

**CCLA**

**The CBF Church of England  
Property Fund  
Scheme Information**

---



# Scheme Information

## The CBF Church of England Property Fund

Effective from May 2018

Contents	Page
Definitions	5
The Fund	6
The Manager	7
Investment Objectives	8
Responsible Property Investment	8
Participation in the Fund	9
Eligible Contributors	9
Manager's Annual Management Charge	9
Registration of Shares	10
Pricing of Shares	11
Buying (offer) and Selling (bid) prices	12
Buying Shares	12
Selling Shares	13
Switches	14
The Issue and Redemption of Shares in the Fund	14
Suspension of Dealing	14
Refusal to Issue or Cancel Shares	15
Publication of Prices	15
Distributions to Shareholders	15
Custody of Assets	16
Accounts of the Fund	16
Taxation	16
Investment and Borrowing Powers	17
The Board of Trustees	17
Material Interest and Conflicts	17
Changes to Authorised Signatories	18
Anti-Money Laundering	18
Acceptance of Terms and Conditions set out in the Scheme Information	19
Amendments to the Scheme Information	19
Applicable Law and Jurisdiction	19
Regulatory Position	19
Additional Information	20
Winding Up	20
Charitable Status of the Fund	20

Auditor	20
Compensation	20
Risk Warning	21
Scheme Information	22
Data Protection	22
Appendix 1 – The Manager	23
Appendix 1 – The Board of CBFFT	23
Appendix 1 – Registrar	24
Appendix 1 – Auditor	24
Appendix 1 – Regulator	24
Investment Policy Statement	25

## Definitions

In the Scheme Information, the following terms bear the following meanings:

**Accounts** mean the half-yearly and annual accounts of the Fund.

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

**Annual Report** means the annual report of the Fund prepared by the Trustee.

**Applicant** means a Church Trust (or nominee company acting on its behalf) which is applying for shares in the Fund.

**Application Form** means the application form for shares in the Fund available from CCLA.

**Audit Committee** means the audit committee appointed by the Trustee to review the Fund's regular financial statements and reports.

**Auditor** means the firm specified in Appendix 1.

**Bid price** means the price at which shares in the Fund may be sold by investors.

**The Board** means the Board of Trustees of the Trustee as described in the paragraph entitled The Board of Trustees.

**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.

**CCLA** means CCLA Investment Management Limited of Senator House, 85 Queen Victoria Street, London EC4V 4ET.

**Church Trust** means a trust established by the Church of England

**Custodian** means HSBC Bank plc.

**Data Protection Legislation** means Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, or any successor legislations thereto, and any associated codes, regulation or guidance (as may be amended or replaced from time to time) and any related regulations and guidance and all other laws concerning the processing of data relating to living persons.

**Dealing Day** means the day on which the Manager issues and/or redeems shares in the Fund as set out in the Scheme Information.

**Distribution Account** means the account which holds the income of the Fund prior to its distribution to Shareholders.

**Eligible Contributor** means a Church Trust (or nominee company acting on its behalf) which is a registered holder of shares in the Fund.

**Equalisation** means the income element, pertaining to income earned to date and included in the purchase price of a share, which is returned as capital to the investor at the next

distribution point.

**FCA** means the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS or such regulatory authority or authorities as may succeed it from time to time.

**Fund** means the CBF Church of England Property Fund.

**Income Reserve Account** means the account which is used to even out fluctuations in income from time-to-time as described in the paragraph entitled The Income Reserve.

**Income Shares** means those shares in the Fund which pay income to holders.

**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 the Scheme Information as amended from time-to-time.

**Manager** means CCLA Investment Management Limited of Senator House, 85 Queen Victoria Street, London EC4V 4ET.

**MiFID II** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and includes where applicable reference to any implementing or supporting Regulations, Directives, or other legislative measures.

**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.

**Offer price** means the price at which shares in the Fund may be bought by investors.

**Reinvested dividends** mean income that is used to purchase additional income shares at the offer price after distribution.

