COIF Charities Property Fund

Scheme Particulars

CCLA
GOOD INVESTMENT

Scheme Particulars
COIF Charities Property Fund

Effective from 22 December 2022

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

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Property Fund (the "**Fund**"), established and regulated by a Scheme dated 12 July 2002 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011, as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014 and 29 July 2014 and by an order dated 9 October 2014 and an order dated 19 October 2016 (the "**Scheme**"), and adopted by the Manager on 22 July 2014 has been filed with the Charity Commission. The Fund is registered with the Charity Commission under Charity Registration Number 1093084.

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

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

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

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1. Definitions

1.1 Definitions

Administrator means CCLA Investment Management Limited, or such successor entity appointed as administrator by the Manager from time to time.

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

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

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

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

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

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

Bid price(s) means the price at which Units may be sold by investors.

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

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

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

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

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

Collective Investment Scheme(s) means a collective investment scheme as defined by section 235(1) of the Financial Services and Markets Act 2000.

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

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

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

Dealing Day(s) means the day on which the Manager issues and/or redeems Units as set out in these Scheme Particulars.

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

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

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

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

External Property Valuer means such independent valuer or valuers as the Manager shall select from time to time.

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

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

Fund means the COIF Charities Property Fund.

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

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

Income Unit(s) means those Units which pay distributions to Unitholders.

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

Investment Manager means CCLA Investment Management Limited.

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

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

Manager means CCLA Fund Managers Limited or such successor body corporate appointed as manager pursuant to the Scheme.

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

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

Offer price(s) means the price at which Units may be bought by investors.

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

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

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

Scheme means the Scheme sealed by the Charity Commission on 12 July 2002 as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014 and 29 July 2014 and by an order dated 9 October 2014 and an order dated 19 October 2016.

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

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

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

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

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

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

Unit(s) means Income Units in the Fund.

Valuation Point means the valuation point as at 11.59pm on the Business Day prior to each Dealing Day.

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

2. The Structure of the Fund

2.1 Common Investment Fund

The Fund is a Common Investment Fund established and regulated by the Scheme dated 12 July 2002 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014 and 29 July 2014 and by an order dated 9 October 2014 and an order dated 19 October 2016 (as amended from time to time).

The Fund is managed by the Manager as an unregulated Collective Investment Scheme and as a UK AIF in accordance with the FCA Regulations and the AIFMD Legislation.

2.2 The Board

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

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

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

The Board is made up of individuals who together have wide experience of finance, investments, charities and the law. A non-executive director of the Investment Manager (or an associate) is entitled to be a member of the Board. No Board member is required to be approved by the FCA, in relation to their capacity as a member of the Board, because no Board member offers investment advice or conducts investment business in relation to the Fund.

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

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

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

2.3 The Trustee and Depositary

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

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

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

The depositary's duties include the following: -

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

- Ensuring that the Fund's income is applied in accordance with applicable law and the Scheme.

The appointment of the depositary under the Depositary Services Agreement may be terminated without cause by not less than 90 days' written notice provided that the Depositary Services Agreement does not terminate until a replacement depositary has been appointed.

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

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

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

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

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

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

2.4 The Manager

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

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

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

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

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

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

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

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

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

The Manager may not have a lien over, or security interest in, the Scheme Property, act as principal in any transaction with the Fund, or undertake stock lending on behalf of the Fund. The Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objective of the Fund will be successfully accomplished.

2.5 The Investment Manager

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

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

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

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

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

2.6 The Registrar

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

2.7 The Administrator

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

The Administrator provides the Manager with all administrative services necessary for the management of the Fund. These include:

- the valuation of the Scheme Property in conjunction with an appointed independent External Property Valuer;
- the issue and redemption of Units; and
- the payment of distributions and the maintenance of the accounts of the Fund.

2.8 The Auditor

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

2.9 Unitholders' Rights Against Service Providers

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

3. Investment Objective and Policy of the Fund

3.1 Investment Objective

The Fund aims to provide a high level of income and long-term capital appreciation.

3.2 Investment Policy

The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets, which may be either liquid or illiquid in nature.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

3.3 Responsible Property Investment

The Fund is managed in line with the Investment Manager's responsible property investment policy. This integrates material environmental, social and governance issues into the investment process including pre-purchase due diligence and the ongoing management of properties in the Fund. Copies of the policy are available on request.

The Investment Manager is a signatory to the United Nations backed Principles for Responsible Investment (PRI). The annual PRI assessment is available on the Investment Manager's website.

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

3.4 Comparator Benchmark

The comparator benchmark for the Fund is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

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

3.5 Changes to the Investment Objective and Policy

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

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

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

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

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

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

4. Participation in the Fund

4.1 Target Investors

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

The Fund has direct holdings in direct property, which is inherently illiquid, and investors should take particular note of the risk sections of this document, and the actions the Manager may have to take in stressed market conditions, such as suspending or delaying Fund dealings. The Fund also has a minimum redemption notice period of 90 days. The Fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments.

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

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

4.2 Eligible Contributors to the Fund

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

Any Charity (or a nominee company acting on its behalf) applying to participate must give a declaration of eligibility of the Charity to invest in the Fund. Where a Unitholder (potential or otherwise) is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and disinvest. The Manager reserves the right to decline any application without giving any reason and to sell Units on behalf of a Unitholder if it reasonably believes that the Unitholder is no longer eligible to invest in the Fund.

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

Where a Unitholder:

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

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

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

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

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

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

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

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

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

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

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

4.4 Income Units

Eligible Contributors to the Fund may purchase Income Units. Income Units provide regular income distributions and each Unit represents one undivided share in the Scheme Property. Holders of Income Units receive income distributions quarterly. Unitholders may elect to purchase additional Income Units by reinvesting income. Additional Income Units can be purchased at the Offer price.

4.5 Registration of Units

The Register is maintained on behalf of the Trustee by the Registrar. Holdings are usually registered in the name of Unitholders (or where applicable, holdings may be registered in the name of a nominee company acting on behalf of a Unitholder). Holdings cannot be registered in the names of the individual trustees. No certificates are issued and the Register is the definitive evidence of title. The Units have no par value and entitle the holder to a proportionate interest in the Fund. Units cannot be assigned or transferred except from one Charity to another. The number of Units held will be certified on written request for audit or other purposes.

The Register may be inspected by or on behalf of Unitholders during normal business hours at the office of the Registrar. Entry in the Register is conclusive evidence of title to the Units. The Register contains the name of each Unitholder, the number of Units held and the name and address of the correspondent for each account. In addition, the Register may contain the following particulars:

- details of the nominee company acting on behalf of a Unitholder;
- client designation;
- bank account details for the remittance of distributions and withdrawals; and
- authorised signatory(ies) and the number of signatures required.

