareholders should note that in their dealings in Shares the ACD is responsible for arranging for the issue and the cancellation of the Shares.

#### **Money received for subscription or redemption of Shares:**

Any money which is received by the ACD prior to investment in a Sub-Fund or following a redemption of Shares will be held in accordance with the FCA's client money rules. Where the ACD 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 ACD in its own right. Interest will not be paid on cash balances held in the client money account. any account used to hold money belonging to the ACD 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 Shareholders' money should the ACD become insolvent. The ACD will not be responsible for any acts or omissions of the bank.

**Paying money away:** Where the ACD is holding unclaimed money, the ACD, 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 ACD will have ensured that it has taken reasonable steps in accordance with CASS, to attempt to pay these monies to the relevant Shareholder.

#### **Insolvency of the third-party bank holding client money:**

If the third-party bank holding client money becomes insolvent, the ACD 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 ACD 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 ACD decides that compensation is payable to a Shareholder (the “**Compensation Payment**”), the Compensation Payment will become due and payable to the Shareholder on the date of the decision. The ACD 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 Shareholder.

### 3.12 Governing Law

All deals in Shares are governed by the law of England and Wales.

## 4. Valuation of the Company

### 4.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates. The Net Asset Value per Share of a Sub-Fund is currently calculated at 12:00 noon (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings.

Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Sub-Fund and the amount of any dilution adjustment.

“**Late Trading**” is defined as the acceptance of a subscription, redemption or Switch order received after the Sub-Fund’s applicable Valuation Point for that Dealing Day. Late Trading is not permitted. A request for dealing in Shares must be received by the Dealing Deadline on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request must be received before the Valuation Point at 12:00 noon, and any dealing request received at or after 12:00 noon will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

### 4.2 Calculation of the Net Asset Value

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

#### 4.2.1

All the Scheme Property (including receivables) is to be included, subject to the following provisions.

#### 4.2.2

Scheme Property which is not cash (or other assets dealt with in **paragraph 4.2.2.4** below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

##### 4.2.2.1

units or shares in a collective investment scheme:

##### 4.2.2.2

if a single price for buying and redeeming units or shares is quoted, at that price; or

##### 4.2.2.3

if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or

##### 4.2.2.4

if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD’s best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

##### 4.2.2.5

any other transferable security:

##### 4.2.2.6

if a single price for buying and redeeming the security is quoted, at that price; or

##### 4.2.2.7

if separate buying and redemption prices are quoted, at the average of the two prices; or

##### 4.2.2.8

if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD’s best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;



#### **4.2.2.9**

Scheme Property other than that described in **paragraphs 4.2.2.1** and **4.2.2.2** above, at a value which, in the opinion of the ACD, is fair and reasonable;

#### **4.2.2.10**

Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

#### **4.2.3**

Scheme Property which is a contingent liability transaction shall be treated as follows:

##### **4.2.3.1**

if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

##### **4.2.3.2**

if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

##### **4.2.3.3**

if it is any other form of contingent liability transaction, include it at the net value on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

#### **4.2.4**

In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

#### **4.2.5**

Subject to **paragraphs 4.2.6** and **4.2.7** below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

#### **4.2.6**

Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under **paragraph 4.2.5**.

#### **4.2.7**

All agreements are to be included under **paragraph 4.2.5** which are, or ought reasonably to have been, known to the person valuing the Scheme Property.

#### **4.2.8**

Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT and any foreign taxes or duties.

#### **4.2.9**

Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.

#### **4.2.10**

Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

#### **4.2.11**

Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

#### **4.2.12**

Add any other credits or amounts due to be paid into the Scheme Property.

#### **4.2.13**

Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

#### **4.2.14**

Currencies or values in currencies other than GBP shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

### **4.3 Price per Share in Each Sub-Fund and Each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any redemption charge is deducted from the proceeds and is taken from the gross redemption monies.

Each allocation of income made in respect of any Sub-Fund at a time when more than one Class is in issue in respect of that Sub-Fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-Fund in question calculated in accordance with the Instrument of Incorporation.

### **4.4 Fair Value Pricing**

#### **4.4.1**

Where the ACD has reasonable grounds to believe that:

#### **4.4.1.1**

no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or

#### **4.4.1.2**

the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;

#### **4.4.1.3**

it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

#### **4.4.2**

The circumstances which may give rise to a fair value price being used include:

##### **4.4.2.1**

no recent trade in the security concerned; or

##### **4.4.2.2**

suspension of dealings in the security concerned; or

##### **4.4.2.3**

the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

#### **4.4.3**

In determining whether to use such a fair value price, the ACD will include in its consideration but need not be limited to:

##### **4.4.3.1**

the type of authorised fund concerned;

##### **4.4.3.2**

the securities involved;

##### **4.4.3.3**

whether the underlying collective investment schemes may already have applied fair value pricing;

##### **4.4.3.4**

the basis and reliability of the alternative price used; and

##### **4.4.3.5**

the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

#### **4.5 Pricing Basis**

The ACD deals 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 ACD. Shares in the Company are single priced.

Prices of Shares in the Sub-Funds are expressed in GBP.

#### **4.6 Publication of Prices**

The prices of all Shares are published on every Dealing Day on the ACD's website: [www.ccla.co.uk](http://www.ccla.co.uk) and by calling 0800 022 3505 during the ACD's normal business hours. As the ACD 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 ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## **5. Risk Factors**

Investing in Shares involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Sub-Funds. Before investors decide to invest, it is important to understand these risks.

If investors are unsure, they should seek professional advice from an independent financial advisor or consultant.

### **5.1 Market Fluctuations**

The value of investments and the income derived from them may fall as well as rise. Shareholders may not get back the amount originally invested and may lose money. The value of investments will be affected by general economic conditions such as prevailing economic growth, inflation and interest rates. There is no assurance that the investment objective of a Sub-Fund will actually be achieved. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on a Sub-Fund heavily invested in that asset class or region.

### **5.2 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 income securities held. When interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. The Sub-Funds may at certain times invest cash on deposit. In times of low nominal interest rate, there may be no, negative or low interest paid on these holdings. In such

circumstances, a Sub-Fund could be subject to losses especially after charges are deducted.

### **5.3 Liquidity Risk**

A Sub-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 Sub-Fund owns non-traditional or alternative asset classes, it is possible that the liquidity in these assets is more variable than for traditional stocks or bonds.

### **5.4 Political Risk**

The performance of a Sub-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. A Sub-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.

### **5.5 Inflation Risk**

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

### **5.6 Performance Risk**

There may be differences in the performance of Sub-Funds with similar objectives due to the different assets in which they respectively invest.

### **5.7 Emerging Markets 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 a Sub-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 a Sub-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 a Sub-Fund.

### **5.8 Custody Risk**

There may be a risk of a loss where the assets of the Sub-Funds are held in custody that could result from insolvency, negligence or fraudulent action of the custodian or sub-custodian.

### **5.9 Currency Exchange Rates**

A Sub-Fund investing in overseas securities is exposed to and can hold currencies other than GBP. As a result, exchange rate movements may cause the value of investments to decrease or increase. The Sub-Funds may use forward foreign exchange transactions to hedge, as far as is reasonably practicable, the currency exposure of the underlying asset against the base currency of the Sub-Fund. This may mitigate this risk, however there is no guarantee that this will be either wholly or partially effective.

### **5.10 Settlement Risk**

There is a risk that a settlement in a trading system does not take place as expected because a counterparty does not pay monies or deliver assets on time or as expected.

### **5.11 Suspension of Dealings in Shares**

Shareholders are reminded that in certain circumstances, where the ACD determines that redemption requests may not be met their right to redeem Shares (including a redemption by way of Switching) may be suspended.

### **5.12 Liabilities of the Company and the Sub-Funds**

Shareholders are not liable for the debts of the Company or any Sub-Fund. A Shareholder is not liable to make any further payment to the Company or any Sub-Fund after paying the price on purchase of the Shares.

### **5.13 Redemption Risk**

Large redemptions of Shares in a Sub-Fund might result in a Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of such assets. In extreme cases it may result in the temporary suspension of a Sub-Fund in accordance with paragraph 3.10.

Further, the Sub-Funds may invest in investment vehicles which do not permit holdings to be

redeemed on either as frequent a basis or on the same day as a Sub-Fund.

In the absence of current redemption prices or net asset values for investments held by a Sub-Fund or if no recent redemption prices exists, or if the most recent redemption prices available do not reflect the ACD's best estimate of the value of the investments, the ACD may have to determine valuations in respect of such investments at a value which, in the opinion of the ACD, is fair and reasonable, which may in turn impact on the price of Shares in the Sub-Funds as determined in accordance with paragraph 4.3.

#### **5.14 Risk associated with Investment in Other Collective Investment Schemes**

A Sub-Fund may invest in one or more collective investment schemes including schemes that are managed by the ACD or affiliated companies. As the Sub-Fund may invest in other funds, Shareholders 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, Shareholders may incur additional fees.

#### **5.15 Tax Risk**

The tax information provided in the "Taxation" section (see paragraph 10) is based on tax law and practice at the date of this Prospectus. Tax legislation, the tax status of the Company and Sub-Funds, the taxation of Shareholders and the availability of any tax reliefs may change from time to time. Any change in the tax legislation or practice in the UK or in any jurisdiction in which a Sub-Fund is registered, marketed or invested could affect the tax status of the Company and the Sub-Funds and the value of the relevant Sub-Fund's investments in the affected jurisdiction.

The information in the Taxation section is not exhaustive and does not constitute tax or legal advice. Investors should seek professional advice from their tax advisors in respect of the tax consequences of an investment in the Sub-Funds.

#### **5.16 Charges to Capital**

Where the investment objective of a Sub-Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the annual management charge may be offset against capital instead of against income. The treatment of such fees may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-Fund concerned but may constrain capital growth.

#### **5.17 Derivatives for Investment Purposes**

While the Sub-Funds will not use derivatives for investment purposes, they may invest in other collective investment schemes that do use derivatives for investment purposes.

Further in the future the Company may establish new Sub-Funds which may use derivatives for investment purposes and should this occur the Prospectus will be updated accordingly. Derivatives can be volatile and involve various degrees of risk. 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 a Sub-Fund's investment in a collective investment scheme which uses derivatives for investment purposes.

#### **5.18 Derivatives and other techniques for Efficient Portfolio Management**

The Sub-Funds may use derivatives for Efficient Portfolio Management.

Certain derivatives including forward foreign exchange contracts and other techniques may be used for the purposes of Efficient Portfolio Management, which includes the reduction of risk or the generation of additional capital or income for the Sub-Funds. As a result, there is a risk that in a rising market, potential gains may be restricted.

The use of derivatives and other techniques for Efficient Portfolio Management has the overall intention of reducing risk, reducing costs or generating additional capital or income for the relevant Sub-Funds. As these techniques will not be used for investment purposes, they are not intended to increase the risk profile of the relevant Sub-Funds. However, the risks explained in paragraph 5.19 in relation to the clearing of over-the-counter derivatives and paragraph 5.20 in relation to counterparty exposure are also relevant to derivatives and other transactions entered into for Efficient Portfolio Management.

#### **5.19 Clearing of over-the-counter derivatives**

While the clearing of over-the-counter derivative contracts is intended to reduce risk in the financial system, it does not eliminate the risk on such trades entirely and may introduce additional risk. There is a risk that a clearing member or other person through whom trades are cleared may default or become insolvent. There is also a risk that the exchange, clearing house or central counterparty clearing house (CCP) itself may default or become insolvent.

While in the event of a clearing member default, positions and the associated collateral value may be

capable of being transferred to, or replaced by new trades with, a substitute clearing member, there can be no guarantee that this will occur. The associated collateral value transferred to a substitute clearing member may not be of the same type as the Sub-Fund has transferred in respect of its positions and may not reflect the full amount of the Sub-Fund's exposure to the clearing member.

Where a CCP itself defaults or becomes insolvent, the consequences are hard to predict and will depend in part on the jurisdiction and rules of the relevant CCP but can be expected to be significant. Loss of positions and associated collateral is likely and there may be significant delays in any assets being returned.

### **5.20 Counterparty Risk**

Sub-Fund(s) will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Sub-Fund(s) may pass cash or other assets to its counterparties as margin or collateral to an unlimited extent. Subject to the Regulations, at any one time, the Sub-Fund(s) may be exposed to the creditworthiness of its counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of any counterparty, the Sub-Fund(s) might not be able to recover cash or assets of equivalent value in full.

### **5.21 Operational Risk**

The Company, the ACD, the Depositary 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 ACD, Depositary 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 ACD's, Depositary's and other service providers' systems and operations significantly, which may result in financial loss, regulatory censure and/or reputational damage.

### **5.22 Cyber Event Risk**

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the ACD, the Depositary and other 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 Company and its Shareholders. A cyber-event may cause the Company, the ACD, the Depositary and other 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 a Sub-Fund or allow Shareholders 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 Company, the ACD, the Depositary and other service providers. In addition, cyber-events affecting issuers in which a Sub-Fund invests could cause the Sub-Fund's investments to lose value.