**Scheme Information** means this Scheme's Information of the Fund as amended from time-to-time.

**Shareholders** mean Eligible Contributors who are registered as holders of shares in the Fund.

**Share(s)** means share(s) in the Fund.

**Trustee** means CBF Funds Trustee Limited of Senator House, 85 Queen Victoria Street, London EC4V 4ET.

## The Fund

This document sets out the Scheme Information for the CBF Church of England Property Fund (the Fund). The Fund is a Common Fund established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions Measure 2000) and the Trustee Act 2000 together (the Measure). The Fund was formed on 1 March 1999. The Fund is

neither a Collective Investment Scheme nor an Unregulated Collective Investment Scheme within the meaning of the Financial Services and Markets Act 2000 (FSMA) as amended or changed from time to time. In the event that the Measure and the Scheme Information are in conflict, the provisions of the Measure shall prevail.

## The Trustee and Operator

CBF Funds Trustee Limited (CBFFT), a company incorporated under the Companies Act 1985 is the Trustee and the Operator (the Trustee) of the Fund. It is a registered Charity No. 1116932 and is registered in England and Wales as a company limited by guarantee. Its Registered Office is Senator House, 85 Queen Victoria Street, London EC4V 4ET. Under the provisions of the FSMA, CBFFT, as Trustee of the Fund, is not considered to be operating the Fund "by way of business". Consequently, it is not required to be regulated by the Financial Conduct Authority (FCA) and its members are not required to be authorised by the FCA for this purpose.

CBFFT is ultimately responsible for The CBF Church of England Funds and receives reports on the published accounts. CBFFT holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by CCLA Investment Management Limited (the Manager) under Management Agreements. CBFFT has appointed an Audit Committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund.

## The Manager

The Manager is a company registered in England and Wales. The Manager is authorised and regulated by the Financial Conduct Authority and holds the necessary permissions to provide, amongst other things, discretionary investment management services. The Manager will provide discretionary investment management services as well as administrative and registration services under the Investment Management Agreement dated 15 November 2006. The contact details of the Manager and the FCA are contained in Appendix 1.

The Manager provides the Trustee with administrative and registration and company secretarial services where necessary for the operation of the Fund. These include the issue and redemption of shares in the Fund, the valuation of the Fund's assets, the operation of the Share Register, the payment of distributions and the maintenance of the accounting records of the Fund. The Fund's financial year ends on 31 December.

The Manager may not have a lien over, or security interest in, the property of the Fund, 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 them) or that the investment objectives of the Fund will be successfully

accomplished.

The Manager may be replaced by the Trustee on the expiry of a 12 months' notice period.

## The Administrator

The Manager has appointed HSBC Bank plc, 8 Canada Square, Canary Wharf, London, E14 5HQ as the Administrator to carry out certain administrative tasks on behalf of the Fund. The Administrator has been appointed under an Agreement with the Manager and the Manager meets the fees of the Administrator from the Annual Management Charge it receives for its services to the Fund.

## Investment Objective

The Fund aims to provide investors with 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. It will gain this exposure by investing in the COIF Charities Property Fund.

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

## Responsible Property Investment

The Fund is managed in line with the 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 manager is a signatory to the United Nations backed Principles of Responsible Investment (PRI). The annual PRI assessment is available on the Manager's website.

## Total Return Benchmark

The Total Return Benchmark for the Fund is the AREF/IPD™ Other Balanced Property Fund Index.

## Target Investor

The Fund is suitable for the long-term funds of any Church of England charity seeking exposure to UK commercial property. The Fund is targeted at investors with an understanding or previous history of investing in similar types of fund, with appropriate levels of risk tolerance and ability to bear loss. Please note that the Manager is not required to assess the suitability of the Fund against each investor.

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

## Participation in the Fund

### Income Shares

Contributors to the Fund may purchase Income Shares.

Income Shares of the Fund provide a regular income and each share represents one undivided share in the property of the Fund. Holders of Income Shares receive distributions quarterly. Holders may elect to purchase additional income shares by reinvesting income. Additional income shares can be purchased at the offer price.

Distributions are declared and reinvested income is credited gross to Shareholders on the basis that all relevant UK taxation has been recovered or is recoverable. The Manager is responsible for the collection of income. Changes in tax law and regulations may affect the basis of calculation and payment of distributions.

### Eligible Contributors

Any Church Trust with objects connected with the work of the Church of England may normally invest in the Fund. The Manager is required under the Measure and under Money Laundering Regulations to satisfy itself as to the identity of participants.