No notice of any trust, express, implied or constructive, shall be entered in the Register in respect of any Unit, and the Manager and the Trustee shall not be bound by any such notice.

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

4.6 Anti-Money Laundering Requirements

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

4.7 Fair Treatment of Unitholders

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

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

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

4.8 Meetings of Unitholders

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

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

A meeting of Unitholders has no other powers.

4.9 Changes to Authorised Signatories and Correspondents

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

4.10 Short-term or Excessive Trading and Market Timing

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

5. Risks

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

5.1 General Investment Risks

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

5.2 Direct Property Risks

Investors should note that as the Fund is structured as an unregulated fund the FCA rules concerning 'funds investing in inherently illiquid assets ("**FIIA**") do not apply. Inherently illiquid assets are defined in the FCA Regulations and include (but are not limited to): immovables, an investment in an infrastructure project, certain transferable securities and shares in another FIIA. In the event the Fund was to become regulated, it would be classified as a FIIA because more than 50% of its assets are invested in illiquid assets in the form of UK commercial property.

Pricing and Liquidity
There is a risk that the price at which an asset in the Fund is valued may not be realisable in the event of a sale. This could be due to a lack of liquidity in the market. It may also be due to a mis-estimation of the asset's value. Where this occurs, the Investment Manager may decide to postpone selling investments as to do so may have a material adverse impact on the value of the Units.

Valuation
Property and property related assets are inherently difficult to value because of the individual nature of each property. For example, a property's value may be affected by (amongst other things): (i) its location (noting that the desirability of an area may change over time), (ii) the characteristics of the building (wear and tear and advances in technology or tenant's requirements may render a building unattractive over time), and (iii) the length of a lease and creditworthiness of a tenant. As a result, valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after a Valuation Point.

Property Market
The value of property could adversely be affected by a downturn in the property market in terms of capital value or a weakening of rental yields. The income received (and therefore the income received by the Fund) is dependent to a large extent upon the occupancy levels of any property and the rents paid by the tenants.

Rental revenues and property values are affected by changes in the general economic climate and local conditions. Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant creditworthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

Investors into the Fund should appreciate that these factors affecting the property market generally can have a direct impact on the value of the Scheme Property and the income derived thereof.

Planning laws
The value of properties can also be negatively impacted by changes in planning laws.

Counterparty risk
Additional risks may arise in the event that there is a failure by a counterparty to perform its obligations under a contract or other agreement (including failure arising from the insolvency of a tenant of a property).

Liability risk
Property ownership assumes associated risks including, without limitation, environmental and third-party liability risk the value of which may exceed the value of the property itself.

Environment risk

Environmental risk issues inherent in the ownership and management of property assets include issues that may manifest as liabilities, for example contaminated land, flood risk, presence of hazardous substances etc.

5.3 Risk Associated with Investment in Other Collective Investment Schemes

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

5.4 Political Risk

The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies and in legal, regulatory and tax requirements. The Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets.

5.5 Diversification Risk

The Fund is invested in direct property and assumes the property related risks outlined under 'Direct Property Risks'. The Fund invests in UK properties only and as such is not as diversified as if it were invested across several asset classes and/or several geographical locations. Any change in legal, tax or regulatory requirements affecting the Fund, or its investments, may be amplified by this lack of diversification.

5.6 Counterparty Risk

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

5.7 Credit Risk

Where the Fund holds bonds or other debt instruments the value of the Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. AAA rated government and corporate bonds have a relatively low risk of default compared to non-investment grade bonds. However, the ratings are subject to change and they may be downgraded. The lower the rating the higher the risk of default.

5.8 Settlement Risk

Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. The Fund bears the risk of settlement default due to exposure to the risk of default of certain counterparties. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

5.9 Concentration Risk

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

5.10 Interest Rate Risk

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

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

5.11 Operational Risk

The Fund, the Manager, the Trustee and other Service Providers, their delegates, and counterparties are exposed to operational risk, which is the risk of financial and non-financial impact resulting from inadequate or failed internal processes, personnel and systems errors, third party service provider errors or external events, and is present in all of its businesses. The Manager, Trustee and Service Providers seek to reduce these operational risks through controls and procedures and by implementing an operational risk framework in order to identify, assess, manage and report on the operational risks and associated controls including IT, data and outsourcing arrangements. However, operational risks are inherent in all activities and processes and exposure to such risk could disrupt the Manager's, Trustee and Service Providers' systems and operations significantly, which may result in financial loss, regulatory censure and/or reputational damage.

5.12 Cyber Event Risk

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

5.13 Liquidity Risk

The liquidity of an investment is generally considered to be a measure of how quickly it can be converted into cash without impacting its value while the liquidity of a fund is considered to be the ability to fulfil redemption requests without a price discount to the assets that are sold to meet that request.

Direct property is an illiquid investment relative to other asset classes (such as equities or bonds). Assets that comprise real property take time to sell, and when market conditions are uncertain, it can be even more difficult to find a buyer than in normal market conditions which can impact on a property's price.

Liquidity risks may crystallise due to a number of events which may have a direct impact on the valuation of the Scheme Property and the redemption of Units. For example, liquidity risks may crystallise when investors wish to redeem their Units before they fall in price during times of market stress or uncertainty. Liquidity risks may also crystallise in circumstances where a Unitholder with significant holdings in the Fund seeks to redeem all or a substantial portion of its holdings with the effect that a number of assets in the Fund need to be sold to meet the redemption request, which may take some time to sell.

The Units are intended only for long-term investment and are not suitable for money to be spent in the near future. Investments are realisable on each bi-monthly Dealing Day but redemptions are subject to a minimum 90 day period of notice, which may be increased to up to six months in accordance with the provisions of these Scheme Particulars.

5.14 Borrowing Risk

The Fund is permitted to borrow up to 25% of the value of the Fund in order to purchase direct properties. A failure by the Fund to perform its obligations under the terms of any such loan would permit the lenders to demand early repayment of the finance and to realise any security they have over the Scheme Property. Borrowing also increases risk by magnifying capital and income performance, gains and losses. The Fund may also be affected either directly or indirectly by changes in interest rates to the extent that this affects any borrowings, or, the property market generally.

The Fund's Units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Units are realisable on each bi-monthly Dealing Day only, giving requisite notice.