### **5.23 Other Risks including terrorism and pandemic risk**

The Company and counterparties with which the ACD on behalf of the Company 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 Company 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 Company 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 Company and materially and adversely affect its operation.

### **5.24 Smaller Capitalisation Companies Risk**

Securities of smaller capitalisation companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices.

Investment in smaller capitalisation companies may involve higher risk than investment in larger



companies. The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company securities trade less frequently and in smaller volume. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the price of the Shares of a Sub-Fund.

### 5.25 Credit Risk

Where a Sub-Fund holds bonds or other debt instruments the value of the Sub-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.

### 5.26 Concentration of Investments Risk

While it is the intention of the ACD that the Sub-Funds will hold diversified portfolios of investments, the Sub-Funds may at certain times hold relatively few investments. Such a Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### 5.27 ESG Risk

An environmental, social or governance risk is a factor or issue that may expose a security, issuer, investment or asset class to unexpected changes in its current and future financial, economic, reputational and legal situation.

## 6. Management and Administration

### 6.1 Regulatory Status

The ACD and the Depositary are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

## 6.2 Authorised Corporate Director

### 6.2.1 General

The ACD is CCLA Investment Management Limited which is a private company limited by shares incorporated in England and Wales on 26 October 1987.

The directors of the ACD are:

R. Horlick (Chairman)\*;  
J. Hobart\*;  
P. Hugh Smith;  
J. Jesty\*;  
C. Johnson\*;  
A. Robinson;  
A. Roughead\*;  
E. Sheldon;  
C West\*.

(\* indicates a non-executive director)

The directors of the ACD also act as the directors of companies other than the ACD (including companies that are within the same group of companies as the ACD). None of the main business activities of the directors (other than those connected with the business of the Company) are of significance to the Company's business.

#### Registered Office:

One Angel Lane, London EC4R 3AB

#### Principal Place of Business:

One Angel Lane, London EC4R 3AB

#### Share Capital:

The ACD is a private company limited by shares with an authorised share capital of 600,000,000 Shares of which 24,213,700 Shares have been issued and paid up.

#### Ultimate Holding Company:

CCLA Investment Management Limited, a company incorporated in the United Kingdom

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD is responsible for the investment management of the Sub-Funds. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including Associates subject to the rules in the COLL Sourcebook.

The ACD has delegated to the Registrar certain functions relating to the Register (as further explained in **paragraph 6.5** below). It has also delegated to HSBC Bank Plc to provide fund accounting services for the Company (as explained in **paragraph 6.4**).

The ACD is required to have a Remuneration Code ("**the Code**") relating to the way in which it remunerates its staff (as further explained in **paragraph 12.14** below). The Code is designed to ensure that firms have risk-focused remuneration

policies which are consistent with and promote effective risk management and do not expose the ACD or the funds it operates to excessive risk.

### 6.2.2 Terms of Appointment

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the “**ACD Agreement**”).

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The ACD Agreement may be terminated by either party on not less than three months' written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in **paragraph 7.1** “Charges payable to the ACD” below.

The Company has no directors other than the ACD. The ACD is the manager of certain open-ended investment companies details of which are set out in **Appendix 5**.

## 6.3 The Depositary

### 6.3.1 General

Pursuant to the agreement dated 14 February 2022 between the Company, the ACD and the Depositary (the “Depositary Services Agreement”) and for the purposes of and in compliance with The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015, Commission Delegated Regulation (EU) No. Commission Delegated Regulation (EU) of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (together, “the UCITS Legislation”) and the relevant FCA rules, the Depositary has been appointed as depositary to the Company.

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 Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Legislation, the OEIC Regulations and the relevant FCA rules.

Details of the Depositary's remuneration are set out in **7.2**

### 6.3.2 Duties of the Depositary

The Depositary's duties include the following:

- i) Ensuring that the Company's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Shares of the Company have been received.
- ii) Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- iii) Ensuring that issues, redemptions and cancellations of the Shares of each Sub-Fund are carried out in accordance with applicable law and the relevant FCA rules. Ensuring that the value of the Shares of the Sub-Funds are calculated in accordance with applicable law and the relevant FCA rules.
- iv) Carrying out the instructions of the Company and the ACD, unless they conflict with applicable law and the relevant FCA rules.
- v) Ensuring that in transactions involving a Sub-Fund's assets any consideration is remitted to the Company within the usual time limits.
- vi) Ensuring that a Sub-Fund's income is applied in accordance with applicable law and the relevant FCA rules.

Actual or potential conflicts of interest may arise between the Sub-Funds, the Shareholders or the ACD and the Depositary. 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 a Sub-Fund. 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 Sub-Funds, or may have other clients whose interests may conflict with those of the Sub-Funds, the Shareholders or the ACD.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any potential conflict of interest.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Depositary has delegated to the delegates listed in **Appendix 7** the custody of certain Scheme Property entrusted to the Depositary for safekeeping in accordance with the terms of written agreements between the Depositary and those delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, where a delegate is an affiliate of the Depositary, the Depositary may have a financial or business interest in that delegate.

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 a Sub-Fund than if the conflict or potential conflict had not existed.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any potential conflict of interest involving its delegates.

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

Shareholders 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 Company 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 Company for the loss of financial instruments of the Company 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.

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 UCITS Legislation and the relevant FCA rules, the ACD will inform Shareholders of such changes without delay.

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.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to a Sub-Fund and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Sub-Funds. The Depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Sub-Funds, the Shareholders 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 a Sub-Fund 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 Sub-Funds, or may have other clients whose interests may conflict with those of the Sub-Funds and the Shareholders.

In particular, HSBC Bank plc may provide foreign exchange services to a Sub-Fund for which they are remunerated out of the Scheme Property of the Sub-Fund. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of a Sub-Fund; provide broking services to a Sub-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 a Sub-Fund; act in the same transaction as agent for more than one client; have a material interest in the issue of the investments of a Sub-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 Company 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 issues to be properly identified, managed and monitored.

### **6.3.3 Updated Information**

Up-to-date information regarding the Depositary, its duties, the delegation of its safekeeping functions and its conflicts of interest will be made available to Shareholders on request.

## **6.4 The Administrator and Fund Accountant**

### **6.4.1 General**

On behalf of the Company the ACD has appointed HSBC Bank plc to provide fund accounting and other administration services to the Company.

The registered office of HSBC Bank plc is 8 Canada Square, London, E14 5HQ.

## **6.5 The Registrar and Transfer Agent**

### **6.5.1 General**

On behalf of the Company the ACD has appointed FNZ TA Services Limited to act as registrar and transfer agent for the Company.

The registered office of the Registrar is 7th Floor, 2 Redman Place, London E20 1JQ.

The Register is kept and maintained at 7th Floor, 2 Redman Place, London E20 1JQ.

### **6.5.2 Register of Shareholders**

The Register of Shareholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address or the principal place of business of the ACD during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

## **6.6 The Auditors**

The Auditors of the Company are Deloitte LLP, whose address is at 110 Queen Street, Glasgow, G1 3BX.

## **6.7 Conflicts of Interest ACD**

The ACD and other companies within the ACD's group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-Funds. It is therefore possible that the ACD may in the course of their business have potential conflicts of interest with the Company or a particular Sub-Fund or that a conflict exists between the Company and other funds managed by the ACD. The ACD maintains and operates effective

organisational and administrative arrangements with a view to taking all reasonable steps to prevent such conflicts from adversely affecting the interests of the Company.

The ACD will take all appropriate steps to identify and prevent or manage such conflicts and will have regard in such event to its obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and other collective investment schemes it manages are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict(s) cannot be avoided, disclose these to Shareholders in an appropriate format.

Details of the ACD's conflicts of interest policy are available on the ACD's website at [www.ccla.co.uk/about-us/policies-and-reports](http://www.ccla.co.uk/about-us/policies-and-reports).

The Depositary may act as depositary of other authorised investment funds, authorised unit trusts, open-ended investment companies, authorised contractual schemes and as depositary or custodian of other collective investment schemes. The Depositary when acting as such must act solely in the interests of the relevant investors. The ACD has delegated certain administrative functions to HSBC Bank plc and CCLA Investment Management Limited. The Depositary has functionally and hierarchically separated the performance of its trustee functions from the other functions delegated to it by the ACD.

Actual or potential conflicts of interest may arise from time to time from the provision by the Depositary of the services and/or its affiliates of other services to the ACD and/or other parties as set out further in paragraph 6.3.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ACD and to the Shareholders in the Sub-Funds as applicable and will treat fairly the ACD and/or the Shareholders and the other funds for which it acts, so far as practicable.

## **7. Fees and expenses**

This section describes the charges and expenses that a Shareholder bears on their investment and how they work. It details the payments that may be made

out of the Company and its Sub-Funds as expenses and as charges for services in relation to the management, operation and administration of the Company and the Sub-Funds.

## **7.1 Charges payable to the ACD**

### **7.1.1 Annual Management Charge**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Scheme Property of each Sub-Fund as set out in **Appendix 1**.

The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-Funds on the immediately preceding Valuation Point and taking into account any subsequent changes to the Sub-Fund capital due to the creation or cancellation of Shares. The amount due for each month is payable on the last Dealing Day of each month. The current annual management charges for the Sub-Funds (expressed as a percentage per annum of the Net Asset Value of the Sub-Funds) is set out in **Appendix 1**.

The ACD may increase the rate of such charge by giving 60 days' notice to Shareholders and amending this Prospectus.

### **7.1.2 ACD's Expenses**

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

## **7.2 Depositary's Fee and Expenses**

The Depositary receives for its own account a periodic fee which will accrue daily and is payable monthly on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month. This fee is payable within 10 Business Days after the last Business Day in each month. The Depositary's fee is calculated on the aggregate value of the Scheme Property of the Company, and will be charged to each Sub-Fund on a pro-rata basis by reference to the value of each Sub-Fund on the last Business Day of the preceding month except for the first accrual which is calculated by reference to the first Valuation Point of that Sub-Fund, plus the applicable rate of VAT. The rate of the periodic fee is agreed between the ACD and the Depositary and is calculated on a

sliding scale for each Sub-Fund on the following basis:

0.020% per annum of the first £100 million of the Scheme Property;

0.015% per annum of the next £400 million of the Scheme Property;

0.008% per annum of the next £500 million of the Scheme Property; and

0.005% per annum over £1 billion of the Scheme Property.

subject to a minimum annual amount of £25,000 per annum plus VAT.

These rates can be varied from time to time in accordance with the COLL Sourcebook.

The first accrual in relation to any Sub-Fund will take place in respect of the period beginning on the day on which the first valuation of that Sub-Fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Transaction Charges

£3 to £67.50, per transaction

Custody Charges

0.00225% to 0.18750%, per annum

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Sub-Funds and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the COLL Sourcebook or by general law.

On a winding up of a Sub-Fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any Associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

### **7.3 Administrator and Registrar Fees and Expenses**

The Administrator and Registrar fees and expenses (plus VAT if applicable) for providing services will be paid by the ACD out of its remuneration under the ACD Agreement.

### **7.4 Other Expenses**

The Company or each Sub-Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

#### **7.4.1**

broker's commission, fiscal charges and other disbursements which are necessary to be incurred in effecting transactions for the Sub-Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

#### **7.4.2**

any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, Conversion and cancellation of Shares;

#### **7.4.3**

any fees of the London Stock Exchange, or other sponsoring body, associated with the reporting obligations of the Company or the Sub-Funds as a counterparty to derivatives or other investment transactions;

#### **7.4.4**

costs incurred in obtaining ratings for the Sub-Funds from external ratings agencies;

#### **7.4.5**

any costs arising in connection with the publication and despatch of the price of Shares;

#### **7.4.6**

any costs incurred in respect of the preparation and filing of tax returns;

#### **7.4.7**

any costs incurred in collection, producing, distributing and dispatching income and other payments to Shareholders or any payments made by the Company;

#### **7.4.8**

costs and charges related to banking and banking transactions;

#### **7.4.9**

costs pertaining to the modification of the Instrument of Incorporation and Prospectus;

#### **7.4.10**

documentation costs and expenses, such as preparing, printing and distributing the Prospectus and the KIIDs, as well as the annual reports of the Company and any other documents made available to Shareholders;

#### **7.4.11**

any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other media;

#### **7.4.12**

any costs incurred in producing and dispatching any payments made by the Company;

#### **7.4.13**

any fees, expenses or disbursements of any legal or other professional adviser of the Company;

#### **7.4.14**

any costs incurred in taking out and maintaining an insurance policy in relation to the Company;

#### **7.4.15**

any costs incurred in respect of meetings of Shareholders convened for any purpose;

#### **7.4.16**

any payment permitted by clause 6.7.15R of the COLL Sourcebook;

#### **7.4.17**

interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

#### **7.4.18**

taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;

#### **7.4.19**

the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

#### **7.4.20**

periodic fees of any regulatory authority in the United Kingdom and a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;

#### **7.4.21**

any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;

#### **7.4.22**

the total amount of any cost relating to the authorisation, incorporation and establishment of the Company and of any Sub-Fund or Share Class;

#### **7.4.23**

costs associated with the establishment of further Sub-Funds and/or Shares Classes;

#### **7.4.24**

any payments otherwise due by virtue of a change to the Regulations;

#### **7.4.25**

such other expenses as the ACD resolves are properly payable out of the Scheme Property; and

#### **7.4.26**

any value added or similar tax relating to any charge or expense set out herein.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-Fund is set out in

**Appendix 1.** Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

### **7.5 Allocation of Fees and Expenses between Sub-Funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-Fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each Class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds pro rata to the value of the Net Asset Value of the Sub-Funds, although the ACD has discretion to allocate these

fees and expenses in a manner which it considers fair to Shareholders generally.