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

### Manager's Annual Management Charge

The Manager's Annual Management Charge on the assets of the Fund is based on a fixed rate of 0.65% p.a., (plus VAT if applicable and if any) on the first £100 million and 0.50% p.a., (plus VAT if applicable and if any) thereafter. This rate accrues daily and has been agreed with the Trustees. The Annual Management Charge is based on the Net Asset Value at the preceding Valuation point. The Annual Management Charge is currently deducted from the capital of the Fund on or around the last Business Day of each month. The Trustee retains the right to pay some or all of the Manager's charge out of income. The Manager will receive no payment other than the Annual Management Charge on a periodic basis.

To avoid double charging, any charges incurred by the Fund from investments in Funds managed by the Manager will be rebated to the Fund.

Any increase in the actual or maximum rate of the Annual Management Charge made by the Trustee shall be subject to:

- a) notice of at least 90 days being given to Shareholders; and
- b) the prior written agreement of the Board.

Expenses of the Fund may also be taken from the Fund's capital or income at the Trustee's discretion.

The expenses will include charges of the Trustee's nominees and agents. The duties of the

Trustee for which reimbursement may be made, involve and include (without limitation):

- a) delivery of stock to the Trustee;
- b) custody of assets;
- c) collection of income;
- d) submission of tax returns;
- e) handling of tax claims;
- f) preparation of the Trustee's Annual Report and Accounts; and
- g) such other duties as the Trustee is required or empowered by law to perform.

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

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

- a) the cost of preparing, publishing and sending Annual Reports and Shareholder communications;
- b) solicitors and audit fees;
- c) interest on borrowings permitted by the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- d) taxation and duties payable in respect of the property of the Fund, or the issue of shares, if applicable;
- e) any costs incurred in modifying the Scheme Information, where modification is:
  - I. necessary to implement, or necessary as a direct consequence of, any changes in the law; or
  - II. expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interests of Shareholders; or
  - III. to remove from the Scheme Information obsolete provisions;
  - IV. agreed by the Manager and Trustee to be in the interest of Shareholders
- f) liabilities on an amalgamation or reconstruction arising in certain circumstances;
- g) the expenses of the Board and any remuneration paid to a Board member;
- h) the fees of any Auditor appointed or those of IPD (the Investment Property Databank) or any other benchmark authority;
- i) the fees of any relevant regulatory authority in which shares are or may be marketed, or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares are or may be marketed. Payments will be charged to the capital or income of the Fund at the Manager's discretion;
- j) any costs incurred through purchasing and holding of third party funds; and
- k) such other fees or expenses as may from time to time be agreed with the Trustee and Depositary

## **Registration of Shares**

Shares are registered in the name of the Church Trust (or where applicable holdings may be registered in the name of the nominee company acting on behalf of the Church Trust, with the name of the Church Trust separately recorded in the Register). They cannot be registered in the names of individual trustees. No certificates are issued and the Register of Shareholders (the Register) is the definitive evidence of title. The shares have no par value

and entitle the holder to a proportionate interest in the Fund. shares cannot be assigned or transferred except from one Church Trust to another. The number of shares held will be certified on written request for audit or other purposes.

The Register may be inspected free of charge during normal business hours at the office of the Manager at its registered office (as set out in Appendix 1). Entry in the Register of Shareholders is conclusive evidence of title to the shares in the Fund. The Register contains the name of each Shareholder, the number of shares held and the name and address of the correspondent for each account. In addition, the Register may contain the following particulars:

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

No notice of any trust, express, implied or constructive, shall be entered in the Register in respect of any share, and the Manager and the Trustee shall not be bound by any such notice. The expenses of maintaining the Register are currently borne by the Manager and covered by the Annual Management Charge paid out of the property of the Fund to the Manager.

The Manager will treat all Shareholders' records as confidential and so reserve the right to provide copies of your particular record, rather than allow access to files which may contain information about other Shareholders.

## Pricing of Shares

### **The Dealing Day**

There is currently one Dealing Day per month, normally the last Tuesday except when this is not a Business Day; that is a day on which the London Stock Exchange (or any successor body) is not open for business, then the preceding Business Day becomes a Dealing Day.

### **Valuation**

The Manager values the property of the Fund as at the close of business on the Business Day prior to each Dealing Day (the Valuation Point) for the purpose of determining the prices at which shares may be issued or redeemed.

In addition, for valuation and reporting purposes, the Fund is valued on the last Business Day of each calendar month. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Dealing Days and Valuation Points.