5.15 Notice Period

Redemptions are subject to a minimum notice period of 90 days which can be increased to up to six months if so determined by the Manager). Unitholders should be aware that they may not be able to redeem their Units as quickly as they would like to, and that this may have an impact on the price they receive on redemption and may consequently impact the Unitholder's own liquidity.

5.16 Suspension and Deferral Risk

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

The Manager is able to defer redemptions of Units (in whole or part) where the Manager considers that there is insufficient liquidity in the Fund to meet instructions to sell Units, for such period of time as the Manager considers appropriate. Unitholders should note that where deferral is applied, they may not be able to redeem their Units as quickly as they would like to, and that this may have an impact on the price they receive on redemption and may impact the Unitholder's own liquidity.

5.17 Inflation Risk

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

5.18 Other Risks including Terrorism and Pandemic Risk

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

5.19 Tax Risk

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

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

5.20 Insurance of Immovable Property

All immovable property forming part of the Scheme Property will be insured against the risk of physical loss or damage and other perils considered appropriate by the Manager. However, there is no guarantee that any or all claims on the insurance will be payable in any given circumstance. Where insurance policies do not meet any liability, in whole or in part, any outstanding liability will be met out of the Scheme Property.

5.21 Risk Factors Not Exhaustive

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

5.22 Risk Management Process and Liquidity Management

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

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

The liquidity management systems and procedures allow the Manager to apply various tools and arrangements necessary to ensure that the Fund is sufficiently liquid to respond appropriately to redemption requests. Such tools include (but are not limited to): i) fair value adjustment, which could be applied to the properties held in the Fund in exceptional market conditions to reflect fair and reasonable prices and enable quicker sales of properties in times of increased redemption requests, ii) changing the price investors pay to buy or sell Units to reflect increased costs incurred by the Fund, for example, because of large dealing volumes, iii) deferring requests from Unitholders to sell Units to a later Dealing Day and iiii) increasing the cash held by the Fund to enhance liquidity in accordance with the Investment Policy.

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

6. Investment Powers, Controls and Restrictions

6.1 Investment and Borrowing Powers

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

The Fund's powers permit investment in:

- direct property assets in the United Kingdom, freehold and leasehold;
- the financing of the redevelopment of, or improvements to, direct property, freehold and leasehold, or the purchase of a right or interest in, or over, freehold and leasehold land;
- the shares and loan stock of property companies and joint ventures investing in direct property assets;
- property Collective Investment Schemes (including specialist property unit trusts, investment trusts and limited partnerships); and
- the COIF Charities Deposit Fund, sterling accounts with authorised banks in the United Kingdom, sterling negotiable certificates of deposit and other similar short-term money market instruments.

The Fund will maintain a suitable spread between different types of direct property and geographical location. Consideration will be given to the property's specific location, standard of construction, quality of the tenant's covenant and the occupational lease terms preferably embodying upwards only rent reviews at intervals of not more than five years.

The Fund will not invest more than 15% of its total assets at the time of investment in any single direct property. The Fund will not invest more than 15% of its total assets at the time of investment in financing or acquiring property redevelopments at any one time. The Fund will not invest more than 5% of its total assets at the time of investment in any single property Collective Investment Scheme or any individual security of a property company or joint venture, up to a total of 15% in property Collective Investment Schemes, property companies or joint ventures as a whole.

Borrowing

1. The Fund may borrow up to 10% of the Net Asset Value of the Scheme Property temporarily for the purpose of meeting any payment properly to be made out of the Fund (other than for the purpose specified in (2) below).
2. The Fund may borrow with the prior written consent of the Board:
   a) in the course of reinvestment of any Scheme Property comprised in the Fund;
   b) for the purpose of the management or improvement of any property comprised in the Fund;
   c) for the purpose of investment in direct property assets; and
   d) for the purpose of discharging any liability properly payable out of the Fund.

Provided that the aggregate borrowing under paragraphs (1) and (2) above does not exceed 25% of the value of the Scheme Property on any Business Day.

With the prior written approval of the Charity Commission the Fund may borrow for any of the purposes set out in paragraphs (1) or (2) above notwithstanding the limits set out therein.

For further information on the Fund's borrowings please see the Leverage section below. Cash awaiting investment may be deposited with a bank or in a Common Deposit Fund.

6.2 Breach of Investment Limits

A breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund if the consent of the Trustee is obtained but, in the event of a breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits within a reasonable period of time.

6.3 Investment in In-House Collective Investment Schemes

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

6.4 Leverage

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

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

Leverage may be used to facilitate the purchase of Scheme Property, but the Fund does not intend to use its borrowing powers to meet redemption requests.

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

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

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

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

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

The Investment Manager does not actively use financial derivatives when managing the Fund.

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

The maximum levels of Leverage are as follows;

Gross Method: 125%

Commitment Method: 125%

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

7. Pricing of Units and Valuation of the Fund

7.1 Valuation Point

The Manager values the Scheme Property as at the Valuation Point for the purpose of determining the prices at which Units may be issued or redeemed. In addition, for valuation and reporting purposes, the Fund is also valued on the last day of each calendar month. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Valuation Points.

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

7.2 Valuation of the Fund

The valuation is carried out at mid-market prices at the Valuation Point. The valuation of the Scheme Property is determined as follows;

- units in a Collective Investment Scheme – if the scheme is single priced then that price will be used. If the scheme is dual priced the mid-market price will be used;
- direct property – an External Property Valuer is responsible for providing property values for the Fund. All properties are valued at every month end at open market value in accordance with the Red Book of the Royal Institute of Chartered Surveyors (RICS). Additions to the portfolio are valued externally after acquisition;
- exchange traded securities – at mid-market prices at the Valuation Point.
- other assets – all other assets at a value which, in the opinion of the Manager, represents a fair and reasonable value based on independent inputs.

The Unit price includes the value of the income of the Fund which has not been declared as a distribution on the Dealing Day.

The amount of income to be included is the amount of income received by the Fund up to and including the day before the Dealing Day, together with the amount of income accrued and including any UK tax credits to which the Fund is entitled. All expenses paid or accrued on the same basis as the income will be deducted from the income.

Further details of the Manager's Valuation Policy, including the use of fair value adjustment as outlined elsewhere in these Scheme Particulars, is available from the Manager upon request.

7.3 Buying and Selling Prices

The buying and selling prices of the Units are based upon the valuation of the Fund, as described above. To this valuation is added or deducted a fixed percentage of the valuation, representing the estimated transaction costs incurred in purchasing or disposing of assets. These costs are principally the difference between the bid (sell) and offer (buy) prices on the sale and purchase of assets and any associated costs.