Where income is insufficient to pay charges the residual amount is taken from capital.

## **8. Instrument of incorporation**

The Instrument of Incorporation is available for inspection at the ACD's offices One Angel Lane, London, EC4R 3AB.

## **9. Shareholder Meetings and Voting Rights**

### **9.1 Class, Company and Sub-Fund Meetings**

The Company has dispensed with the holding of annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-Funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-Fund concerned and the Shareholders and value and prices of such Shares.

### **9.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

### **9.3 Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **9.4 Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights

attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any Associate of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or Associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or Associate has received voting instructions.

Where all the Shares in a Sub-Fund are registered to, or held by, the ACD or its Associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

**“Shareholders”** in this context means Shareholders entered on the Register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

### 9.5 Variation of Class or Sub-Fund Rights

The rights attached to a Class or Sub-Fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-Fund.

## 10. Taxation

### 10.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Sub-Funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and may be subject to change in the future. Prospective investors who are in any doubt about their tax position, or who may be subject to corporation tax in the United Kingdom or to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### 10.2 The Sub-Funds

Each Sub-Fund will be treated as a separate open-ended investment company for United Kingdom tax purposes.

The Sub-Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and economically-equivalent assets) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividends received by the Sub-Funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Sub-Fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and, where relevant, interest distributions. Where the Sub-Funds suffer foreign withholding tax on exempt income, this will generally be an irrecoverable tax expense.

Each Sub-Fund will make dividend distributions except where more than 60% of the value of a Sub-Fund's investments has been invested throughout the distribution period in qualifying assets (broadly, interest-paying assets and economically-equivalent assets), in which case it may make interest distributions.

### 10.3 Shareholders

#### 10.3.1 Dividend Distributions

Dividend distributions paid to individuals resident in the United Kingdom by a Sub-Fund (which will be automatically retained in the Sub-Fund in the case of accumulation Shares) are liable to income tax.

Individuals liable to income tax at the basic, higher or additional rates may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Dividend Allowance.



### 10.3.2 Interest Distributions

Interest distributions paid to individuals resident in the United Kingdom by a Sub-Fund (which will be automatically retained in the Sub-Fund in the case of accumulation Shares) are liable to income tax.

Individuals liable to income tax at the basic, higher or additional rates may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Personal Savings Allowance.

### 10.3.3 Income Equalisation

The first income allocation received by a Shareholder after buying Shares may include an amount of income equalisation, which will be shown on the tax voucher issued. This is effectively a repayment of the income equalisation paid by the Shareholder as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

### 10.3.4 Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in **Appendix 1**. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to CCLA Investment Management Limited, Distributions Team, at the address of the Registrar.

### 10.3.5 Capital Gains

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time.

An exchange of Shares in one Sub-Fund of the Company for Shares in another Sub-Fund will generally be treated as a disposal for this purpose, but exchanges of Shares between Classes within a Sub-Fund are generally not.

### 10.3.6 Automatic Exchange of Information for International Tax Compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the OECD Common Reporting Standard and the United States provisions commonly known as FATCA), the ACD (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the ACD or its agent, Shareholders must provide tax residency, US

citizenship and certain other information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. Shareholders must inform the ACD (or its agent) of any changes in circumstances affecting their tax residency and/or US citizenship status or any other information provided within 30 days of such change and provide updated documentation as required by the ACD (or its agent).

If a Shareholder fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, which may include invoking the compulsory transfer and redemption provisions set out in **paragraph 3.7**.

## 11. Winding up of the Company or termination of a Sub-Fund

The Company will not be wound up or a Sub-Fund terminated except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-Fund may otherwise only be terminated under the COLL Sourcebook.

Where the Company is to be wound up or a Sub-Fund is to be terminated under the COLL Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Sub-Fund as the case may be) either that the Company or the Sub-Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or the Sub-Fund will be unable to do so. The Company may not be wound up or a Sub-Fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company shall be wound up or a Sub-Fund must be terminated under the COLL Sourcebook:

#### 11.1

if an extraordinary resolution to that effect is passed by Shareholders; or

#### 11.2

when the period (if any) fixed for the duration of the Company or a particular Sub-Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-Fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-Fund) the Net Asset Value of the Sub-Fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-Fund); or

### 11.3

on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-Fund.

### 11.4

On the occurrence of any of the above:

#### 11.4.1

COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-Fund;

#### 11.4.2

the Company will cease to issue and cancel Shares in the Company or the relevant Sub-Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-Fund;

#### 11.4.3

no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;

#### 11.4.4

where the Company is being wound up or a Sub-Fund terminated, the Company or the Sub-Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or for the termination of the Sub-Fund;

#### 11.4.5

the corporate status and powers of the Company and subject to **11.4.1** to **11.4.3** above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up or the Sub-Fund terminated realise the assets and meet the liabilities of the Company or the Sub-Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the

final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-Fund.

As soon as reasonably practicable after completion of the winding up of the Company or termination of the particular Sub-Fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of a winding up of the Company or the termination of a Sub-Fund, the Company will be dissolved or the Sub-Fund terminated and any money (including unclaimed distributions) still standing to the account of the Company or the Sub-Fund, will be paid into court by the ACD within one month of the dissolution or the termination.

Following the completion of a winding up of either the Company or a Sub-Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

## 12. General information

### 12.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 December (the accounting reference date) with the half-yearly interim accounting period ending on 30 June.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Sub-Funds for which this policy is currently considered are set out in **Appendix 1**.

### 12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

### 12.3 Income Allocations

Some Sub-Funds may have interim and final income allocations and other Sub-Funds may have quarterly income allocations and some Sub-Funds may only have final income allocation dates (see **Appendix 1**). For each of the Sub-Funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Sub-Fund in which income Shares are

issued are paid by electronic transfer directly into a Shareholder's bank account on or before the relevant income allocation dates as set out in **Appendix 1**.

For Sub-Funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-Fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

In addition, if a distribution made in relation to any income Shares remains unclaimed over the subsequent three accounting periods for which distributions are made for those Shares, the ACD may, at its discretion, re-invest that distribution. If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it may be forfeited and will revert to the relevant Sub-Fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-Fund in respect of that period, and deducting the charges and expenses of the relevant Sub-Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

## **12.4 Annual Reports**

Annual reports of the Company will be published within four months of the end of each annual accounting period and half yearly reports will be published within two months of the end of each half yearly interim accounting period.

Copies of the most recent annual and half yearly reports of the Company can be obtained free of charge from the ACD or are available on its website [www.ccla.co.uk](http://www.ccla.co.uk).

## **12.5 Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at One Angel Lane, London EC4R 3AB:

### **12.5.1**

the Prospectus;

### **12.5.2**

the most recent annual and half yearly reports of the Company;

### **12.5.3**

the Instrument of Incorporation (and any amending documents); and

### **12.5.4**

the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly long reports of the Company which are available free of charge to anyone who requests). A paper copy of the Remuneration Policy (as detailed at **section 12.14** below) is available free of charge at the registered office of the ACD on request, and up-to-date details of the Remuneration Policy are available at [www.ccla.co.uk/about-us/policies-and-reports](http://www.ccla.co.uk/about-us/policies-and-reports).

## **12.6 Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

### **12.6.1**

the ACD Agreement between the Company, and the ACD; and

### **12.6.2**

the Depositary Services Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under **section 6** "Management and Administration".

## **12.7 Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at One Angel Lane, London EC4R 3AB. Persons requiring investment advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

## **12.8 Telephone Recordings**

Please note that the ACD will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Company or the management of the assets of the Company. The ACD may also record calls for security, training and monitoring purposes, to confirm Shareholders instructions and for any other regulatory reason. Recordings will be retained for a period of at least five years from the date of such recording or, where requested by a competent authority, for a period of seven years.



## 12.9 Complaints

Complaints may be brought in writing to the ACD at The Head of Client Services, CCLA Investment Management Limited, One Angel Lane, London EC4R 3AB or [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk) and by telephone on 0800 022 3505.

All complaints will be handled in accordance with the ACD's internal complaint handling procedures. A copy of the ACD's Guide to making a complaint is available on request.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: The Financial Ombudsman, Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

In the event of the ACD being unable to meet its liabilities to Shareholders, details about rights to compensation can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

## 12.10 Risk Management

The ACD will provide upon the request of a Shareholder further information relating to:

### 12.10.1

the quantitative limits applying in the risk management of any Sub-Fund;

### 12.10.2

the methods used in relation to **12.10.1**; and

### 12.10.3

any recent development of the risk and yields of the main categories of investment.

## 12.11 Indemnity

The Instrument of Incorporation contains provisions indemnifying the directors, other officers and the Auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

## 12.12 Strategy for the Exercise of Voting Rights

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-Fund. A summary of this strategy is available from the ACD on request or on the ACD's website at [www.ccla.co.uk](http://www.ccla.co.uk). Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-Fund are available free of charge from the ACD on request.

## 12.13 Best Execution

The ACD's order execution policy sets out the factors which the ACD expects to consider when effecting transactions and placing orders in relation to the relevant Sub-Fund. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

## 12.14 Remuneration Policy

The ACD establishes and applies remuneration policies and practices for UK UCITS (the "Remuneration Policy") that:

### 12.14.1

is consistent with and promote sound and effective risk management;

### 12.14.2

does not encourage risk taking which is inconsistent with the risk profiles or the instrument constituting the fund or the prospectus, as applicable, of the UK UCITS it manages;

### 12.14.3

does not impair the ACD's compliance with its duty to act in the best interests of the UK UCITS it manages; and

### 12.14.4

includes fixed and variable components of remuneration, including salaries and discretionary pension benefits.

### 12.14.5

Up-to-date details of the ACD's Remuneration Policy, including but not limited to (i) a description of how remuneration and benefits are calculated; and (ii) the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, can be found at [www.ccla.co.uk](http://www.ccla.co.uk). Shareholders may obtain a paper copy of the full remuneration policy, free of charge, on request from the ACD.

## 12.15 Data Protection

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

The Shareholder acknowledges that the Sub-Funds may invest in investment schemes operated and

managed by the ACD or its related parties and/or by third parties (referred to below as "investment schemes"); that the ACD may need to pass data, including personal data regarding the representatives, to those investment schemes; and that it is in the ACD's legitimate interests to do so. The ACD 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 Shareholder, the ACD or its related parties (or the investment scheme) subcontracts part of the services or any support services; (ii) as agreed by the Shareholder and/or the relevant representatives; or (iii) where required to do so for legal or regulatory purposes, or if necessary for any other lawful purposes set out in CCLA's Privacy Notice.

The ACD may keep records of all business transactions for at least seven years. Each

Shareholder has a right to inspect entries in the ACD's books or computerised records relating to their transactions. Their representatives also have certain rights under the Data Protection Legislation, including the right to access copies of their personal data and change any preferences given in respect of the processing of it. The ACD will treat all Shareholders' records as confidential and so reserves the right to provide copies of the Shareholder/representative's particular record, rather than allow access to files which may contain information about other Shareholders. Requests to access the above records/personal data or to exercise any other rights under the Data Protection Legislation should be directed to The Data Protection Adviser at the ACD's office, One Angel Lane, London EC4R 3AB.

## Appendix 1

### Sub-Fund Details

**Name:**

CCLA Cautious Multi-Asset Fund

**Product Reference Number:**

969185

**Type of Sub-Fund:**

UK UCITS scheme

**Launch date:**

16 February 2024

**Investment Objective:**

The Sub-Fund aims to provide a total return (the combination of capital growth and income) after costs, of inflation (as measured by the UK Consumer Prices Index) plus 2% per annum over the long term (defined as any rolling period of 5 years).

The Sub-Fund is classified as 'Cautious' as it will not invest more than 50% in value of its Scheme Property in equities. There is no guarantee that the objective of the Sub-Fund will be achieved over any time period. Capital is at risk.

**Investment Policy:**

The Sub-Fund will invest in a broad range of assets to achieve its investment objective including shares of companies (also known as equities), issued by companies anywhere in the world (including the UK), fixed/floating interest securities (also known as bonds) issued by governments and their agencies and by companies and other issuing bodies, infrastructure related assets (indirectly), money-market instruments, cash, near-cash and emerging markets. The Sub-Fund's typical exposure to emerging markets will be 5% but may be up to 20%. The proportion of the Sub-Fund's portfolio (by value) in its two likely main asset classes will be as follows: company shares (excluding any holdings in UK investment trusts or other closed end funds), 20-50%; and bonds, 0%-60%.

Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the ACD and its Associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds.

The Sub-Fund is actively managed which means the ACD uses their discretion to pick investments to seek to achieve the investment objective. When selecting equity assets to invest in, the ACD aims to follow a "quality" investing strategy. Factors, in the ACD's opinion, that determine quality include but are not limited to selecting equities of companies with higher-than-average returns on invested capital, good free cash flow generation and strong balance sheets relative to the wider market. This does not preclude the ACD from selecting individual equity assets that display other characteristics. The proportion of the Sub-Fund invested in different asset classes will vary over time in response to the economic and market environment and the ACD's expectations of future returns and volatility.

The ACD takes a long-term view of the requirement to grow real returns and focuses on constructing a portfolio to offset risks. The Sub-Fund will not have a concentrated portfolio or be restricted by sector or industry. The Sub-Fund may only use derivatives for Efficient Portfolio Management purposes.

**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 Sub-Fund does not use a sustainable investment label because it does not have a sustainability goal.

However, the listed equities held in the Sub-Fund are managed in line with CCLA's 'Act, Assess, Align' approach to sustainability. Other assets are managed in line with the 'Align' approach as set out in the targeted restrictions below.

The 'Act, Assess, Align' approach includes:

**Act:** acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them. This includes:

- Using our ownership rights to improve the sustainability of the assets in which we invest.
- Bringing investors together to address systemic risks that have not received the attention that they require.
- Seeking to be a catalyst for change in the investment industry.

Engagement priorities are applied by the ACD to holdings within the Sub-Fund on a 'top-down basis'. By this it is meant that the ACD prioritises a number of sustainable themes, builds engagement programmes to tackle them and then identifies the correct holdings within the Sub-Fund to be included within them. This allows the ACD to control the

number of ongoing dialogues and increase its ability to deliver the desired change.

At present, three engagement themes are applied to the Sub-Fund. These are:

- I. **Better Health:** which includes working with companies to push for better standards to protect the mental health of employees and push for improvements in the nutritional standards of products.
- II. **Better Environment:** where we are working to accelerate the transition to a net-zero emissions economy and address concerns regarding biodiversity loss. This includes issues such as addressing climate change and tackling biodiversity loss.
- III. **Better Work:** where we are working to address modern slavery and wider concerns regarding human rights, poor labour standards and the living wage.

This work only applies to the listed equity component of the Sub-Fund. CCLA may change or add to these areas of focus.

Recognising the importance of engagement to the sustainability approach the ACD has adopted an engagement metric. The ACD, no less than annually, will disclose the proportion of portfolio holdings that have been engaged directly and report on the effectiveness of these engagements.

For details about engagement priorities and the outcomes that have been achieved please refer to the 'Sustainable Investment Outcomes' report which is available at [www.ccla.co.uk](http://www.ccla.co.uk)

**Assess:** assessing the environmental, social, and governance (ESG) standards of listed equities with the aim of avoiding investment in companies that are deemed by the ACD as having an unacceptable social or environmental impact and supporting the financial returns of the Sub-Fund.

This approach is undertaken because the ACD believes that a combination of legislation, regulation and changing societal preferences will impact negatively on the most unsustainable business models.

The ACD's approach to assessing ESG standards has two components; (i) formal codified restrictions from investment of sectors and companies that we believe pose significant environmental and social risks and (ii) an assessment process for the remaining eligible holdings.

The formal codified restrictions process is the method through which investments are 'screened out' on ESG grounds. An example would be that CCLA would be unable to buy a listed equity security in a company that generates more than 10% of its revenue from the extraction, refining or production of fossil fuels. The full restrictions applied by the Sub-Fund are included within the 'Align' section below.

The assessment process of the remaining 'eligible' universe is designed to assist in 'financial risk' management and – as such – it identifies companies that require further assessment and/or additional approvals (such as approval by the CCLA Investment Committee) due to the level of ESG Risk rather than explicitly restricting companies. There are three components to this approach:

- I. **Corporate Governance:** assessments of companies' corporate governance is conducted using the CCLA Corporate Governance Rating. Companies with an E or F (the two lowest ratings provided) require the approval of the CCLA Investment Committee.
- II. **ESG Risk/Wider Sustainability factors:** we assess ESG Risk using our third-party data provider's ESG Risk Rating. Companies which have an ESG Risk rating of 35 (high risk) or more are deemed high risk and require Investment Committee approval for investment. The ESG Risk Rating scale ranges from 0 (negligible risk) to 40+ (severe risk).
- III. **Controversies:** companies which do not comply with Global Standards have the most severe level of controversy (as advised by our third-party provider) and are excluded. If they become non-compliant while they are in the Sub-Fund, a time-limited engagement plan is created with regular monitoring by the Investment Committee. Should the company not show sufficient improvement the ACD then has a 6-months divestment window. Finally, no further stock/shares can be purchased in this company.

In addition, the Sub-Fund is managed in line with CCLA's goal to achieve net-zero emission listed equity portfolios no later than 2050. Companies can be included in our net-zero approach as long as they pass the Sub-Fund's values-based screens, our wider ESG minimum standards and are covered by our third-party data providers which provide the basis for assessment in our engagement framework. All our listed-equity portfolios are managed in a way that is less carbon intensive than the MSCI World Index. We determined a reducing maximum carbon ceiling by decarbonising the MSCI World Index's weighted average carbon intensity (Scope 1+2) using the Intergovernmental Panel on Climate Change (IPCC) 1.5°C/net zero pathway (P2). We commit to managing the listed-equity component of the Sub-Fund in a way that ensures that the portfolio footprint is lower than this maximum ceiling. The ACD currently does not provide Scope 3 emissions data due to concerns over accuracy and availability from data providers.

The 'Assess' criteria set out above only apply to the listed equities held within the Sub-Fund. In the management of the Sub-Fund the ACD may, over

time, amend the process used to assess ESG standards.

Recognising the importance of climate change to the Sub-Fund's client base the ACD has adopted 'Weighted Average Carbon Intensity' as a key metric for managing the Sub-Fund. The ACD will disclose, no less than annually, the weighted average carbon intensity of the Sub-Fund, the proportion of the Sub-Fund that the disclosure applies to (as it is anticipated that the ACD will be unable to provide full disclosure due to unavailable data) and the listed-equity component of the Sub-Fund's position against the maximum carbon ceiling.

More detail is available in our 'Climate for Good Investment' publication – available at [www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline](http://www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline)

Full details of our approach to net-zero listed equity portfolios are available on our website at [www.ccla.co.uk/sustainability/initiatives/climate-action](http://www.ccla.co.uk/sustainability/initiatives/climate-action).

**Align:** investing in a way that we believe is aligned with the values of our clients.

The implementation of this approach involves the application of targeted restrictions upon investment by the Sub-Fund. As such, companies and any other assets that meet the following criteria are restricted from investment by the Sub-Fund:

- **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).
- **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 ACD)
- **Controversies and International Norms:** companies that fail the CCLA's controversy process including non-conformance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and/or other factors defined by the ACD.
- **Alcohol:** companies that derive more than 10% of revenue from the production and/or retail of alcohol and related products or services.
- **Gambling:** companies that derive more than 10% of revenue from the operation of gambling establishments and the provision of key support services and products.
- **High-Interest Rate Lending:** companies that derive more than 10% of their revenue from high interest rate lending.
- **Cannabis:** companies that derive more than 10% of revenue from the production and/or retail of non-medicinal cannabis.
- **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
- **Adult Entertainment:** companies that derive more than 3% of revenue from the production of adult entertainment.
- **Sovereign Debt:** no direct investment in sovereign debt from countries identified by the ACD as being amongst the world's most oppressive
- **Collective Investment Schemes:** Other investment funds that are assessed by the ACD 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 Sub-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 selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures. The full values-based screening policy is available on our website at [www.ccla.co.uk/about-us/policies-and-reports](http://www.ccla.co.uk/about-us/policies-and-reports).

Recognising the importance of restrictions to Shareholders of the Sub-Fund the ACD will disclose the percentage of the MSCI World Index that is restricted from investment by the Sub-Fund.

#### **Benchmarks:**

##### **Target Benchmark:**

UK Consumer Prices Index + 2%

##### **Comparator Benchmark:**

The composite comparator benchmark of the Sub-Fund (and the constituents' respective weightings within the comparator benchmark) is as follows: 40% equity (MSCI World Index) and 60% fixed interest (30% Markit iBoxx £ Gilts and 30% Markit iBoxx £ Non-Gilts).

#### **Rationale for choice of benchmarks:**

##### **Target Benchmark:**

The target benchmark sets a standard against which the medium to long-term performance of the Sub-Fund can be assessed. The Sub-Fund has a long-term investment target benchmark designed to help investors meet their objectives. Over rolling 5 year periods, the Sub-Fund aims to achieve an average total return after costs of UK Consumer Prices Index (CPI) inflation plus 2%.

##### **Comparator Benchmark:**

To provide additional guidance on returns, the ACD publishes regular performance information relative to a comparator benchmark designed to broadly reflect the risk/return profile of the Sub-Fund and its underlying assets portfolio over the long term. The ACD will keep the make-up of the comparator benchmark under review to ensure that it remains a useful guide to returns.

#### **Final Accounting Date:**

31 December

#### **Interim Accounting Date:**

30 June

#### **Income Distribution Dates:**

The last Business Day of February, May, August and November.

There will be four ex-dividend dates each year, the last Business Day of each calendar quarter, being: March, June, September and December.

#### **Shares Classes and type of Shares:**

Income Class C

Accumulation Class C

#### **Initial Charge:**

Nil

#### **Redemption Charge:**

Nil

#### **Switching Charge:**

Nil

#### **Annual Management Charge:**

Class C – 0.60%

#### **Charges taken from Income:**

|   | <b>Income</b> | <b>Capital</b> |
|---|---------------|----------------|
| AMC:  | 0%            | 100%           |
| Ongoing Operating Costs:                      | 100%          | 0%             |
| Dealing and Registration:                     | 100%          | 0%             |
| Depository:                                   | 100%          | 0%             |
| Custody:                                      | 100%          | 0%             |
| Portfolio Transactions (Broker's commission): | 100%          | 0%             |

#### **Investment Minima:**

|                        | <b>Income</b>     |
|------------------------|-------------------|
| Initial Investment:    | Class C – £1,000* |
| Subsequent Investment: | Class C – N/A     |
| Holding:               | Class C – £1,000* |

#### **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 0.22% (for redemptions) to plus 0.44% (for subscriptions). Positive dilution adjustment figures indicate a typical increase from mid-price when a Sub-Fund is experiencing net inflows. Negative dilution adjustment figures indicate a typical decrease from mid-price when a Sub-Fund is experiencing net outflows. In more volatile or less liquid market conditions the dilution adjustment could be materially wider.

#### **Past Performance:**

Past performance information is set out in **Appendix 6**.

\*The ACD may waive these minimum levels at its discretion.



## Sub-Fund Details

**Name:**

CCLA Better World Global Equity Fund

**Product Reference Number:**

969186

**Type of Sub-Fund:**

UK UCITS scheme

**Launch date:**

8 April 2022

**Investment Objective:**

The Sub-Fund aims to provide a total return (the combination of capital growth and income) over the long term (defined as any rolling period of 5 years) and is managed in line with CCLA's approach to investing for a better world as outlined in CCLA's Better World Policy.

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

**Investment Policy:**

The Sub-Fund aims to achieve its investment objective by investing typically at least 80% of its assets (directly or indirectly) in shares of companies (also known as equities) from around the world. The Sub-Fund will typically invest directly in such shares. The Sub-Fund will normally have significant allocations to developed markets but may also invest in emerging markets (as defined by MSCI for the purposes of its Developed Markets Indexes). Dependent on market conditions (such as political unrest, economic instability, war, the failure of large financial institutions or the closure of certain markets) and the ACD's view of the market, exposure to shares may be higher or lower for limited periods.

The Sub-Fund may also invest up to 20% in a range of other investments including: fixed/floating interest securities (also known as bonds) issued by governments and their agencies and by companies and other issuing bodies, infrastructure related assets (indirectly), money-market instruments, cash, near cash investments and emerging markets.

The Sub-Fund's typical exposure to emerging markets will be 5% but may be up to 20%.

Exposure to these assets may be via direct holdings or indirectly through investment in other funds (including those managed and operated by the ACD and its Associates). Such funds may include exchange traded funds, closed-ended investment companies (including UK investment trusts) and open-ended funds.

Under normal circumstances, at least 80% of assets will be invested in shares (excluding any holdings in UK investment trusts or other closed end funds).

However, at the ACD's discretion it may be necessary to temporarily hold a lower level in response to stressed economic and market environment conditions.