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

### **Basis of Valuation of the Fund**

The valuation is carried out at mid-market prices at the Valuation Point. The share price includes the value of the income property of the Fund which has not been declared as a

dividend on the Dealing Day.

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

The valuation of the Scheme Property is determined as follows;

- Shares in a collective investment scheme – if the scheme is singled 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 Valuation in accordance with the Red Book of the Royal Institute of Chartered Surveyors. Additions to the portfolio are valued externally after acquisition.

## Buying (offer) and Selling (bid) prices

The buying and selling prices of the shares are based upon the valuation of the Fund, as described above. To this valuation is added or deducted a fixed percentage of the valuation, representing the estimated transaction costs incurred in purchasing or disposing of assets. These costs are principally the difference between the bid and offer prices on the sale and purchase of assets and the associated brokers' commission. As a charity, the Fund is currently exempt from UK Stamp Duty and Stamp Duty Reserve Tax.

The Manager may vary the amount of these provisions to reflect their estimate of the costs associated with any transaction. The most recent estimate of the cost is shown on our website [www.ccla.co.uk](http://www.ccla.co.uk)

The offer and bid prices represent the buying and selling prices for Shareholders and also the creation and cancellation prices for the Trustee. No shares 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.

## Buying Shares

### General applications

Generally, applications to buy shares must be made using a completed Application Form and appropriate payment must be made at the same time as the submission of the application form. Cheques, if used, must be drawn on an account in the name of the Applicant.

Except as specified below, applications to purchase Shares 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 application form has been received by the Manager; and
- the Manager is in receipt of cleared funds.

Please note: When monies are received early they will be banked in a "Fund Transfer Agency account" in the name of the Fund for investment on the next Dealing Day. The Manager complies with FCA requirements with regard to holding customer monies awaiting a

purchase of shares in the Fund. Interest will not be payable on these accounts. The Manager reserves the right not to execute a transaction until the charitable status and eligibility of the Applicant has been demonstrated.

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

### Provisions applicable to all applications

The account should be held with a European Economic Area (EEA) banking institution and made payable in pounds sterling.

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 prospective investor (or nominee company, where applicable), any application for Shares 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 shares if any such new issue would prevent the orderly investment of monies by the Fund.

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

### Top Ups or Additional Investments

The original application to create a new account needs to be accompanied by a cheque drawn on an account in the name of the Applicant. Funds may be sent via CHAPs or BACs for additional investments or top ups. For further details please contact CCLA's Client Services team, on telephone helpline 0800 022 3505.

### Conditional Orders

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

### Selling Shares

All instructions to sell Shares must be on a completed renunciation form and received by the Manager by 5.00 p.m. on the day prior to the Dealing Day to obtain that day's price and may be subject to a period of notice. A contract note detailing the transaction will be sent out by the close of business on the Business Day following the Dealing Day. The contract note will contain certain dealing information such as the number of Shares sold and the redemption price.

Proceeds of sales can either be remitted direct by BACS to the nominated bank account of the charity or be paid direct to a CBF Church of England Deposit Fund account held in the name of the charity or be sent by cheque to the correspondent and made payable to the Church Trust or charity. Settlement cheques are sent out within four Business Days of the Dealing Day. Proceeds that are transferred to a CBF Church of England Deposit Fund account are normally credited with effect from the Dealing Day.

## Period of Notice

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

## Preliminary Charge

A preliminary charge may be included in the price at which Shares may be purchased, out of which the expenses and remuneration of the Manager may be paid. No preliminary charge is currently levied. The introduction of a preliminary charge and any increase in the actual or maximum amount of a preliminary charge made by the Manager shall be subject to:

- a) notice of at least 60 days being given to Shareholders;
- b) the prior written agreement of the Board.

## Switches

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

## The Issue and Redemption of Shares in the Fund

To transact in the fund a client must have an active open account. An application to open or reactivate an account will normally take 48 hours provided all documents required are provided along with the application. Instructions cannot be accepted until the account is active.

Shares are dealt on a forward price basis. All instructions for buying and selling Shares in the Fund must be accepted by 5.00 p.m. on the day prior to the Dealing Day if they are to be processed at the prices to be calculated on that day. Instructions accepted later will be held over to the next Dealing Day.

CCLA will execute purchases or redemptions on the instructions of the client at the published offer/bid price at the Valuation Point on the Dealing Day. Shares can only be created or liquidated through the Trustee on behalf of the Fund.