The Manager may vary the amount of these provisions to reflect their estimate of the costs associated with any transaction. The most recent estimate of the costs and the latest Bid and Offer prices are shown on the Manager's website www.ccla.co.uk.

The Offer and Bid prices represent the buying and selling prices for Unitholders and also the creation and cancellation prices for the Trustee. No Units are held by the Manager or any other party involved in the management of the Fund other than in the capacity as a custodian or trustee for an Eligible Contributor.

7.4 Publication of Prices

Month end prices for valuation purposes and Bid and Offer prices are displayed on the Manager's website www.ccla.co.uk.

The Fund's past performance is set out in Appendix 2 and is also available on the Manager's website www.ccla.co.uk.

8. Dealing in Units

8.1 Application for Units

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

Dealing in Units takes place on a forward price basis. All instructions to buy Units must be received by 5.00pm on the Business Day prior to the Dealing Day if they are to be processed at the prices to be calculated on that day. Instructions received after this time will be held over to the next Dealing Day. Redemption instructions must be received by 5.00pm on a Business Day.

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

8.2 The Dealing Day

There are currently two Dealing Days per month, normally the last Tuesday and Thursday of the month, except when these are not a Business Day; then the preceding Business Day becomes the Dealing Day, unless otherwise specified on the Announcements page of the Manager's website. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Dealing Days.

8.3 Minimum Initial and Subsequent Investments

The normal minimum initial investment in the Units is £10,000. Any additional amount may be invested thereafter. The Manager reserves the right to waive the minimum initial investment amount.

8.4 Buying Units

Applications for the initial purchase of Units must be made using a completed buy Units form and appropriate payment must be made at the same time as the submission of the buy Units form. Cheques, if used, must be drawn on an account in the name of the Applicant.

Except as specified below and in section 8.5 (Additional Investments), applications to purchase Units can only be actioned on a particular Dealing Day if, by 5.00pm on the Business Day prior to that Dealing Day:

- a correctly completed buy Units form has been received by the Manager; and
- the Manager is in receipt of a cheque; or
- the Trustee is in receipt of cleared funds. In the event of cleared funds being received after 5.00pm, the Manager reserves the right to use its discretion as to whether to process an instruction. Generally, an instruction will be processed provided it has been received as stipulated above and cleared funds have been received no later than 11.59pm.

Applications from nominees
Where a nominee company acts on behalf of an Applicant and has submitted a signed nominee Application Form to the Manager, the Manager may, in its discretion, process an application to buy Units which has been received by 5.00pm on the Business Day prior to that Dealing Day even where the Trustee is not in receipt of cleared funds.

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

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

Provisions applicable to all applications
Bank accounts of Applicants should be held with a banking institution in the United Kingdom or European Economic Area (EEA) and payments made payable in the Base Currency of the Fund.

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

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

When monies are received early, they will be banked in a "fund intake in advance account" in the name of the Fund for investment on the next Dealing Day. Interest will not be payable on these monies.

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

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

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

8.5 Additional Investments

Funds for additional investments may be sent via the Clearing House Automated Payment System (CHAPS), Bankers' Automated Clearing Services (Bacs) or Faster Payments Service (FPS). It should be noted that the payment must be remitted from the Unitholder's nominated bank account. Additional investments for which funds are sent electronically do not require a buy Units form to be completed provided the funds are made payable to the Fund and the CCLA account designation of the Unitholder is included on the reference of the payment. Failure to provide the account number as a reference may result in the transaction being delayed or payment returned.

For the avoidance of doubt, following completion of a buy Units form for the initial purchase of Units, subsequent purchases of Units for settlement via cheque or a COIF Charities Deposit Fund account will require a buy Units form to be submitted. For further details please contact Client Services on 0800 022 3505.

8.6 Selling Units

Except during periods of temporary suspension, the Manager will accept orders for the redemption of Units on any Business Day between 9.00am and 5.00pm.

All instructions to sell Units must be made using a completed sell Units form and be received by the Manager by 5.00pm on a Business Day. Redemption instructions, once received by the Manager, are irrevocable and cannot be withdrawn.

Subject to the paragraphs below regarding Deferral of Redemptions and Suspension of Dealing, requests to sell Units will be dealt with on the first Dealing Day after expiry of the required notice period (see Notice to Redeem paragraph below) and at the Bid price calculated at the Valuation Point in respect of that Dealing Day.

A contract note detailing the transaction will normally be sent out by the close of business on the next Business Day.

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

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

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

8.7 Notice to Redeem

Except in the circumstances below, Units are redeemable at the option of a Unitholder on a Dealing Day, upon at least 90 calendar days' prior written notice to the Manager. Redemption instructions, once received by the Manager, are irrevocable and cannot be withdrawn.

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

8.8 Deferral of Redemptions

If on a Dealing Day the Manager considers that there is insufficient liquidity in the Fund to meet instructions to sell Units, the Manager may delay, in whole or part, the sale instructions for such period of time as the Manager considers appropriate. To the extent that sale instructions are not processed in full in respect of the relevant Dealing Day the sale instructions will be treated as being made again in respect of each subsequent Dealing Day until all the deferred sale instructions have been completed in full. The Unit price for a deferred sale will be the Unit price calculated at the Valuation Point for the Dealing Day on which the sale instruction is honoured.

If the Manager delays the processing of any sale instructions, for whatever reason, then the sale instructions will be placed in a queue and will be acted on in the following order:

1. any compulsory sale instructions (whether in whole or part) will take priority in the sale queue and will be acted on in advance of any other sale instructions irrespective of when the other sale instructions were received by the Manager;
2. sale instructions made in respect of an earlier Dealing Day will be processed in priority to those made in respect of a later Dealing Day;
3. without prejudice to (1) above, all sale instructions in respect of a particular Dealing Day shall be ranked and treated equally in priority, irrespective of the date or time such sale instructions were actually received by the Manager in respect of that Dealing Day;
4. the Manager can accept in part an instruction to sell Units and, in the event that the Manager does so, the instruction to sell Units shall be redeemed in proportion and pro rata with any other instructions to sell Units which are to be treated pari passu with it;
5. in the event that dealings in the Fund are suspended for any reason, the queue of sale instructions will be frozen until the suspension is lifted. After the suspension has been lifted the Manager shall process sale instructions in accordance with the provisions set out in these Scheme Particulars; and
6. in the event that a decision has been made to wind up the Fund any sale instructions which have been deferred will be acted on in priority to the deemed redemption requests that arise as a result of the decision to wind up the Fund.