The Sub-Fund is actively managed which means the ACD uses their discretion to pick investments to seek to achieve the investment objective. The Sub-Fund investments will vary over time in response to the economic and market environment and the ACD's expectations of future returns and volatility.

The ACD takes a long-term view of the requirement to grow real returns and focuses on constructing a portfolio to offset risks. The Sub-Fund will not have a concentrated portfolio or be restricted by sector or industry. The Sub-Fund may only use derivatives for Efficient Portfolio Management.

**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 Sub-Fund does not use a sustainable investment label because it does not have a sustainability goal. However, the Sub-Fund is managed in line with CCLA's approach to investing for a better world (CCLA's Better World Policy).

This includes:

1. Acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them.
2. Assessing companies' environmental, social and governance criteria because the ACD believes that a combination of legislation, regulation and changing societal preference will impact negatively on unsustainable business models.
3. Investing in a way that we believe is aligned with our clients.
4. Implementation of the Better World Policy as the ACD will establish a 6 month divestment window for the asset to be sold should a portfolio holding cease to comply with the Better World Policy.

Full details of CCLA's approach to investing for a better world can be found in **Appendix 2** – CCLA's Better World Policy.

**Comparator Benchmark:**

The MSCI World Index

**Rationale for comparator benchmark:**

The Sub-Fund's performance may be compared against the MSCI World Index.

The ACD believes that this is an appropriate comparator benchmark as the Sub-Fund is a globally diversified portfolio of equities and we consider the MSCI World Index as an appropriate representation of the returns from global equities.

The Sub-Fund does not seek to replicate an index.

**Final Accounting Date:**

31 December

**Interim Accounting Date:**

30 June

**Income Distribution Dates:**

The last Business Day of February, May, August and November.

There will be four ex-dividend dates each year, the last Business Day of each calendar quarter, being: March, June, September and December.

**Shares Classes and type of Shares:**

Income Class C  
Accumulation Class C  
Income Class I  
Accumulation Class I  
Income Class X\*\*  
Accumulation Class X\*\*

**Initial Charge:**

Nil

**Redemption Charge:**

Nil

**Switching Charge:**

Nil

**Annual Management Charge:**

Class C – 0.65%  
Class I – 0.55%

Class X – 0%\*\*

**Charges taken from Income:**

|  | Income | Capital |
|--|--------|---------|
| AMC:   | 0%     | 100%    |
| Ongoing Operating Costs:                         | 100%   | 0%      |
| Dealing and Registration:                        | 100%   | 0%      |
| Depository:                                      | 100%   | 0%      |
| Custody:   | 100%   | 0%      |
| Portfolio Transactions<br>(Broker's commission): | 100%   | 0%      |

**Investment Minima:**

|                        | Income  |
|------------------------|---|
| Initial Investment:    | Class C – £1,000*<br>Class I – £20,000,000*<br>Class X – £1,000** |
| Subsequent Investment: | Class C – N/A<br>Class I – N/A<br>Class X – N/A                   |
| Holding:               | Class C – £1,000*<br>Class I – £20,000,000*<br>Class X – £1,000** |

**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 0.07% (for redemptions) to plus 0.13% (for subscriptions). Positive dilution adjustment figures indicate a typical increase from mid-price when a Sub-Fund is experiencing net inflows. Negative dilution adjustment figures indicate a typical decrease from mid-price when a Sub-Fund is experiencing net outflows. In more volatile or less liquid market conditions the dilution adjustment could be materially wider.

**Past Performance:**

Past performance information is set out in **Appendix 6**.

\*The ACD may waive these minimum levels at its discretion.

\*\*The annual management charge for Class X Shares is subject to a separate agreement with the ACD and is not paid from the Scheme Property of the Class X Shares. Class X Shares may only be issued to CCLA funds or investors who have an agreement in place with the ACD in relation to the collection of an investment management fee or similar fee arrangement.



## Appendix 2

### CCLA's Better World Policy

**Investing for a Better World:** The CCLA Better World Global Equity Fund is managed in line with CCLA's approach to investing for a better world. This includes:

#### 1. Acting as an agent for 'change'

Acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them. This is done by:

- Using the Sub-Fund's ownership rights to help improve the sustainability of the assets in which it invests. The ACD's approach is set out in its Engagement Policy and Voting Guidelines, both of which are available on CCLA's website ([www.ccla.co.uk/about-us/policies-and-reports](http://www.ccla.co.uk/about-us/policies-and-reports)) and regularly updated.
- Bringing investors together to address systemic issues that have not had the attention that they require. The ACD prioritises selected themes based upon an assessment of the issue and the level of response by the investment community. Initially this will focus on climate change, addressing modern slavery in company supply chains and addressing poor corporate practices for protecting employees' mental health. The ACD's current priorities will be regularly disclosed on CCLA's website ([www.ccla.co.uk/sustainability](http://www.ccla.co.uk/sustainability)).
- Seeking to be a catalyst for change in the investment industry. Examples of how this is delivered may include the provision of training and the development of publicly available resources.

Recognising the importance of engagement to the sustainability approach the ACD has adopted an engagement metric. The ACD, no less than annually, will disclose the proportion of portfolio holdings that have been engaged directly and report on the effectiveness of these engagements.

For details about engagement priorities and the outcomes that have been achieved please refer to the 'Sustainable Investment Outcomes' report which is available at [www.ccla.co.uk](http://www.ccla.co.uk).

#### 2. Assessing companies' environmental, social and governance criteria

Assessing companies' environmental, social and governance criteria because the ACD believes that a combination of legislation, regulation and changing societal preference will impact negatively on unsustainable business models. For this reason, the Sub-Fund will avoid investing in companies that have:

- Poor management and weak corporate governance. As defined by the ACD and informed by tools such as CCLA's proprietary corporate governance rating.
- An unacceptable social and environmental impact, as defined by the ACD. Initially this will be defined as companies identified by CCLA, using data providers of their choice, as:
  - producing landmines, cluster bombs, chemical/biological and/or nuclear (including fissile materials) weapons systems or substantial components thereof.
  - producing tobacco products and/or deriving more than 5% of turnover from tobacco.
  - not meeting CCLA's climate change criteria. This includes:
    - 1) minimum standards against which companies are assessed,
    - 2) a restriction upon investing in fossil fuel producers (defined as a company that derives more than 5% of revenue from the extraction of coal or tar sands and/or a company that derives more than 10% of revenue from the extraction and/or refining of oil and gas) and
    - 3) CCLA's commitment to achieve 'Net Zero' emissions listed equity portfolios no later than 2050. Further information is available on CCLA's website ([www.ccla.co.uk/sustainability/initiatives/climate-action](http://www.ccla.co.uk/sustainability/initiatives/climate-action)).
  - being responsible for a significant controversial environmental and/or social incident and, following a period of engagement of no more than three years by the ACD, has not taken appropriate steps to respond to the damage caused. At launch a significant controversial incident will be defined as being assessed by a data provider of the ACD's choosing as either: 1) failing an assessment of compliance with the UN Global Compact, 2) failing an assessment of compliance with the UN Guiding Principles on Business and Human Rights and/or 3) another equivalent approach to assessing controversies – such as the highest level controversy score.
- Not demonstrating a willingness to improve through investor engagement.

Recognising the importance of climate change to the Sub-Fund's client base the ACD has adopted 'Weighted Average Carbon Intensity' as a key metric for managing the Sub-Fund. The ACD will disclose, no less than annually, the weighted average carbon intensity of the Sub-Fund, the proportion of the Sub-Fund that the disclosure applies to (as it is anticipated that the ACD will be unable to provide full disclosure due to unavailable data) and the listed-equity component of the Sub-Fund's position against the maximum carbon ceiling.

More detail is available in our 'Climate for Good Investment' publication – available at [www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline](http://www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline).

### 3. Investing in a way that we believe is aligned with our clients

- Presently this precludes investment in:
  - a) companies identified by CCLA, using data providers of their choosing as:
    - Deriving >25% of revenue from alcohol production and/or retail.
    - Deriving >10% of revenue from gambling, civilian firearms, strategic military sales, high interest rate lending and/or the production and/or distribution of cannabis for the retail market.
    - Deriving >3% of revenue from adult entertainment production and/or distribution.
  - b) Fixed Income securities that are issued by a nation identified by CCLA as being amongst the world's most oppressive, using data sources of their choice including, but not limited to, Freedom House's Annual Freedom in the World Publication. The current list of precluded nations is available for inspection on CCLA's website (<https://www.ccla.co.uk/about-us/policies-and-reports/policies/approach-sovereign-debt>).
  - c) Other investment funds that are assessed by CCLA, as per the approach set out in its values-based screening policy, as having any exposure to landmines, cluster munitions, chemical or biological weapons or exposures that

materially contradict the above approach. At present, this is defined as having more than 10% of net asset value exposed to other precluded activity including rules related to nuclear weapons. 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 Sub-Fund. Due to a lack of data this approach to assessing the eligibility of other investment funds is implemented on a 'best-endeavours' basis.

This will be implemented as per CCLA's values-based screening policy, and may evolve over time. The policy and the current list of exclusions is available at [www.ccla.co.uk](http://www.ccla.co.uk).

- Reporting on the efficacy of this work to contribute to a 'better world'. This will be published annually on CCLA's website ([www.ccla.co.uk](http://www.ccla.co.uk)).

Recognising the importance of restrictions to the Shareholders of the Sub-Fund the ACD will disclose the percentage of the MSCI World Index that is restricted from investment by the Sub-Fund.

### 4. Implementation of the Better World Policy

Should a portfolio holding cease to comply with the above approach, the ACD will establish a 6-month divestment window for the asset to be sold. This ensures that Shareholders are not financially disadvantaged by the Sub-Fund becoming an immediate forced seller.

**The policy will be kept under review, and clients will be notified of any changes on CCLA's website ([www.ccla.co.uk](http://www.ccla.co.uk)).**

## Appendix 3

### Eligible Securities Markets and Eligible Derivatives Markets

Subject to its investment objective and policy, all of the Sub-Funds may deal through securities and derivatives markets established in the UK or an EEA State on which transferable securities admitted to official listing in the UK or an EEA State are dealt in or traded.

The UK or EEA markets are not specifically listed below.

The following are the additional eligible securities markets for the Sub-Funds:

| Country       | Exchange   |
|---------------|--|
| Australia     | ASX National   |
| Brazil        | B3 S.A. – Brasil, Bolsa, Balcão  |
| Canada        | Toronto Stock Exchange<br>OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada   |
| Colombia      | Bolsa de Valores de Colombia   |
| Hong Kong     | Hong Kong Stock Exchange   |
| Indonesia     | Indonesia Stock Exchange   |
| Israel        | Tel Aviv Stock Exchange  |
| Japan         | Tokyo & Osaka Stock Exchange<br>OTC market in Japan regulated by the Securities Dealers Association of Japan   |
| Malaysia      | Bursa Malaysia   |
| Mexico        | Mexican Stock Exchange   |
| New Zealand   | The New Zealand Exchange   |
| Philippines   | Philippine Stock Exchange  |
| Qatar         | The Qatar Exchange   |
| Singapore     | Singapore Stock Exchange   |
| South Africa  | Johannesburg Stock Exchange  |
| South Korea   | Korea Stock Exchange   |
| Switzerland   | Swiss Six Exchange<br>International Capital Markets Association  |
| Taiwan        | Taiwan Stock Exchange  |
| Thailand      | Stock Exchange of Thailand   |
| Turkey        | Borsa Istanbul   |
| United States | NYSE<br>Nasdaq Stock Market<br>Market in the United States regulated by the Financial Industry Regulatory Authority (FINRA)<br>Market in US Government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York |

The following are the additional eligible derivatives markets for the Sub-Funds:

| Country       | Exchange  |
|---------------|---|
| Australia     | ASX National  |
| Brazil        | B3 S.A. – Brasil, Bolsa, Balcão   |
| Colombia      | Bolsa de Valores de Colombia  |
| Hong Kong     | Hong Kong Stock Exchange  |
| Malaysia      | Bursa Malaysia  |
| Mexico        | Mexican Stock Exchange  |
| Singapore     | Singapore Stock Exchange  |
| South Africa  | Johannesburg Stock Exchange   |
| South Korea   | Korea Stock Exchange  |
| Turkey        | Borsa Istanbul  |
| United States | Chicago Board of Options Exchange (CBOT)<br>The Chicago Mercantile Exchange (CME) |

## Appendix 4

### Investment and Borrowing Powers of the Company

#### 1. General

The Scheme Property will be invested with the aim of achieving the investment objective of the relevant Sub-Fund but subject to the limits set out in the Sub-Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("**COLL 5**") and this Prospectus. These limits apply to each Sub-Fund as summarised below.

From time to time and in particular during periods of uncertain or volatile markets, the ACD may choose to hold a substantial proportion of the Scheme Property of the Sub-Funds in money-market instruments and/or cash deposits.

The Sub-Funds will not maintain an interest in any immovable property or moveable property for the direct pursuit of the Company's business.

##### 1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policy of each Sub-Fund, the Scheme Property aims to provide a prudent spread of risk.