## Suspension of Dealing

In exceptional circumstances, the Manager may, if the Trustee agrees, or shall, if the Trustee requires, suspend at any time for a period of up to 28 days the buying and selling of Shares. The Manager or the Trustee must be of the opinion that there is good and sufficient reason

to do so having regard to the interests of the Shareholders and will regularly review such suspension to ensure it does not continue for any longer than is necessary. No shares can be bought or sold during this period.

## Refusal to Issue or Cancel Shares

The Manager may refuse to issue or cancel shares if in its opinion such action would not be in the best interest of Shareholders.

## Publication of Prices

The latest offer and bid prices of the shares in the Fund will be published in the Financial Times. Month end prices for valuation purposes and daily bid and offer prices are displayed on the Manager's website [www.ccla.co.uk](http://www.ccla.co.uk)

## Minimum Investment

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

## Distributions to Shareholders

### Quarterly Distribution

Income distributions are calculated quarterly at the end of March, June, September and December. The distribution is based upon undistributed income received and receivable to each quarterly date less any costs and expenses for the period and subject to flows to or from the Income Reserve (see below). Distributions in respect of the preceding quarter are made at the end of February, May, August and November. 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 Eligible Contributor, or into a CBF Charities Deposit Fund account in the name of the investing charity. Changes in tax law and regulations may affect the basis of calculation and payment of distributions.

## The Income Reserve

Each quarter income may be transferred to an Income Reserve Account, thereby reducing the distribution for that quarter, or income can be transferred from the Income Reserve to the Distribution Account, which increases the distribution. The Income Reserve is used to even out fluctuations in income which arise from time to time. The Income Reserve of the Fund forms part of the capital of the Fund and is included in the price of the Fund until it is used in the payment of a distribution. Additionally, where there is a balance brought forward on the Income Reserve new investors are acquiring a right to a proportion of the reserve, and those selling are giving up the right to the reserve of the Fund. In order to deal with this issue, equalisation is applied.

## Equalisation

The first allocation of income to which a Shareholder is entitled, following the purchase of shares, is calculated as if the purchase had been made at the beginning of the quarter. The distribution will therefore include that part of the purchase price consisting of income from the beginning of the quarter to the date of purchase. The Manager is able to supply a breakdown of the amount of accrued income in the purchase price.

For each creation and liquidation of shares, a portion of capital will be applied to the Income Reserve, such that a fund inflow or outflow maintains the ratio of Income Reserve to non-Income Reserve capital. Thus, current Shareholders' value of the Income Reserve will remain unaffected by additional creations and liquidations.

## Custody of Assets

The Custodian of the Fund is shown in Appendix 1 to this document.

## Accounts of the Fund

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

The Manager will make available, free of charge on its website, [www.ccla.co.uk](http://www.ccla.co.uk), the Fund's Annual Report and Accounts for the period to 31 December (the accounting reference date) within four months of the end of the relevant period, and the Fund's half-yearly Reports and Accounts for the period to 30 June (the interim accounting date) within two months of the end of the relevant period.

If a hard copy or an email of a report is required, please contact our Client Services Team on telephone helpline 0800 022 3505.

## Taxation

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 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 Shareholders have charitable status and are entitled to receive such payments without deduction of tax provided that they are used for charitable purposes.

The references to tax exemptions and reliefs are based on the law as at the date of publication of the Scheme Information. The tax position may change in the future. Investors should obtain their own tax advice in respect of their own position.

Any changes to the tax status of the Fund will be notified on the CCLA website and in updated Scheme Information.

The Manager shall not have a lien or security interest in the property of the Fund.

The Manager will not act as principal in any transaction with the Fund. The Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objectives of the Fund will be successfully accomplished.

## Investment and Borrowing Powers

### Investment

The Fund's powers permit investment in:

- a) property collective investment schemes (including those managed by CCLA, and specialist property funds); and
- b) the CBF Church of England Deposit Fund, sterling accounts with authorised banks in the United Kingdom, sterling negotiable certificates of deposit and other similar short-term money market investments.

### Borrowing

The Fund may borrow on a temporary basis but such borrowings may not exceed 5% of total assets. The Fund may have investments in collective schemes which have the capacity to borrow but not where such borrowings can exceed 25% of total assets.