Where a request for the sale of Units is deferred, the Manager will inform Unitholders in writing of the number of their Units that have not yet been processed. Other than in the case of a compulsory sale instruction, a Unitholder may, by notice in writing to the Manager, cancel the whole or part of a sale instruction that has been deferred and is in a queue to be processed. Any cancellation request will be binding on the Unitholder and any subsequent request to sell Units will be treated as a new request to sell Units.

In the event that the Manager delays the Dealing Day of the Fund on the basis that there is insufficient liquidity in the Fund to meet the sale instructions the Manager will, without disadvantaging the remaining Unitholders in the Fund, concurrently take all necessary steps to liquidate assets in the Fund to meet the instructions to sell Units.

8.9 Switches

Switches between the COIF Charities Funds are permitted although switches involving the Fund can only be undertaken on the monthly Thursday Fund Dealing Day with the exception of the COIF Charities Deposit Fund where it is possible to switch on both Fund Dealing Days.

8.10 Exchanging Existing Property for Units and In-specie Redemptions

The Manager may accept a transfer of property into the Fund in exchange for Units but only if it is judged by the Manager to be in the best interests of existing Unitholders. An External Property Valuer nominated by the Manager, and independent of the investor and Manager, shall produce a valuation of the property which an investor has offered to exchange for Units at the expense of the Applicant. The property will be valued in accordance with the RICS Appraisal and Valuation Standards. If accepted, the exchange would be made at the open market value of the property and at the Net Asset Value of the Units issued. In general, the costs of the conveyance shall be borne by the Applicant by deduction from the value of the property being exchanged for Units. Such costs will include valuation and legal costs and disbursements of the Applicant and the Fund. However, the Manager (acting in consultation with the Trustee) may agree at their discretion to contribute towards the costs of the conveyance (including but not limited to legal and valuation costs) where they believe it is in the interests of the Fund to do so. The Manager has absolute discretion as to which properties it will accept.

Where a Unitholder makes an application to sell Units the Manager may, with the agreement of the Trustee and in consultation with the redeeming Unitholder, arrange to transfer Scheme Property out of the Fund in place of payment in cash for the Units, but only if it is judged by the Manager not to disadvantage the remaining Unitholders. The value of the Scheme Property being transferred out of the Fund in place of cash will be determined by the Manager by reference to the value of the Scheme Property at the most recent Valuation Point, unless the Manager, after consultation with the Trustee, considers it to be desirable to carry out an additional valuation. If accepted, the exchange will be made at the value of the Scheme Property being transferred out, calculated in accordance with this paragraph and the Net Asset Value of the Units being redeemed, plus any applicable costs (for example the costs of conveyance).

In general, the costs of the conveyance shall be borne by the Unitholder by:

- deduction from the value of the property where a property is being exchanged for Units; or
- addition to the value of the Scheme Property being transferred out where Units are being redeemed in exchange for Scheme Property.

Such costs will include valuation and legal costs and disbursements of the Unitholder and the Fund. In the event that the costs of conveyance together with the value of the Scheme Property being transferred out of the Fund exceed the Net Asset Value of the Units held by the Unitholder, the Unitholder will make a payment in cash to the Fund for the difference. However, the Manager (acting in consultation with the Trustee) may agree at their discretion to contribute towards the costs of the conveyance (including but not limited to legal and valuation costs) where they believe it is in the interests of the Fund to do so. The Manager has absolute discretion as to which direct properties it will accept into or transfer out of the Fund.

8.11 Trustee’s Refusal to Issue or Cancel Units

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

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

In all the cases where the Trustee refuses to issue or cancel Units the Trustee must give notice to the Manager that the Trustee refuses to issue or, as the case may be, cancel, all, or a specified number of, the Units.

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

8.12 Suspension of Dealing

Suspension in exceptional circumstances
The Manager may, with the prior agreement of the Trustee, and shall, if the Trustee so requires, temporarily suspend the issue, cancellation, buying and selling of Units if the Manager or the Trustee is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so, having regard to the best interests of the Unitholders. During a period of suspension, no Units may be bought or sold.

The Manager will notify the Unitholders in writing of the suspension as soon as reasonably practicable after the suspension commences. The Manager will review the grounds for the suspension every 28 days to ensure that the suspension only continues for so long as it is justified. Unitholders will be informed of the outcome of this review.

Suspension during periods of material valuation uncertainty
The Manager with the agreement of the Trustee may temporarily suspend the issue, cancellation, buying and selling of Units where the External Property Valuer has expressed material uncertainty about the value of one or more immoveables under management, and that material uncertainty applies to at least 20% of the value of the Scheme Property.

Alternatively, dealing in Units may continue during a period of material valuation uncertainty where the Manager and the Trustee agree that dealing should continue and the Manager and the Trustee have a reasonable basis (not solely reliant on a fair value price adjustment) for determining that the suspension of the Fund would not be in the best interests of the Unitholders.

The Manager and the Trustee may agree to resume dealings in Units as soon as reasonably practicable after the External Property Valuer’s material uncertainty assessment applies to less than 20% of the value of the Scheme Property.

Pricing after a suspension
Once the suspension has been lifted the Manager expects Units to be priced at the Valuation Point for the next Dealing Day.

Compulsory sales of Units during periods of suspension
During a period of suspension any application for the compulsory sale of Units will not be frozen. The Units will be cancelled and the Fund will maintain and hold a suitable provision for the amount due to the redeeming Unitholder. The sale proceeds will be calculated using the Unit price at the Valuation Point for the first Dealing Day after the suspension has been lifted.

Application to sell Units during periods of suspension
If dealing in the Fund is suspended for any reason, any application to sell Units (other than for Units which are being compulsorily redeemed) will be frozen until such time as the suspension of dealing is lifted. After the suspension has been lifted the Manager shall process redemption instructions in accordance with the provisions set out in these Scheme Particulars.

8.13 Execution Services

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

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

9. Distributions to Unitholders

9.1 Quarterly Distribution

Distributions are calculated and declared quarterly at the end of March, June, September and December.

The distribution is based upon undistributed income received and receivable to each quarterly date less any costs and expenses for the period and subject to flows to or from the Income Reserve Account (see below).

Distributions in respect of the preceding quarter are usually paid at the end of February, May, August and November (or if this should not be a Business Day, the prior Business Day). Special distributions may be calculated and declared on any month end.