##### 1.2 Cover

###### 1.2.1

Where COLL 5 allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Sub-Fund under any other of those rules has also to be provided for.

###### 1.2.2

Where a rule in COLL 5 permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

###### 1.2.2.1

it must be assumed that in applying any of those rules, the Sub-Fund must also simultaneously satisfy any other obligation relating to cover; and

###### 1.2.2.2

no element of cover must be used more than once.

#### 2. UK UCITS Schemes – general

##### 2.1

Subject to the investment objective and policy of a Sub-Fund, the Scheme Property of a Sub-Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

###### 2.1.1

transferable securities;

###### 2.1.2

approved money-market instruments;

###### 2.1.3

permitted units in collective investments schemes;

###### 2.1.4

permitted derivatives and forward transactions; and

###### 2.1.5

permitted deposits.

#### 3. Transferable Securities

##### 3.1

A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative finance investment bonds), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.

##### 3.2

An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

##### 3.3

In applying **paragraph 3.2** to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

##### 3.4

An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the

time being unpaid by the holder of it in respect of the investment.

### **3.5**

A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

#### **3.5.1**

the potential loss which a Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

#### **3.5.2**

its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;

#### **3.5.3**

reliable valuation is available for it as follows:

##### **3.5.3.1**

in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

##### **3.5.3.2**

in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

#### **3.5.4**

appropriate information is available for it as follows:

##### **3.5.4.1**

in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

##### **3.5.4.2**

in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

#### **3.5.5**

it is negotiable; and

#### **3.5.6**

its risks are adequately captured by the risk management process of the ACD.

### **3.6**

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

#### **3.6.1**

not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

#### **3.6.2**

to be negotiable.

### **3.7**

No more than 5% of the Scheme Property of a Sub-Fund may be invested in warrants.

## **4. Closed end funds constituting transferable securities**

### **4.1**

A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-Fund, provided it fulfils the criteria for transferable securities set out in **paragraph 3.5** and either:

#### **4.1.1**

where the closed end fund is constituted as an investment company or a unit trust:

##### **4.1.1.1**

it is subject to corporate governance mechanisms applied to companies; and

##### **4.1.1.2**

where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

#### **4.1.2**

Where the closed end fund is constituted under the law of contract:

##### **4.1.2.1**

it is subject to corporate governance mechanisms equivalent to those applied to companies; and

##### **4.1.2.2**

it is managed by a person who is subject to national regulation for the purpose of investor protection.



## 5. Transferable securities linked to other assets

### 5.1

A Sub-Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-Fund provided the investment:

#### 5.1.1

fulfils the criteria for transferable securities set out in **paragraph 3.5** above; and

#### 5.1.2

is backed by or linked to the performance of other assets, which may differ from those in which a Sub-Fund can invest.

### 5.2

Where an investment in **paragraph 5.1** contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

## 6. Approved Money-market Instruments

### 6.1

An approved money-market instrument is a money-market instrument which is normally dealt in on the money-market, is liquid and has a value which can be accurately determined at any time.

### 6.2

A money-market instrument shall be regarded as normally dealt in on the money-market if it:

#### 6.2.1

has a maturity at issuance of up to and including 397 days;

#### 6.2.2

has a residual maturity of up to and including 397 days;

#### 6.2.3

undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or

#### 6.2.4

has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in **paragraphs 6.2.1** or **6.2.2** or is subject to yield adjustments as set out in **paragraph 6.2.3**.

### 6.3

A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation

of the ACD to redeem Shares at the request of any qualifying Shareholder.

### 6.4

A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

#### 6.4.1

enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and

#### 6.4.2

based either on market data or on valuation models including systems based on amortised costs.

### 6.5

A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

## 7. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market

### 7.1

Transferable securities and approved money-market instruments held within a Sub-Fund must be:

#### 7.1.1

admitted to or dealt in on an eligible market as described in **8.3.1**; or

#### 7.1.2

dealt in on an eligible market as described in **paragraph 8.3.2**; or

#### 7.1.3

admitted to or dealt in on an eligible market as described in **paragraph 8.4**; or

#### 7.1.4

for an approved money-market instrument not admitted to or dealt in on an eligible market, within **paragraph 9.1**; or

#### 7.1.5

recently issued transferable securities provided that:

#### 7.1.5.1

the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

#### 7.1.5.2

such admission is secured within a year of issue.

#### 7.2

However, a Sub-Fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in **paragraph 7.1**.

## 8. Eligible markets regime

#### 8.1

To protect investors the markets on which investments of a Sub-Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

#### 8.2

Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.

#### 8.3

A market is eligible for the purposes of the rules if it is:

##### 8.3.1

a regulated market as defined in the FCA Handbook; or

##### 8.3.2

a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

##### 8.3.3

a market in **paragraph 8.4**.

#### 8.4

A market not falling within **paragraphs 8.3.1** and **8.3.2** is eligible for the purposes of COLL 5 if:

##### 8.4.1

the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

##### 8.4.2

the market is included in a list in the Prospectus; and

#### 8.4.3

the Depositary has taken reasonable care to determine that:

##### 8.4.3.1

adequate custody arrangements can be provided for the investment dealt in on that market; and

##### 8.4.3.2

all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

#### 8.5

In **paragraph 8.4.1** a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

#### 8.6

The Eligible Markets for the Sub-Funds are set out in **Appendix 3**.

## 9. Money-market instruments with a regulated issuer

#### 9.1

In addition to instruments admitted to or dealt in on an eligible market, a Sub-Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

##### 9.1.1

the issue or the issuer is regulated for the purpose of protecting shareholders and savings; and

##### 9.1.2

the instrument is issued or guaranteed in accordance with **paragraph 10** (Issuers and guarantors of money-market instruments) below.

#### 9.2

The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting shareholders and savings if:

##### 9.2.1

the instrument is an approved money-market instrument;

##### 9.2.2

appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with **paragraph 11** (Appropriate information for money-market instruments) below; and

### 9.2.3

the instrument is freely transferable.

## 10. Issuers and guarantors of money-market instruments

### 10.1

A Sub-Fund may invest in an approved money-market instrument if it is:

#### 10.1.1

issued or guaranteed by any one of the following:

##### 10.1.1.1

a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

##### 10.1.1.2

a regional or local authority of the UK or an EEA State;

##### 10.1.1.3

the Bank of England, the European Central Bank or a central bank of an EEA State;

##### 10.1.1.4

the European Union or the European Investment Bank;

##### 10.1.1.5

a non-EEA State or, in the case of a federal state, one of the members making up the federation;

##### 10.1.1.6

a public international body to which the UK or one or more EEA States belong; or

### 10.1.2

issued by a body, any securities of which are dealt in on an eligible market; or

### 10.1.3

issued or guaranteed by an establishment which is:

#### 10.1.3.1

subject to prudential supervision in accordance with criteria defined by UK or European Union law; or

#### 10.1.3.2

subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European Union law.

### 10.2

An establishment shall be considered to satisfy the requirement in **paragraph 10.1.3.2** if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

### 10.2.1

it is located in the European Economic Area;

### 10.2.2

it is located in an OECD country belonging to the Group of Ten;

### 10.2.3

it has at least investment grade rating;

### 10.2.4

on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or European Union law.

## 11. Appropriate information for money-market instruments

### 11.1

In the case of an approved money-market instrument within **paragraph 10.1.2** or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within **paragraph 10.1.1.2** or a public international body within **paragraph 10.1.1.6** but is not guaranteed by a central authority within **paragraph 10.1.1.1**, the following information must be available:

#### 11.1.1

information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

#### 11.1.2

updates of that information on a regular basis and whenever a significant event occurs; and

#### 11.1.3

available and reliable statistics on the issue or the issuance programme.

### 11.2

In the case of an approved money-market instrument issued or guaranteed by an establishment within **paragraph 10.1.3**, the following information must be available:

#### 11.2.1

information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

#### 11.2.2

updates of that information on a regular basis and whenever a significant event occurs; and

### 11.2.3

available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

### 11.3

In the case of an approved money-market instrument:

#### 11.3.1

Within **paragraphs 10.1.1.1, 10.1.1.4** above or **10.1.1.5** above; or

#### 11.3.2

which is issued by an authority within **paragraph 10.1.1.2** or a public international body within **paragraph 10.1.1.6** above and is guaranteed by a central authority within **paragraph 10.1.1**;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

## 12. Spread: general

### 12.1

This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies.

### 12.2

For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006 and Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

### 12.3

Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body.

### 12.4

Not more than 5% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

### 12.5

The limit of 5% in **paragraph 12.4** is raised to 25% in value of the Scheme Property in respect of covered

bonds provided that when a Sub-Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

### 12.6

The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-Fund. This limit is raised to 10% where the counterparty is an Approved Bank.

### 12.7

Not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities and approved money-market instruments issued by the same group as referred to in **paragraph 12.2**.

### 12.8

COLL 5 provides that not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of the units of any one collective investment scheme.

### 12.9

COLL 5 provides that in applying the limits in **paragraphs 12.3, 12.4**, and **12.6** in relation to a single body, and subject to **paragraph 12.5**, not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of any combination of two or more of the following:

- transferable securities (including covered bonds) or approved money-market instruments issued by that body;
- deposits made with that body; or
- exposures from OTC derivatives transactions made with that body.

## 13. Counterparty risk and issuer concentration

### 13.1

The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in **paragraphs 12.6** and **12.9** above.

### 13.2

When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in **paragraph 12.6** the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

### 13.3

The ACD may net the OTC derivative positions of a Sub-Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund.

### 13.4

The netting agreements in **paragraph 13.3** above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-Fund may have with that same counterparty.

### 13.5

The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

### 13.6

The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in **paragraph 13.8** when it passes collateral to an OTC counterparty on behalf of a Sub-Fund.

### 13.7

Collateral passed in accordance with **paragraph 13.6** may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-Fund.

### 13.8

The ACD must calculate the issuer concentration limits referred to in **paragraph 12.6** on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

### 13.9

In relation to the exposure arising from OTC derivatives as referred to in **paragraph 12.6** the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

## 14. Spread: government and public securities

### 14.1

The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:

#### 14.1.1

the UK or an EEA State;

#### 14.1.2

a local authority of the UK or an EEA State;

#### 14.1.3

a non-EEA State; or

#### 14.1.4

a public international body to which the UK or one or more EEA States belong.

### 14.2

Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

### 14.3

The Company or any Sub-Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

#### 14.3.1

the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Sub-Fund;

#### 14.3.2

no more than 30% in value of the Scheme Property consists of such securities of any one issue;

#### 14.3.3

the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;

#### 14.3.4

the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.

### 14.4

Notwithstanding **paragraph 12.1** and subject to **paragraphs 14.2** and **14.3** above, in applying the 20% limit in **paragraph 12.9** with respect to a single body, such securities issued by that body shall be taken into account.

## 15. Investment in collective investment schemes

### 15.1

Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("**Second Scheme**") provided that Second Scheme satisfies all of the following conditions within **paragraphs 15.1.1** and **15.1.2**, and that no more than 30% of the value of the Scheme Property is invested in Second Schemes that do not satisfy the conditions within **paragraph 15.1.1.1**. For the CCLA Better World Global Equity Fund up to 10% of the Net Asset Value of the Sub-Fund may be invested in units or shares in a Second Scheme provided that Second Scheme satisfies all of the following conditions within **paragraphs 15.1.1** and **15.1.2**.

### 15.1.1

The Second Scheme must:

#### 15.1.1.1

be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

#### 15.1.1.2

be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided requirements of COLL 5.2.13AR are met); or

#### 15.1.1.3

be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR (1), (3), and (4) are met); or

#### 15.1.1.4

be authorised in an EEA State provided the requirements of COLL 5.2.13AR are met; or

#### 15.1.1.5

be authorised by the competent authority of an OECD member country (other than an EEA State) which has:

- a) signed the IOSCO Multilateral Memorandum of Understanding; and
- b) approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met).

### 15.1.2

The Second Scheme must have terms which prohibit it from having more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this **paragraph 15.1.2**, **paragraph 15.1.3** and **paragraph 15.1.4** apply to each Sub-Fund as if it were a separate scheme.

### 15.1.3

Investment may only be made in other collective investment schemes managed by the ACD or an Associate of the ACD if the Sub-Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in COLL 5 are complied with.

### 15.1.4

The Scheme Property attributable to a Sub-Fund may include Shares in another Sub-Fund of the Company (a **"Second Sub-Fund"**) subject to the requirements of **paragraph 15.1.5** below.

### 15.1.5

Sub-Funds in the Company may invest in a Second Sub-Fund provided that:

#### 15.1.5.1

the Second Sub-Fund does not hold Shares in any other Sub-Fund of the Company;

#### 15.1.5.2

the requirements set out at **paragraphs 15.1.3**, and **15.2** are complied with; and

#### 15.1.5.3

the investing or disposing Sub-Fund must not be a feeder UCITS to the Second Sub-Fund.

### 15.2

The Sub-Funds may, subject to the limit set out in **paragraph 15.1** above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-Funds or one of its Associates.