### The Board of Trustees (the Board)

The Board has been assigned certain duties. It meets regularly to receive reports and monitor the progress of the Fund. It is required to prepare Annual Report and Accounts. The Board is made up of individuals who together have wide experience of finance, investments, charities and the law. No Board member is required to be authorised by the FCA because no Board member intends to offer investment advice or conduct investment business in relation to the Fund.

### Material Interest and Conflicts

The Fund has power to invest in other Funds managed by the Manager however if this occurs a rebate of the Annual Management Charge is made to ensure there is no double charging of the Annual Management Charge. The Manager operates a Conflicts of Interest Policy, a summary of which is provided in Appendix 1.

### Conflicts of Interest Policy

CCLA operates a Conflicts of Interest Policy to ensure that its clients are treated fairly. Our policy seeks to avoid circumstances which we consider may give rise to potential conflicts of interest and materially disadvantage our clients. It describes the controls and arrangements for preventing CCLA and its staff from:

- favouring one client above another;
- market abuse and disclosing confidential information;
- giving or receiving gifts and entertainment, monetary or otherwise that would be in breach of our Conflicts of Interest Policy;
- favouring one of CCLA's owners, The CBF Church of England Investment Fund (56%), COIF Charities Investment Fund (23%), the Local Authorities' Mutual Investment Trust (14%) and the Executive Directors of CCLA (7%) at the disadvantage of its clients;
- not disclosing CCLA's close association with The CBF Church of England Funds, COIF Charity Funds and the Local Authorities' Property Fund or its ownership (above); and
- not disclosing any remaining conflicts of interest to our clients before we advise or transact on their behalf.

Full details of CCLA's Conflicts of Interest Policy are available on request and on the website

## Changes to Authorised Signatories

Changes to the authorised signatories for a Church Trust's holding of Shares in the Fund must be made on a duly completed mandate form by the Church Trust (or the nominee company acting on behalf of the Church Trust) signed by authorised signatories. Where an existing authorised signatory is removed by way of a mandate form, the Correspondent shall receive notification of the removal by the Manager.

## Changes in Correspondents

A Shareholder must notify the Manager of any change in the authorised correspondent for its Fund account.

## Anti-Money Laundering

The Manager is required by law to maintain procedures to combat money laundering. In order to implement these procedures, proof of identity may sometimes be required either when buying or when selling shares from time to time, even of existing Shareholders. We may freeze or return your investments and/or subscription amounts unless or until the necessary evidence of identity can be obtained. In the case where shares are being sold, the remittance of proceeds may be delayed until proof of identity has been obtained. Electronic identity checks may be undertaken on the persons named within the Application Form.

## Best Execution

In accordance with MiFID II, the 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.

The Manager's Order Execution Policy sets out the basis upon which the 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](http://www.ccla.co.uk) A copy will also be made available on request.

## Research

Certain brokers may from time to time provide research services to the Manager. The Manager pays for such research services out of its own resources, which are used by the Manager in its management of the Fund.

## Inducements

In accordance with MiFID II, the Manager when executing orders or placing orders with other entities in relation to financial instruments on behalf of the Fund must not accept and retain any fees, commission or monetary benefits from a third party (**Third Party Payments**). If the Manager receives any Third Party Payments, the Manager will return the Third Party Payments to CBFFT as soon as reasonably possible and will inform Shareholders of the amount received which will be set out in the annual reports.

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.

### Acceptance of Terms and Conditions set out in the Scheme Information

By completing the Application Form to purchase shares, the Shareholder acknowledges and accepts the terms and conditions of and agrees to be bound by the provisions of this Scheme Information and the Measure.

### Amendments to these Scheme Information

The Trustee and Manager reserve the right to amend the Scheme Information at any time. Shareholders will receive notice of any amendment material to them. All current schemes are available on [www.ccla.co.uk](http://www.ccla.co.uk) or by request please contact our Client Services department on 0800 022 3505.

### Applicable Law and Jurisdiction

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

The Scheme Information summarise the terms on which the Fund operates. For further information as to the terms on which shares are issued, reference should be made to the Measure.

Copies of the Measure and the Scheme Information are available on request from the Manager or the Trustee.

By applying for Shares, a Shareholder 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 Shareholder's investment in the Fund or any related material.