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

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

9.2 Income Reserve Account

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

9.3 Equalisation

The first allocation of income within a distribution to which a Unitholder is entitled, following the purchase of Units, is calculated as if the purchase had been made at the beginning of the quarter. The distribution will therefore include that part of the purchase price consisting of income from the beginning of the quarter to the date of purchase.

10. Reporting

10.1 Regular Statements

Unitholders will receive a valuation statement every six months, normally to the end of June and December unless instructed to the contrary. Unitholders may request a quarterly valuation statement. In addition, certificates of balance at any month end will be provided upon a Unitholder's request to the Manager.

10.2 Report and Accounts of the Fund

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

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

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

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

11. Complaints and Compensation

11.1 Complaints

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

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

Unitholders who are eligible complainants (as defined in the FCA Regulations) may have the right to complain directly to the Financial Ombudsman Service (FOS) if a complaint is not dealt with to the satisfaction of the Unitholder. The address, telephone number and website of the FOS is shown in Appendix 1.

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

11.2 Compensation

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

If the Manager cannot meet its obligations (for example, where the Manager has stopped trading and there is insufficient assets to meet their obligations), investors in the Fund may be eligible to claim compensation up to a maximum of £85,000 from the Financial Services Compensation Scheme. For further information about the Financial Services Compensation Scheme please refer to www.fscs.org.uk or phone 0800 678 1100.

12. Charges and Expenses

12.1 Remuneration and Expenses of the Trustee

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

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

- delivery of securities to the Trustee;
- custody of assets;
- collection of income;
- submission of tax returns;
- handling of tax claims;
- preparation of the Trustee's annual report; and
- such other duties as the Trustee is required or empowered by law to perform.

The maximum periodic charge that may be made by the Trustee, subject to the prior written approval of the Charity Commission, is 0.10% per annum, (plus VAT, if applicable and if any), of the value of the Scheme Property and £1,000 (plus VAT, if applicable and if any), for each direct property acquisition or disposal made by the Fund.

The actual periodic charge agreed with the Board is a flat fee of £36,000 per annum.

The periodic charge (plus VAT, if applicable and if any), accrues daily to the Scheme Property and is payable monthly in arrears.

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

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

In addition to the periodic charge the Trustee is entitled to a transaction fee of £250 (plus VAT, if applicable and if any) for each direct property acquisition or disposal made by the Fund.

12.2 Remuneration and Expenses of the Manager

The Manager is entitled to an Annual Management Charge to be paid out of the Scheme Property. The maximum charge that may be made by the Manager on the Fund, subject to the prior written approval of the Charity Commission, is 1.5% per annum of the Net Asset Value of the Scheme Property (plus VAT, if applicable).

The Annual Management Charge has been agreed by the Board and approved by the Charity Commission. Currently the charge is 0.65% (plus VAT, if applicable) per annum of the Net Asset Value of the Scheme Property. The Annual Management Charge accrues daily and is calculated based on the valuation of the Fund on the last Business Day of each preceding month. The accrued Annual Management Charge is paid from the Fund monthly.

The Annual Management Charge will be paid 100% from capital. The policy of taking the Annual Management Charge from capital could lead to capital erosion. However, it should not change the overall return on the Fund, taking capital and income together.

Where applicable, to avoid double charging, rebates of charges on holdings in the other funds managed or operated by the Manager or an associate are calculated and applied to the Fund.

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

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

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

12.3 Preliminary Charge

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

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

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

12.4 Redemption Charge

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

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

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

12.5 Inducements

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

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

12.6 Research

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

12.7 Other Expenses

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

a) agent's acquisition and disposal fees;
b) fees on lease renewal, letting, rent review and head lease/lease renegotiation, rating and planning advice, landlord's repairs and improvements, surrender payments and premiums received from tenants;
c) project management fees, building surveyor fees, other specialist advisers' fees including those incurred in dilapidation negotiations;
d) the cost of preparing, publishing and sending Report and Accounts and Unitholder communications;
e) valuation, insurance and performance measurement fees;
f) fees for independent risk assessments, for health and safety or environmental purposes;

g) solicitors fees;
h) property valuer costs;
i) brokers' commission (where such payment may be made in accordance with the FCA Regulations), fiscal charges and other disbursements which are:
    - necessary or properly to be incurred in effecting transactions for the Fund;
    - normally shown in contract notes, confirmation notes, and margin accounts as appropriate;
j) interest on borrowing permitted by the Fund and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowing;
k) taxation and duties payable in respect of the Scheme Property, the Scheme or the issue of Units, if applicable;
l) any costs incurred in modifying the Scheme, where modification is:
    - necessary to implement, or necessary as a direct consequence of, any changes in the law; or
    - expedient having regard to any change in the law made by or under any fiscal enactment; or
    - to remove obsolete provisions from the Scheme; or
    - agreed by the Manager and Trustee to be in the interest of Unitholders.
m) liabilities on a unitisation, amalgamation or reconstruction arising in certain circumstances;
n) the audit fee properly payable to the Auditor and VAT which may be chargeable thereon and any proper expenses of the Auditor and the fees of Investment Property Databank or any other benchmark authority;
o) the proper expenses of the Board.
p) the fees of any relevant regulatory authority in a country or territory in which Units are or may be marketed;
q) any costs incurred through purchasing and holding third-party funds; and
r) such other fees or expenses as may from time to time be agreed with the Trustee and depositary.

13. Conflicts of Interest

13.1 Conflicts of Interest Policy

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

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

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

13.2 Trustee and Depositary Conflicts of Interest

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

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

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

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

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

13.3 Material Interests and Conflicts

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

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

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

The Fund has the power to invest in other funds operated or managed by the Manager or an associate of the Manager and a rebate of charges is made to ensure no double charging of the management fee. The Manager operates a client relationship management service to offer suitable support to Charities. It should be noted that this service is associated with the COIF Charities Funds and that the COIF Charities Investment Fund owns 22.37% of the share capital of the Investment Manager as at 31 December 2021.

14. Taxation

14.1 General

The Fund has charitable status and is not liable to UK tax on gains arising on disposal of investments or on income from investments. It is exempt from Stamp Duty Land Tax on its property purchase transactions and from Stamp Duty and Stamp Duty Reserve Tax on the purchase of securities.

The Fund's quarterly income distributions are paid gross without any deduction of tax as all the Unitholders have charitable status and are entitled to receive such payments without deduction of tax, provided they are used for Charitable Purposes.

