

**CCLA**

**COIF Charities  
Deposit Fund  
Scheme Particulars**

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# Scheme Particulars

## COIF Charities Deposit Fund

Effective from May 2018

Issued by CCLA Fund Managers Limited

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Deposit Fund (the **Fund**) established and regulated by a Scheme dated 2 April 2008 and made under Section 25 of the Charities Act 1993, now Section 100 of the Charities Act 2011 as amended by resolutions of the Trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014 (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 1046249.

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

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## Definitions

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

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

**AIFMD Legislation** refers to the Alternative Investment Fund Managers Directive 2011/61/EU, the Alternative Investment Fund Managers Regulations 2013, and the Commission Delegated Regulation (EU) 231/2013.

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

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

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

**Charity means** either a charity in England and Wales within the meaning of section 1(1) of the Charities Act 2011 and also an "appropriate body" in Scotland and Northern Ireland within the meaning of section 101(3) of the Charities Act 2011.

**Charity Commission** means the Charity Commission for England and Wales. Charitable purpose bears the meaning as set out in Section 2 of the Charities Act 2011.

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

**Common Investment Fund** means a pooled investment fund which is governed by the Charities Act 2011 and authorised by the Charity Commission.

**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.

**Depositary Services Agreement** means the agreement 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).

**Depositing Charity** means a charity which has deposited sums in the Fund.

**FCA** means the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, E14 5HS 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 Deposit Fund.

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

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

**Investment Manager** means CCLA Investment Management Limited.

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

**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.

**PRA** means the Prudential Regulation Authority of Threadneedle Street, London EC2R 8AH or such regulatory authority which may replace or succeed it from time to time.

**Register** means the register of Depositing Charities 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.

**Regulatory Rules** means the AIFMD Legislation, FCA Regulations and MiFID II as may be applicable.

**Scheme** means the Scheme sealed by the Charity Commission on 2 April 2008 as amended by resolutions of the Trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014.

**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 deposits, assets and property of the Fund.

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

References to any statutory provision or Regulatory Rule in these Scheme Particulars shall include any statutory provision or Regulatory Rule which amends or replaces it and any sub-ordinate legislation made under it.

## The Fund

The Fund is a Common Deposit Fund established and regulated by the Scheme dated 2 April 2008 and made under Section 25 of the Charities Act 1993, now Section 100 of the Charities Act 2011, as amended by resolutions of the Trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014.

The Fund is managed by CCLA Fund Managers Limited as an alternative investment fund in accordance with the FCA Regulations and the AIFMD Legislation.

The object of the Fund shall be the provision of a common deposit fund for the deposit of sums of money from time to time by or on behalf of a Depositing Charity provided that the Depositing Charities shall be entitled, subject to the provisions of the Scheme and these Scheme Particulars, to the repayment of the deposit and to the payment of interest in accordance with these Scheme Particulars.

## Investment Objectives

The Fund aims to provide a high level of capital security and competitive rates of interest.

## Investment Policy

The Fund is an actively managed, diversified portfolio of sterling denominated money market deposits and instruments. It will principally invest in sterling denominated Call Accounts, Notice Accounts, Term Deposits and Money Market Instruments, but may invest in other assets.

The Fund follows a client-driven ethical investment policy.

## Benchmark

LIBID 7 Day Rate.

## Target Investors

The Fund is suitable for all of a charity's short-term investments where they are seeking a high level of capital security and a competitive rate of interest. 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).

## Investment Powers

The Manager may invest the property of the Fund in eligible securities of Counterparties and these Counterparties are regularly reviewed by the Board Members. The Manager must maintain a satisfactory level of liquidity by ensuring that at least 5% of the investments of the Fund are capable of being repaid within five Business Days. The weighted average maturity of the Fund must not exceed 120 days and the maximum maturity of any investment is two years. The Manager must have regard to the need for diversification and suitability of investments and also of Counterparties.

Except in exceptional circumstances and with the consent of the Charity Commission, not

more than 20% of the Fund's money is to be deposited with a single body or shall be lent to any one institution or institutions within the same group. There is no restriction on the amount that may be deposited with Her Majesty's Government or any institution guaranteed by Her Majesty's Government.