### 15.3

As a substantial proportion of the Company's assets are or may be invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the Company will be 3% excluding any performance fees.

### 15.4

Where a Sub-Fund of the Company invests in or disposes of Shares in a Second Sub-Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Sub-Fund by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

## 16. Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Sub-Fund, at the time when payment is required, without contravening the rules in COLL 5.

## 17. Derivatives: general

The ACD may employ derivatives for the purposes of Efficient Portfolio Management (**"EPM"**) in accordance with the Risk Management Policy (RMP). The RMP is available on request from the ACD.



Where a Sub-Fund employs derivatives for EPM or hedging purposes its global exposure will be calculated using the commitment approach on a daily basis.

The commitment approach measures the exposure generated by a derivative and must be based on an exact conversion of the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative.

The sum of the absolute value of all these equivalent positions, after allowing for netting and hedging, is then the leverage generated by a Sub-Fund's derivatives positions. This leverage level must comply with the RMP.

It is not intended that the use of derivatives and forward transactions for EPM purposes will cause the risk profile of a Sub-Fund to increase.

#### 17.1

A transaction in derivatives or a forward transaction must not be effected for a Sub-Fund unless the transaction is of a kind specified in **paragraph 19** (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by **paragraph 30** (Cover for investment in derivatives and forward transactions).

#### 17.2

Where a Sub-Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in COLL 5 in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.

#### 17.3

Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

#### 17.4

A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

##### 17.4.1

by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand alone derivative;

##### 17.4.2

its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

##### 17.4.3

it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

#### 17.5

A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

#### 17.6

Where a Sub-Fund invests in an index based derivative, provided the relevant index falls within **paragraph 20** (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R, provided that the ACD takes the requirement for a prudent spread of risk into account.

## 18. Efficient Portfolio Management

The ACD may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL 5.

There is no guarantee that a Sub-Fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.

In order to mitigate that risk of counterparty default, the counterparties to these transactions may be

required to provide collateral to suitably cover their obligations to the Sub-Fund. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Sub-Fund.

To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral a Sub-Fund may accept. A copy of this is available from the ACD on request.

Investors should note that EPM transactions may be effected in relation to a Sub-Fund in circumstances where the ACD has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Sub-Fund. Where a conflict cannot be avoided, the ACD will have regard to their responsibility to act in the best interests of the Sub-Fund and its Shareholders. The ACD will ensure that the Sub-Fund and its Shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Sub-Fund than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this Prospectus.

All revenues arising from EPM transactions will be returned to the Sub-Fund, net of direct and indirect operational costs and fees.

## 19. Permitted transactions (derivatives and forwards)

### 19.1

A transaction in a derivative must be in an approved derivative; or be one which complies with **paragraph 23** (OTC transactions in derivatives).

### 19.2

A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-Fund is dedicated:

#### 19.2.1

transferable securities;

#### 19.2.2

approved money-market instruments permitted under **paragraphs 7.1** above;

#### 19.2.3

deposits and permitted derivatives under this paragraph;

### 19.2.4

collective investment scheme units permitted under **paragraph 15** (Investment in collective investment schemes);

### 19.2.5

financial indices which satisfy the criteria set out in **paragraph 20** (Financial indices underlying derivatives);

### 19.2.6

interest rates;

### 19.2.7

foreign exchange rates; and

### 19.2.8

currencies.

### 19.3

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

### 19.4

A transaction in a derivative must not cause a Sub-Fund to diverge from its investment objectives as stated in the Instrument of Incorporation constituting a Sub-Fund and the most recently published version of this Prospectus.

### 19.5

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives provided that a sale is not to be considered as uncovered if the conditions in the COLL Sourcebook are satisfied.

### 19.6

Any forward transaction must be with an Eligible Institution or an Approved Bank.

### 19.7

A derivative includes an investment which fulfils the following criteria:

#### 19.7.1

it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

#### 19.7.2

it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;

### 19.7.3

in the case of an OTC derivative, it complies with the requirements in **paragraph 23**; and

### 19.7.4

its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

### 19.8

A Sub-Fund may not undertake transactions in derivatives on commodities.

## 20. Financial Indices underlying derivatives

### 20.1

The financial indices referred to in **paragraph 19.2** are those which satisfy the following criteria:

#### 20.1.1

the index is sufficiently diversified;

#### 20.1.2

the index represents an adequate benchmark for the market to which it refers; and

#### 20.1.3

the index is published in an appropriate manner.

### 20.2

A financial index is sufficiently diversified if:

#### 20.2.1

it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

#### 20.2.2

where it is composed of assets in which a Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

#### 20.2.3

where it is composed of assets in which a Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

### 20.3

A financial index represents an adequate benchmark for the market to which it refers if:

### 20.3.1

it measures the performance of a representative group of underlyings in a relevant and appropriate way;

### 20.3.2

it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

### 20.3.3

the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

### 20.4

A financial index is published in an appropriate manner if:

#### 20.4.1

its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

#### 20.4.2

material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

### 20.5

Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to **paragraph 19.2**, be regarded as a combination of those underlyings.

## 21. Transactions for the purchase of property

### 21.1

A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-Fund may be entered into only if that property can be held for the account of that Sub-Fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL.

## 22. Requirement to cover sales

### 22.1

No agreement by or on behalf of a Sub-Fund to dispose of property or rights may be made unless

the obligation to make the disposal and any other similar obligation could immediately be honoured by that Sub-Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-Fund at the time of the agreement. This requirement does not apply to a deposit.

## 23. OTC transactions in derivatives

### 23.1

A transaction is an OTC derivative under COLL 5.2.20R (1)(b) must be:

#### 23.1.1

with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

##### 23.1.1.1

an Eligible Institution or an Approved Bank;

##### 23.1.1.2

a person whose permission (including any requirements or limitations), as published in the Financial Services Register permits it to enter into the transaction as principal off exchange;

##### 23.1.1.3

a CCP that is authorised in that capacity for the purposes of EMIR;

##### 23.1.1.4

a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or

##### 23.1.1.5

to the extent not already covered above, a CCP supervised in a jurisdictions that:

- a) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and
- b) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;

### 23.1.2

on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and

### 23.1.3

capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

#### 23.1.3.1

on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

#### 23.1.3.2

if the value referred to in **paragraph 23.1.3.1** is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

### 23.1.4

subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

### 23.1.5

an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

### 23.1.6

a department within the ACD which is independent from the department in charge of managing a Sub-Fund and which is adequately equipped for such a purpose.

## 23.2

For the purposes of **paragraph 23.1.2, “fair value”** is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 24. Valuation of OTC derivatives

### 24.1

For the purposes of **paragraph 23.1.2** the ACD must:

#### 24.1.1

Establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-Fund to OTC derivatives; and

#### 24.1.2

ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

## 24.2

Where the arrangements and procedures referred to in **paragraph 24.1** above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

## 24.3

The arrangements and procedures referred to in **paragraph 24.1** must be:

### 24.3.1

adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

### 24.3.2

adequately documented.

## 25. Risk Management

### 25.1

The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the Sub-Fund. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

25.1.1 a true and fair view of the types of derivatives and forward transactions to be used within the Sub-Fund together with their underlying risks and any relevant quantitative limits; and

25.1.2 the methods for estimating risks in derivative and forward transactions.

### 25.2

The ACD must notify the FCA in advance of any material alteration to the details above.

## 26. Investment in Deposits

A Sub-Fund may invest in deposits only with an Approved Bank which are repayable on demand or have the right to be withdrawn, and which mature in no more than 12 months.

## 27. Significant influence

### 27.1

The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all

matters) at a general meeting of that body corporate if:

### 27.1.1

immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to influence significantly the conduct of business of that body corporate; or

### 27.1.2

the acquisition gives the Company that power.

### 27.2

For the purposes of **paragraph 27.1**, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 28. Concentration

A Sub-Fund must not acquire:

### 28.1

more than 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them;

### 28.2

more than 10% of the debt securities issued by any single issuing body;

### 28.3

units representing more than 25% in value of the scheme property in:

- a) a collective investment scheme that is not an umbrella or sub-fund; or
- b) a sub-fund of an umbrella;

### 28.4

more than 10% of the approved money-market instruments issued by any single body; and

### 28.5

need not comply with the limits in **paragraphs 28.2, 28.3 and 28.4** if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

### 28.6

A Sub-Fund need not comply with the limits in 28.3 where both the Sub-Fund and the collective investment scheme in which units are acquired (the

“second scheme”) are authorised funds for which the ACD is the authorised fund manager, and the ACD:

- a) performs portfolio management and risk management for both the investing Sub-Fund and the second scheme without delegation of those functions;
- b) delegates portfolio management and/or risk management for both the Sub-Fund and the second scheme to the same person; or
- c) delegates portfolio management and/or risk management for either the investing Sub-Fund or the second scheme to another person but performs portfolio management and/or risk management in relation to the other scheme without delegation of those functions.

## 29. Derivative exposure

### 29.1

The Sub-Funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-Fund is committed by that transaction itself is suitably covered from within its Scheme Property.

Exposure will include any initial outlay in respect of that transaction.

### 29.2

Cover ensures that a Sub-Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-Fund is committed. **Paragraph 30** (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-Fund.

### 29.3

A future is to be regarded as an obligation to which a Sub-Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Sub-Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

### 29.4

Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

## 30. Cover for investment in derivatives and forward transactions

A Sub-Fund may invest in derivatives and forward transactions as part of its investment policy provided:

### 30.1

its global exposure relating to derivatives and forward transactions held in the Sub-Fund does not exceed the net value of the Scheme Property; and

### 30.2

its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in **paragraph 15.1.4** above.

## 31. Cover and Borrowing

### 31.1

Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under **paragraph 30** (Cover for investment in derivatives and forward transactions) except where **paragraph 31.2** below applies.

### 31.2

Where, for the purposes of this paragraph a Sub-Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in **paragraph 31.1** on deposit with the lender (or their agent or nominee), then this **paragraph 31.2** applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

## 32. Schemes replicating an index

### 32.1

Notwithstanding COLL 5.2.11R (spread: general) a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

### 32.2

Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.



### 32.3

The 20% limit in **paragraph 32.1** can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

### 32.4

In the case of a Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

### 32.5

The indices referred to above are those which satisfy the following criteria:

- a) The composition is sufficiently diversified;
- b) The index represents an adequate benchmark for the market to which it refers; and
- c) The index is published in an appropriate manner.

### 32.6

The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

### 32.7

An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

### 32.8

An index is published in an appropriate manner if:

#### 32.8.1

it is accessible to the public;

#### 32.8.2

the index provider is independent from the index-replicating fund; this does not preclude index providers and the fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

## 33. Calculation of global exposure

### 33.1

The ACD must calculate the global exposure of a Sub-Fund on at least a daily basis.

### 33.2

The ACD must calculate the global exposure of any Sub-Fund it manages either as:

#### 33.2.1

the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in **paragraph 17** (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or

#### 33.2.2

the market risk of the Scheme Property.

### 33.3

For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

### 33.4

The ACD must calculate the global exposure of a Sub-Fund by using:

#### 33.4.1

commitment approach; or

#### 33.4.2

the value at risk approach.

### 33.5

The ACD must ensure that the method selected above is appropriate, taking into account:

#### 33.5.1

the investment strategy pursued by the Sub-Fund;

#### 33.5.2

types and complexities of the derivatives and forward transactions used; and

#### 33.5.3

the proportion of the Scheme Property comprising derivatives and forward transactions.

## 34. Cash and near cash

### 34.1

Cash and near cash must not be retained in the Scheme Property of the Sub-Funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:

#### 34.1.1

the pursuit of a Sub-Fund's investment objectives; or

#### 34.1.2

redemption of Shares; or

#### 34.1.3

efficient management of a Sub-Fund in accordance with its investment objectives; or

#### 34.1.4

other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.

#### 34.2

During any initial offer period the Scheme Property of the Sub-Funds may consist of cash and near cash without limitation.

### 35. General

#### 35.1

It is envisaged that a Sub-Fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Shares, efficient management of a Sub-Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.

#### 35.2

Where a Sub-Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to a Sub-Fund by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

#### 35.3

A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

#### 35.4

COLL 5 permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over the counter ("OTC") derivatives; for example a Sub-Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. COLL 5 also permits a Sub-Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-Fund) under certain conditions.

### 36. Underwriting

#### 36.1

Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in COLL 5, be entered into for the account of a Sub-Fund.

### 37. General power to borrow

#### 37.1

A Sub-Fund may, subject to COLL 5, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-Fund on terms that the borrowing is to be repayable out of the Scheme Property.

#### 37.2

Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

#### 37.3

The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-Fund.

#### 37.4

These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

### 38. Restrictions on lending of money

#### 38.1

None of the money in the Scheme Property of a Sub-Fund may be lent and, for the purposes of this paragraph, money is lent by a Sub-Fund if it is paid to a person ("**the payee**") on the basis that it should be repaid, whether or not by the payee.