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

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

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

15. Termination

15.1 Winding Up

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

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

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

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

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

16. General Information

16.1 Data Protection

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

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

The Manager (and the investment schemes) may keep records of all business transactions for at least seven years. Unitholders have a right to inspect copies of contract notes and entries in the Manager's books or computerised records relating to their transactions. Their representatives also have certain rights under applicable Data Protection Legislation, including the right to access copies of their personal data and change the permissions given in respect of the processing of it. The Manager will treat all Unitholders' records as confidential and so reserves the right to provide copies of the Unitholder/representative's particular record, rather than allow access to files which may contain information about other Unitholders. Requests to access the above records/personal data or to exercise any other rights under applicable Data Protection Legislation should be directed to The Data Protection Adviser at the Manager's office, One Angel Lane, London EC4R 3AB.

16.2 Title Documents to Scheme Property

The Trustee has appointed Hogan Lovells International LLP, whose registered address is shown in Appendix 1, to hold in safekeeping the deeds, leases and other documents relating to the properties situated in England that are owned by the Fund.

The Trustee has appointed DLA Piper, whose registered address is shown in Appendix 1, to hold in safekeeping the deeds, leases and other documents relating to properties situated in Scotland that are owned by the Fund.

The Trustee may review these arrangements from time to time.

16.3 Telephone and Electronic Communications

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

16.4 Amending these Scheme Particulars

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

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

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

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

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

16.5 Professional Liability

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

16.6 Acceptance of Terms and Conditions

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

16.7 Applicable Law and Jurisdiction

Any agreement to invest in the Fund is governed by English law and subject to all applicable laws, regulations and rules. In the event of a conflict between such agreement and any such laws, regulations and rules the latter shall prevail.

These Scheme Particulars summarise the terms on which the Fund operates. For further information as to the terms on which Units are issued, reference should be made to the Scheme which is available upon request from the Manager.

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

16.8 Additional Information

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

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

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

Appendix 1 – Directory

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

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

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

CCLA Fund Managers Limited is a wholly owned subsidiary of CCLA Investment Management Limited. Registered Office at One Angel Lane, London EC4R 3AB.

Incorporated on 16 October 2013.

Directors of CCLA Fund Managers Limited are:

R. Horlick (Chairman)*
D. Sloper
E. Sheldon
J. Jesty*
A. Roughead*
(* indicates a Non-Executive Director)

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

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

Investment Manager
The Investment Manager of the Fund is CCLA Investment Management Limited which is a limited liability company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. Registered Office at One Angel Lane, London EC4R 3AB.

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

K. Corrigan
J. Hobart
N. Morecroft (Chairman)
A. Watson
C. Ong

Administrator
The Administrator of the Fund is CCLA Investment Management Limited.

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

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

Address for Complaints
Complaints regarding the operation of the Fund should be addressed to: The Head of Client Services, CCLA Investment Management Limited, One Angel Lane, London EC4R 3AB or The Compliance Officer, HSBC Bank plc, Trustee of the COIF Charities Funds, 8 Canada Square, London E14 5HQ.

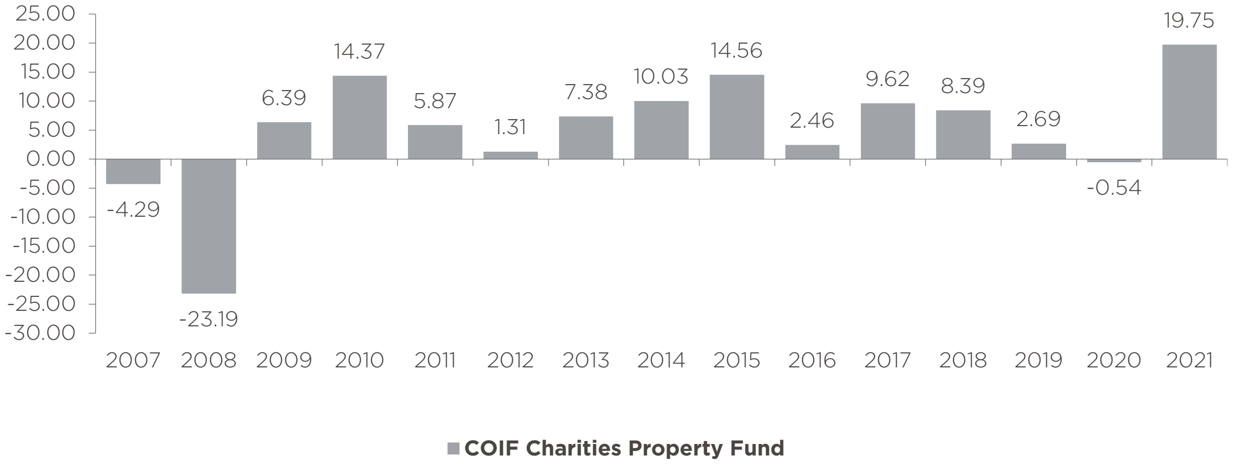
Unitholders who are eligible complainants may have the right to complain directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR (telephone number 0845 080 1800 or by visiting www.financial-ombudsman.org.uk).

Property Valuer
The property valuer of the Fund is Knight Frank, 55 Baker Street, London W1U 8AN

Property Lawyers
The property lawyers of the Fund are Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and DLA Piper Scotland LLP, Collins House, Rutland Square, Edinburgh EH1 2AA.

Appendix 2 – Past Performance

The performance below is shown net of all Fund charges and expenses. It has been calculated in the Base Currency of the Fund.



The Fund launched in August 2002. Past performance is not a reliable indicator of future results.

Appendix 3 – Investment Policy Statement

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

Investment Objective
The Fund aims to provide a high level of income and long-term capital appreciation.

Investment Policy
The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets, which may be either liquid or illiquid in nature.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

The Fund is managed in accordance with the policies of the Church of England's Ethical Investment Advisory Group.

Comparator Benchmark
The comparator benchmark for the Fund is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

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

Target Investors
The Fund is intended for eligible Charity investors, with at least a basic knowledge of property related investments, which are seeking to invest in an actively managed fund that reflects the investment objective and Investment Policy of the Fund.

Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

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

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

Projected return
The Fund expects to provide a high income to investors, derived from the rent paid on its direct property investments, which may grow as higher rental levels are achieved. The future capital return, which may be negative, cannot be projected as it is dependent upon the level of demand for investment properties and the rate of economic growth.

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

Appendix 4 – Sustainable Finance Disclosure Regulation: Pre-Contractual Disclosure

This appendix provides information about the Fund that specifically relates to information required under the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("**SFDR**").

This information is intended to provide clear and understandable information with regard to the sustainability characteristics, considerations, objectives and/or risks of the Fund.