## Eligible Securities

Eligible securities include but are not limited to:

- Sterling denominated current accounts, call accounts, notice accounts, term deposits and certificates of deposit of any bank or building society.
- Sterling denominated securities or treasury bills issued by the Government of the United Kingdom or by any company that is listed on the London Stock Exchange.
- Sterling denominated deposits with any local authority in the United Kingdom.

## Custody of Assets

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

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

## Changes to Investment Objectives 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 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 Depositing Charities by way of an extraordinary resolution.

Where it is proposed that the investment objective or 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 Depositing Charities.

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 Depositing Charities 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 objective of the Fund (for example,

those aimed at clarification of the investment objective and/or policy) would be considered a "notifiable change" within the meaning in the FCA Regulations. Such alterations may be made by providing depositors with access to an updated copy of these Scheme Particulars. 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.

### Leverage (as defined by the AIFMD Legislation)

Under the AIFMD Legislation the Manager is required to disclose in what circumstances and how the Manager may use leverage as defined by the AIFMD Legislation (Leverage) in respect of the Fund and maximum level of Leverage permitted.

The Manager is not permitted to use Leverage under the Scheme. As a result no further Leverage disclosures are made.

### The Board - Duties and Responsibilities

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 authorised by the FCA because no Board member offers investment advice or conducts investment business in relation to the Fund.

In safeguarding the interests of Depositing Charities the Board has a number of responsibilities which include setting and subsequently advising on the Investment Objective of the Fund, monitoring performance, the appointment and discharge of the Manager and the Corporate 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 property of the Fund 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.

## The Trustee

HSBC Bank plc is the Trustee of the Fund. HSBC Bank plc is a public limited company incorporated in England and Wales with company registration number 00014259 with its registered and head office at 8 Canada Square, London E14 5HQ. It is a wholly owned subsidiary of HSBC Holdings plc.

The Trustee acts as a trustee of the Fund for the purposes of and pursuant to the Scheme. The Trustee also acts as the depositary of the Fund for the purposes of and in compliance with the AIFMD Legislation and any other applicable national implementing measures in the United Kingdom including, without limitation, the FCA Regulations.

The Trustee is authorised by the PRA and regulated by the PRA and the FCA in the conduct of its investment business in the United Kingdom, including the provision of trustee and depositary services.

## Terms of appointment of Trustee

The Trustee is appointed pursuant to the Scheme to act as a trustee of the Fund and is also appointed under a Depositary Services Agreement in place between the Trustee, the Manager and the Board which contains provisions dealing with the specific duties of the Trustee as depositary pursuant to the AIFMD Legislation.

The main duties of the Trustee are as set out in the Scheme. In its capacity as depositary, it has certain duties under the AIFMD Legislation which are to provide safekeeping, of all financial instruments that can be physically delivered to the Depositary, oversight, cashflow monitoring and asset verification services and maintaining appropriate records in respect of the Scheme Property and other agreed services in accordance with the provisions of the applicable Regulatory Rules and the Scheme. The Depositary shall also ensure that all payments made by or on behalf of applicants upon the subscription to units of the Fund have been received.

The Depositary's duties also include the following:

- I. Ensuring that issues, creations, redemptions and cancellations of units of the Fund are carried out in accordance with the applicable law and the Scheme.
- II. Ensuring that the value of units of the Fund is calculated in accordance with the applicable laws and the Scheme.
- III. Carrying out the instructions of the Manager, unless they conflict with the applicable law or the Scheme.
- IV. Ensuring that transactions involving the Fund's assets and any consideration due is remitted to the Fund within the usual time limits.
- V. Ensuring the Fund's income is applied in accordance with applicable law and the Scheme.

In accordance with the FCA Regulations and the AIFMD Legislation, the Trustee may, pursuant to the Depositary Services Agreement and with the agreement of the Manager, delegate the provision of custody services in relation to the Fund. Safekeeping functions may be delegated to one or more sub-custodians on the terms set out in the Depositary Services Agreement and the Trustee will act with reasonable skill, care and diligence in the discharge of its duties. The liability of the Trustee as depositary under the Depositary Services Agreement shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee has currently not delegated the provision of custody services and therefore HSBC Bank plc also acts as custodian of the Scheme Property.

The fees to which the Trustee is entitled are set out in these Scheme Particulars.

Under the Depositary Services Agreement, the Trustee's appointment may be terminated on 90 days' written notice, and in addition, under the Scheme the Board may terminate the Trustee's appointment by serving written notice on it, provided that the Depositary Services Agreement shall not terminate until a replacement depositary is appointed.