### Regulatory Position

The Fund, being constituted as a Common Fund under the Measure (as amended or replaced from time to time), is not regulated by the Financial Conduct Authority (FCA) or other regulatory bodies under the Financial Services and Markets Act 2000 (FSMA). CBFFT, as Trustee and Operator of the Fund, is not considered to be operating the Fund "by way of business". Consequently, it is not required to be regulated by the FCA and its Trustees are not required to be authorised by the FCA for this purpose. This extends to CCLA in respect of its administrative, registrar and company secretarial functions for The CBF Church of England Funds.

Investment in the Fund is not covered by the Financial Services Compensation Scheme.

The Manager is authorised and regulated by the FCA and holds the necessary permissions to provide discretionary investment management services which it provides in relation to the Fund. The Manager is subject to the requirements of MiFID II in its management of the investments of the Fund.

## Additional Information

A Shareholder is entitled to request an unaudited periodic report to be provided within 25 days after the end of the period to which it relates.

The Manager will make available copies of the Scheme Information, factsheets, current Investment Policy and annual and half yearly report and accounts, free of charge, on its website [www.ccla.co.uk](http://www.ccla.co.uk)

If a hard copy or an email copy of any of these documents is required please contact customer services on telephone helpline 0800 022 3505.

## Winding Up

The Trustee has the power to wind up the Fund in accordance with the Measure (as amended or replaced from time to time).+

## Charitable Status of the Fund

The CBF Church of England Property Fund is entitled to charitable status by virtue of section 24(9) of the Charities Act 1993. In the administration of the Fund the CBFFT is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958 (as amended or replaced from time to time).

## Auditor

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

## Compensation

The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

As the Fund is unregulated it is not covered by the Financial Services Compensation Scheme (the FSCS). However, some of the Manager's activities are covered and should the Manager be unable to meet all its liabilities to investors, compensation may be available to eligible investors.

The maximum level of compensation payable by the FSCS for a claim is £50,000 per eligible complainant. Further information is available from the Manager on request or via [www.fscs.org.uk](http://www.fscs.org.uk) or at their address below:

Financial Services Compensation  
Scheme,  
10th Floor,  
Beaufort House,  
15 St Botolph Street,  
London, EC3A 7QU.

## Risk Warning

Investing in the Fund involves certain risks some of which are summarised below. Applicants and Shareholders should note the following risks associated with investing in the Fund and review such risks with their financial, tax and or legal advisers prior to investing in the Fund:

- The Fund's shares and the income from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns.
- The Fund will principally invest in a single collective investment scheme which holds real property (the COIF Charities Property Fund), and does not intend to hold a diversified range of investments in various collective investment schemes.
- Real Property and real property related assets are inherently difficult to value because of the individual nature of each property. As a result, valuations are open to substantial subjectivity.

The performance of the Fund could adversely be affected by a downturn in the property market in terms of capital value or a weakening of rental yields. The income received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the fund(s) that the Fund invests in and the rents paid by these tenants. Rental revenues and property values are affected by changes in the general economic climate and local conditions. Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant creditworthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

- Changes in legal, tax or regulatory requirements affecting the Fund or its investments could impact on the performance of the Fund. For example, changes in tax law and regulations may affect the basis of calculation and payment of distributions.
- A failure by the Fund to perform its obligations under any of its financing arrangements or loans may lead to the Fund's lenders demanding early repayment of the Fund's loans and to realise any security they have over the Fund's assets.

Shareholders should therefore be aware that the nature of the Fund is to be exposed to a number of kinds of risks, including market, price risk, interest rate risk, liquidity risk, credit risk and stock selection risk. This means the share price may fluctuate, more or less in line with its benchmark. Risk will be controlled by investing in the COIF Charities Property Fund which aims to have sufficient diversification across the property sectors, by diversification, if possible, within each property sector and by following standard administrative procedures.

The Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only at each monthly Valuation Point. In falling markets, the redemption of Shares may be subject to lengthy delays.

CCLA reserve the right to charge reasonable expenses in relation to printing and postage of

any additional documentation required by the client.

## Telephone and electronic communications

The Manager in accordance with MiFID II must take all reasonable steps to record telephone conversations and keep a copy of electronic communications where such conversations and communications relate to activities in financial instruments as required by FCA's Handbook of Rules and Guidance, as amended from time to time.

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

## Scheme Information

Any person relying on the information contained in this document which was current at the date shown, should check that the document is the most current version and that no revisions or corrections have been made to the information contained herein. Copies of this document are available free of charge on [www.ccla.co.uk](http://www.ccla.co.uk)

## 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 CCLA'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 CCLA's Privacy Notice.