SFDR Relevant Article: The Fund can be considered to promote environmental or social characteristics, meeting the description of a product that is within scope of Article 8 of the SFDR.

About CCLA's Approach to Active Ownership and Sustainability

We believe that unsustainable businesses will be negatively impacted by prospective legislation, regulation and changing consumer preferences. For this reason, we seek to avoid investments with high unmitigated sustainability risks. However, purchasing assets that already exist on the secondary market has little positive real-world impact. Strong management of sustainability risk must be focused on driving action above simply transacting in the secondary markets. By being an active owner of our shareholdings and leading effective engagements, we are able to make a bigger impact on the sustainability performance of the companies in which we invest.

The key role that investors can play is to encourage businesses to reduce their negative impacts on the environment and society. For this reason, we place a large emphasis on using our ownership rights to drive change.

1. How are sustainability risks integrated into the Fund's decision-making process, and what are the likely impacts of these sustainability risks on the returns of the Fund?

In addition to the Investment Manager's (hereinafter referred to in this section as "**we**", or "**our**" as the context requires) policies on the integration of sustainability risks that are listed at the end of this appendix, our approach to integrating sustainability risks into our investment decision-making process is as follows.

We believe that sustainability factors will impact the future profitability of property assets. As a consequence, our responsible property investment policy applies to the selection, management and refurbishment of all property assets under our stewardship.

Prior to any purchase we consider:

- Environmental risk issues
- Environmental audit scores and risk assessments
- Social factors
- The ability to drive improvements through refurbishment

In addition, we review all elements of the transaction to avoid issues relating to corruption and bribery. Where we have concerns, we alter the valuation that we are willing to pay for the property, develop an action plan for future refurbishments or, in extremis, abandon the proposed investment.

Once we have purchased a property, we seek to be an active owner and if we see potential value, we refurbish the property to improve its environmental and social performance.

We appoint managing agents to look after our properties on a day-to-day basis. As part of this work, they are tasked with:

- Monitoring and setting targets for the reduction of energy use, water consumption, waste and CO2 emissions.
- Procuring energy from renewable sources.
- Conducting pro-active occupier engagement, including tenant surveys, covering a variety of environmental, social and governance (ESG) factors, at least every two years.
- Minimising health and safety incidents.
- Monitoring of any environmental risks identified at the point of purchase.

In order to implement this policy our managing agents report regularly on progress against the targets we have established.

Our statement on the consideration of the Principal Adverse Impacts of Sustainability risks is available on our website (https://www.ccla.co.uk/about-us/policies-and-reports).

The Board does not believe that the policies of the Fund will have a lasting or substantial adverse impact on the performance of the Fund.

2. What are the main types of sustainability risks that are relevant to issuers invested in by the Fund?

1. Environmental Risk

Climate related risks and other environmental risks can be split into those related to the transition to a low carbon economy and to the risks posed by the physical impact of climate change.

Transition risk can arise from the impact of prospective regulation, legislation and litigation; in particular, the risk of 'stranded assets' (which can be defined as investments or assets that lose value due to market changes. This devaluation of assets is mainly related to significant and sudden changes in legislation, environmental constraints or technological innovations, which then render assets obsolete before their full depreciation.) This may directly or indirectly influence the value of investments held by the Fund.

Physical risk can be manifested as the physical effects of climate change (such as an increased regularity of extreme weather events and impacts on the availability of water) upon companies' ability to deliver strong and sustainable returns to investors. These risks can either be 'acute' when it arises from extreme weather events, or 'chronic' when it arises from progressive changes in the climate such as sea-level rise, water stress or biodiversity loss.

2. Social Risk

Investments are subject to risks that arise from an issuer of a holding in the Fund experiencing a situation or event around health and safety conditions, human rights, selling practices and product labelling, customer welfare, public governance failure or infectious diseases.

3. Governance Risk

Governance practices of issuers can present a risk to the value of an investment held by the Fund, as a consequence of poor ethics, the behaviour of competition, the regulatory environment, or the management of the issuer's critical risks.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of an investment.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc).

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available and the regulatory environment regarding sustainable finance evolves.

3. What are the Environmental and Social characteristics of the Fund and how are these characteristics met? Is the Fund's comparator benchmark consistent with these sustainability risks?

The Fund is invested in line with the environmental and social characteristics outlined in CCLA's responsible property investment policy, which can be found within the annual Responsible Investment Report on www.ccla.co.uk. A summary of the relevant characteristics of the Fund is as follows;

• The Investment Manager incorporates the consideration of climate risk into property selection.

• The Investment Manager considers the environmental and social risks of each asset before purchase and continues to do so whilst it is held by the Fund.

• Upon purchasing an asset, the Investment Manager seeks to be an active owner and if the Investment Manager sees potential value, the Investment Manager will undertake refurbishment to improve the environmental and social characteristics of the asset.

The comparator benchmark of the Fund is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

The comparator benchmark used by the Fund is not consistent with the sustainability characteristics of the Fund, as it is composed of a general market index. The methodology of the index within the comparator benchmark can be found at www.msci.com.

4. Which data sources are used and what screening criteria are applied? What are the relevant sustainability indicators used to measure the sustainability characteristics of the Fund?

When integrating sustainability considerations in this investment approach, the Investment Manager uses multiple data sources. The Investment Manager additionally utilises proprietary analyses of sustainability factors, undertaken by their Sustainability Team. The quality, quantity and availability of data relating to sustainability factors have a number of challenges that vary by asset class and geographical region. As a result, some datasets include both modelled and reported data. Any indicators that utilise modelled data include some level of inherent model risk and could fail to capture potential changes in the sustainability performance of some issuers.

In measuring the relevant sustainability characteristics of the Fund, the Investment Manager uses the following sustainability indicators to measure the performance.

• Environmental audit scores.

• Energy use, water consumption, waste and carbon emissions.

• Other sustainability indicators are used in instances where an asset has a specific environmental risk that is identified at the point of purchase.

5. Report and Policies

The Investment Manager's SFDR entity level disclosure report and policies on the integration of sustainability risks into its investment decision-making process are as follows and can be viewed at www.ccla.co.uk or supplied upon request:

SDFR Disclosure Report
CCLA Responsible Property Investment Policy
Climate Change and Investment Policy
Engagement Policy
CCLA Voting Guidelines

Environmental Policy
Cluster Munitions and Landmines Policy

CCLA Fund Managers Limited

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London
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clientservices@ccla.co.uk

www.ccla.co.uk

CCLA

BECAUSE GOOD IS BETTER