#### 38.2

Acquiring a debenture is not lending for the purposes of **paragraph 38.1**, nor is the placing of money on deposit or in a current account.

#### 38.3

Nothing in **paragraph 38.1** prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by them for the purposes of the Company (or for the purposes of enabling them properly to perform their duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

## 39. Restrictions on lending of property other than money

### 39.1

Scheme Property of the Sub-Funds other than money must not be lent by way of deposit or otherwise.

### 39.2

The Scheme Property of the Sub-Funds must not be mortgaged.

### 39.3

Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with COLL 5, nothing in this paragraph prevents the Sub-Fund or the Depositary at the request of the Sub-Fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

## 40. General power to accept or underwrite placings

### 40.1

Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies to any agreement or understanding: which is an underwriting or sub underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-Fund.

### 40.2

This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

### 40.3

The exposure of a Sub-Fund to agreements and understandings as set out above, on any Business

Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

## 41. Guarantees and indemnities

### 41.1

The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

### 41.2

None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

### 41.3

**Paragraphs 41.1 and 41.2** do not apply to in respect of the Company:

#### 41.3.1

any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and

#### 41.3.2

an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;

#### 41.3.3

an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

#### 41.3.4

an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of shares in that scheme become the first Shareholders in the Company.

## Appendix 5

### List of Other Authorised Collective Investment Schemes Operated by the ACD

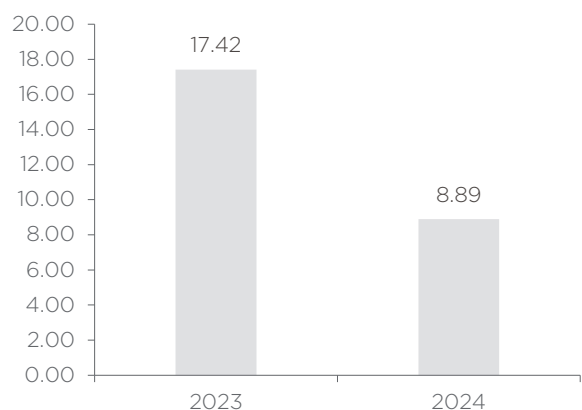
The ACD acts as authorised corporate director of the CCLA Public Sector Investment Fund and as investment manager of the CCLA Charity Authorised Investment Fund.

## Appendix 6

### Past Performance and Investor Profiles

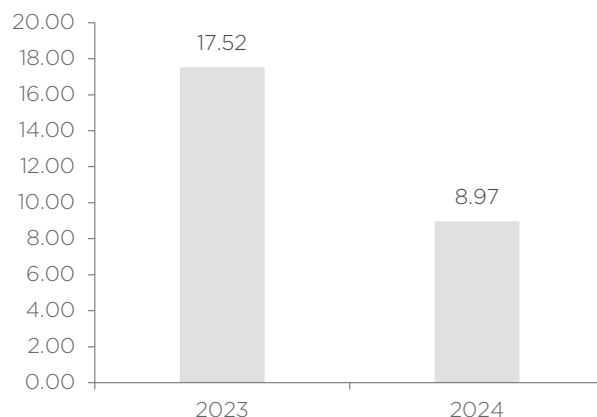
The CCLA Better World Global Equity Fund launched on 8 April 2022. The past performance below is shown net of all charges and expenses.

#### Share Class C



CCLA Better World Global Equity Fund - Class C

#### Share Class I



CCLA Better World Global Equity Fund - Class I

The CCLA Cautious Multi-Asset Fund launched on 16 February 2024. No past performance figures are available as yet.

**Note: Past performance is not a reliable indicator of future results. Please see Appendix 1 for the Sub-Funds' objectives and below for an explanation of investor profile.**

#### Investor profiles

##### CCLA Cautious Multi-Asset Fund

This Sub-Fund is suitable for all investors, with basic investment knowledge who want to invest:

- in an actively managed fund pursuing the objective and investment policy of the Sub-Fund as described;
- in a mixture of asset classes, including shares in companies (equities), bonds, cash and indirectly to property and alternative assets (such as infrastructure);
- in a fund that is managed in line with the sustainability approach as described;
- for at least 5 years and understand that any income distributed and the value of the Sub-Fund can go down as well as up and that they may get back less than they invest.

##### CCLA Better World Global Equity Fund

This Sub-Fund is suitable for all investors, with basic investment knowledge who want to invest:

- in an actively managed fund pursuing the objective and investment policy of the Sub-Fund as described;
- mainly in a portfolio of shares in companies (equities) from around the world;
- in a fund that is managed in line with CCLA's approach to investing for a better world (CCLA's Better World Policy);
- for at least 5 years and understand that any income distributed and the value of the Sub-Fund can go down as well as up and that they may get back less than they invest.

## Appendix 7

### List of sub custodians

| The Depositary may delegate the custody of assets to the following: |  |
|---|--|
| Country   | Sub-custodian/Agent  |
| <b>Argentina</b>  | Citibank Argentina   |
| <b>Australia</b>  | HSBC Bank Australia Ltd  |
| <b>Austria</b>  | HSBC Continental Europe S.A., Germany                          |
| <b>Bahrain</b>  | HSBC Bank Middle East Ltd (Bahrain)                            |
| <b>Bangladesh</b>   | The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh) |
| <b>Belgium</b>  | BNP Paribas, Belgium S.A.                                      |
| <b>Belgium</b>  | Euroclear Bank S.A./N.V.                                       |
| <b>Benin</b>  | Societe Generale Côte d'Ivoire                                 |
| <b>Botswana</b>   | Standard Chartered Bank (Botswana) Ltd                         |
| <b>Brazil</b>   | BNP Paribas Brasil S.A   |
| <b>Bulgaria</b>   | UniCredit Bulbank AD   |
| <b>Burkina Faso</b>   | Societe Generale Côte d'Ivoire                                 |
| <b>Canada</b>   | Royal Bank of Canada   |
| <b>Chile</b>  | Banco Santander Chile  |
| <b>China</b>  | HSBC Bank (China) Co Ltd                                       |
| <b>Colombia</b>   | Santander CACEIS Services Colombia S.A. Sociedad Fiduciara     |
| <b>Costa Rica</b>   | Banco Nacional De Costa Rica                                   |
| <b>Croatia</b>  | Privredna Banka, Zagreb d.d                                    |
| <b>Cyprus</b>   | BNP Paribas S.A. Athens Branch                                 |
| <b>Czech Republic</b>   | Ceskoslovenska Obchodni Banka, AS                              |
| <b>Denmark</b>  | Skandinaviska Enskilda Banken AB, (publ), Copenhagen Branch    |
| <b>Egypt</b>  | HSBC Bank Egypt SAE  |
| <b>Estonia</b>  | AS SEB Pank  |
| <b>Finland</b>  | Skandinaviska Enskilda Banken AB, (publ), Helsinki Branch      |
| <b>France</b>   | CACEIS Bank France   |
| <b>Germany</b>  | HSBC Continental Europe S.A., Germany                          |
| <b>Ghana</b>  | Stanbic Bank Ghana Ltd   |
| <b>Greece</b>   | HSBC Continental Europe, Greece                                |
| <b>Hong Kong</b>  | The Hongkong and Shanghai Banking Corporation Ltd, Hong Kong   |
| <b>Hungary</b>  | Unicredit Bank Hungary Zrt                                     |
| <b>Iceland</b>  | Landsbankinn h.f.  |
| <b>India</b>  | The Hongkong and Shanghai Banking Corporation Ltd, India       |
| <b>Indonesia</b>  | PT Bank HSBC, Indonesia  |
| <b>Ireland</b>  | HSBC Bank Plc, UK  |
| <b>Israel</b>   | Bank Leumi Le-Israel BM  |
| <b>Italy</b>  | BNP Paribas S.A.   |
| <b>Ivory Coast</b>  | Societe Generale Côte d'Ivoire                                 |
| <b>Japan</b>  | The Hongkong and Shanghai Banking Corporation Ltd, Japan       |
| <b>Jordan</b>   | Bank of Jordan   |
| <b>Kenya</b>  | Stanbic Bank Kenya Ltd   |
| <b>Kuwait</b>   | HSBC Bank Middle East Ltd, Kuwait Branch                       |
| <b>Latvia</b>   | AS SEB Banka   |
| <b>Lithuania</b>  | AB SEB Bankas  |
| <b>Luxembourg</b>   | Clearstream Banking SA   |
| <b>Malaysia</b>   | HSBC Bank Malaysia Berhad                                      |
| <b>Mali</b>   | Societe Generale Côte d'Ivoire                                 |
| <b>Mauritius</b>  | The Hongkong and Shanghai Banking Corporation Ltd, Mauritius   |
| <b>Mexico</b>   | Banco S3 Caceis Mexico, S.A., Institución de Banca Múltiple    |
| <b>Morocco</b>  | Citibank Maghreb S.A.  |
| <b>Netherlands</b>  | BNP Paribas S.A.   |
| <b>New Zealand</b>  | The Hongkong and Shanghai Banking Corporation Ltd, New Zealand |
| <b>Niger</b>  | Societe Generale Côte d'Ivoire                                 |
| <b>Nigeria</b>  | Stanbic IBTC Bank  |



|                             |  |
|-----------------------------|--|
| <b>Norway</b>               | Skandinaviska Enskilda Banken AB, (publ), Oslofilialen         |
| <b>Oman</b>                 | HSBC Bank Middle East Limited, Oman Branch                     |
| <b>Pakistan</b>             | Citibank NA  |
| <b>Palestine</b>            | Bank of Jordan Plc Palestine Branch                            |
| <b>Peru</b>                 | Citibank del Peru  |
| <b>Philippines</b>          | The Hongkong and Shanghai Banking Corporation Ltd, Philippines |
| <b>Poland</b>               | Bank Polska Kasa Opieki S.A.                                   |
| <b>Portugal</b>             | BNP Paribas S.A.   |
| <b>Qatar</b>                | HSBC Bank Middle East Ltd, Qatar Branch                        |
| <b>Romania</b>              | Citibank Europe plc, Romania branch                            |
| <b>Saudi Arabia</b>         | HSBC Saudi Arabia Ltd  |
| <b>Senegal</b>              | Societe Generale Côte d'Ivoire                                 |
| <b>Serbia</b>               | UniCredit Bank Srbija A.D.                                     |
| <b>Singapore</b>            | The Hongkong and Shanghai Banking Corporation Ltd, Singapore   |
| <b>Slovak Republic</b>      | Ceskoslovenska Obchodna Banka AS                               |
| <b>Slovenia</b>             | Unicredit Banka Slovenija DD                                   |
| <b>South Africa</b>         | Standard Bank of South Africa                                  |
| <b>South Korea</b>          | The Hongkong and Shanghai Banking Corporation Ltd, Korea       |
| <b>Spain</b>                | BNP Paribas S.A.   |
| <b>Sri Lanka</b>            | The Hongkong and Shanghai Banking Corporation Ltd, Sri Lanka   |
| <b>Sweden</b>               | Skandinaviska Enskilda Banken AB, (publ)                       |
| <b>Switzerland</b>          | Credit Suisse, Switzerland Limited                             |
| <b>Taiwan</b>               | HSBC Bank (Taiwan) Ltd   |
| <b>Tanzania</b>             | Standard Chartered Bank (Mauritius) Ltd, Tanzania              |
| <b>Thailand</b>             | The Hongkong and Shanghai Banking Corporation Ltd, Thailand    |
| <b>Togo</b>                 | Societe Generale Côte d'Ivoire                                 |
| <b>Tunisia</b>              | Union Internationale de Banques Tunisia                        |
| <b>Turkey</b>               | Türk Ekonomi Bankası A.Ş.                                      |
| <b>Uganda</b>               | Stanbic Bank (Uganda) Ltd                                      |
| <b>United Arab Emirates</b> | HSBC Bank Middle East Ltd, UAE                                 |
| <b>United Kingdom</b>       | HSBC Bank Plc  |
| <b>United States</b>        | HSBC Bank USA, N.A.  |
| <b>Vietnam</b>              | HSBC Bank (Vietnam) Ltd  |
| <b>Zambia</b>               | Stanbic Bank Zambia Ltd – Lusaka                               |
| <b>Zimbabwe</b>             | Standard Bank of South Africa Limited                          |

## Appendix 8

### Directory

**The Company Head Office:**

CCLA Investment Funds ICVC  
One Angel Lane  
London EC4R 3AB

**Authorised Corporate Director:**

CCLA Investment Management Limited  
One Angel Lane  
London EC4R 3AB

**Depository:**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**Administrator and Fund Accountant:**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**Registrar and Transfer Agent:**

FNZ TA Services Limited  
7<sup>th</sup> Floor, 2 Redman Place  
London EC20 1JQ

**Auditors:**

Deloitte LLP  
110 Queen Street  
Glasgow G1 3BX



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CCLA Investment Management Limited  
(registered in England and Wales No.2183088)  
is authorised and regulated by the Financial  
Conduct Authority.

**CCLA**

BECAUSE GOOD IS BETTER