The Manager (and the investment schemes) may keep records of all business transactions for at least five 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, Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

## Appendix 1

### The Manager

The Manager, CCLA, is a limited liability company registered in England and Wales with its Registered Office at Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Incorporated on 26 October 1987. Directors of CCLA are:

R. Horlick (Chairman)\*

J. Bevan

A. McMillan

R. Norris\*

M. Quicke

A. Robinson

T. Salmon\*

J. Tattersall\*

R. Williams\*

(\* indicates a Non-Executive Director)

The Manager also manages The CBF Church of England Investment Fund, The CBF Church of England Fixed Interest Securities Fund, The CBF Church of England Global Equity Income Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Deposit Fund.

CCLA's Customer Telephone Helpline Number is 0800 022 3505. Please note telephone calls may be recorded.

### The Board of CBFFT

The members of the CBFFT Board are:

R. Williams (Chairman and Non-Executive Director of CCLA)

A. Brookes

Rev. Canon E. Carter

S. Chan

C. Johnson

N. Lewis

G. Pollard

P. Read

Rev. Dr R. Turnbull

M. Woodmore

### Address of the Trustee and Operator

The Registered Office of the Trustee and Operator of the Fund is Senator House, 85 Queen Victoria Street, London EC4V 4ET.

## Oversight

CBFFT has appointed HSBC plc Trustee and Depositary Services to oversee CCLA in respect of its activities related to the management and administration of the Fund and to provide semi-annual reviews of its findings to CBFFT.

## Registrar

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

## Administrator

HSBC Bank Plc, 8 Canada Square, Canary Wharf, London, E14 5HQ, who undertake the Fund Pricing and Fund Accounting activities.

## Auditor

The Auditor of the Fund is PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT.

## Address for Complaints

Complaints regarding the operation of the Fund or the Manager should be addressed to The Head of Client Services, CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET or The Company Secretary CBFFT c/o, CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Shareholders who are eligible complainants may have the right to complain directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. (Telephone 0845 0801800).

## Regulator

CCLA is authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

## **The CBF Church of England Property Fund**

### **Investment Policy Statement**

This statement should be read in conjunction with the Scheme Information. The Investment Policy of the CBF Property Fund (the Fund) is designed to meet the objective and performance benchmark of the Fund and is made and reviewed by the Board.

### **Investment Objective of the Fund**

The Fund aims to achieve a high and sustainable level of income and some capital appreciation. The Fund will principally invest in the COIF Charities Property Fund; a fund managed by CCLA and may also invest in other funds.

The long term nature of the investment strategy, the costs of transactions in the sector and the risk of illiquidity from time to time all suggest that a holding in the Fund is considered a long term investment rather than as a home for monies that could be required in the near term or on short notice.

### **Benchmark of the Fund**

The total return benchmark for the Fund is the AREF/IPD Other Balanced Property Fund Index.

### **Investments**

The Fund will principally invest in collective investment schemes. Up to 100% of the CBF Property Fund may be invested in the COIF Charities Property Fund. The Investment Policy may mean that at times it may be appropriate for the Fund not to be fully invested but to hold cash or near cash. In extreme conditions, the Manager may raise or reduce the liquidity of the Fund from normal working levels within a band of 0% to 20%.

### **Projected return**

The Fund expects to provide an income to investors, derived from the underlying investments, predominately collective investment schemes. The future capital return, which may be negative, cannot be projected as it is dependent upon the level of demand for investment properties and other factors including the rate of economic growth.

### **Borrowing**

Borrowing increases the risks involved in the Fund, magnifying both gains and losses. The Manager may borrow temporarily up to 5% of the value of the property of the Fund. The Fund may have investments in collective investment schemes which have the capacity to borrow but not where such borrowings can exceed 25% of total assets of such a collective investment scheme.

In the event of a breach of these limits the Manager must gain the consent of the Trustee and then take the necessary steps to remedy the breach.



# **CCLA**

CCLA Investment Management Limited

Client Services:

Freephone: 0800 022 3505

or visit [www.ccla.co.uk](http://www.ccla.co.uk)

CCLA Investment Management Limited registered in England No. 2183088 – whose registered office is Senator House, 85 Queen Victoria Street, London EC4V 4ET is authorised and regulated by the Financial Conduct Authority.