### **Liability of the Depositary under the Depositary Services Agreement**

Subject to the paragraph below, pursuant to the Depositary Services Agreement, the Depositary will be liable for loss of assets in custody (i.e. those assets, being financial instruments under the AIFMD Legislation, which are required to be held in custody pursuant to the AIFMD Legislation) or in the custody of any sub-custodian (should such sub-custodian be appointed) unless that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary, or where the asset which is lost was held by a sub-custodian appointed in accordance with the Depositary Services Agreement and the transfer of liability from the Trustee to the sub-custodian has been expressly agreed.

The Manager will disclose to potential Depositing Charities before they deposit in the Fund any arrangement made by the Trustee to contractually discharge itself of liability in accordance with the AIFMD Legislation. Currently, it is not envisaged that the Trustee will seek to contractually discharge itself of liability under any circumstances, and so it is not expected that this requirement under the AIFMD Legislation will be applicable to the Fund. In the event that there are any changes to the Trustee's liability under the AIFMD Legislation, the Manager will inform Depositing Charities of such changes without delay.

However, the Trustee shall not be liable for any indirect, special or consequential losses.

### **Trustee Conflicts of Interest**

Potential conflicts of interest may arise from time to time from the provision by the Trustee and/or its affiliates of other services to the Fund, the Manager, the Investment Manager and/or other parties. Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Fund and/or the Manager and will treat fairly the Fund, the Manager and the other funds for which it acts, so far as is practicable. Such potential conflicts of interest are identified, managed and monitored in various other ways including, the hierarchical and functional separation of HSBC's depositary functions from its other

potentially conflicting roles and by the Trustee adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the Head of Compliance for the Trustee).

## Remuneration and Expenses of the Trustee

The Scheme provides for the remuneration of the Trustee out of the property of the Fund 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):

- 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
- g) 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 0.01% per annum, (plus VAT if applicable and if any), of the value of the property of the Fund.

The actual periodic charge agreed with the Board is:

- 0.001875% per annum on all assets

The periodic charge (plus VAT if applicable and if any), accrues daily to the assets of the Fund 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:

- a) notice of at least 90 days being given to the Depositing Charities;
- b) the prior written agreement of the Board; and
- c) the prior written approval of the Charity Commission.

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

Transaction - £3 to £11.25 per transaction

Safekeeping - 0.003%

## The Manager

CCLA Fund Managers Limited is the appointed Manager of the Fund. The Manager is a limited liability company incorporated in England and Wales, whose address is shown in Appendix 1 of this document.

The Manager is authorised and regulated by the FCA in the conduct of investment business in the United Kingdom and is entered on the FCA's register under number 611707. The Manager has permission from the FCA to act as a full scope AIFM. The only business activity

of the Manager is the management of alternative investment funds as an AIFM. The ultimate holding company of the Manager is CCLA Investment Management Limited a company incorporated in England and Wales.

### **Terms of appointment of Manager**

The Manager is appointed as Manager of the Fund pursuant to the Scheme.

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 portfolio management, administration and the preparation of various reports for Depositing Charities 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.

### **Duties of the Manager**

- The Manager is responsible for all the investment management and administration services in relation to the Fund set out under paragraph 15 of the Scheme. These include:
- deciding, subject to these Scheme Particulars, the terms and conditions on which deposits are accepted by the Fund, and giving instructions to the Trustee with respect to the receipt and repayment of deposits, and the payment of interest in respect of deposits;
- the day-to-day management of the Fund;
- the making of any necessary calculations of interest in respect of deposits made with the Fund and that these calculations of interest are correctly carried out and to ensure that correct payments of interest are made;
- the keeping of a daily record of all of the Fund's transactions including the receipt and repayment of deposits;
- the preparation of any valuations or other calculations to be made under these Scheme Particulars;
- 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. 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.

### **Inducements**

It is the Manager's policy not to enter into any soft commission arrangements with its brokers for the supply of goods and services, in return for an agreed volume of business.

In accordance with the Regulatory Rules, the Manager when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the Fund must not accept and retain any fees, commission or monetary benefits from a third party (Third Party Payments). If the Manager receives any Third Party Payments, the Manager will return the Third Party Payments to the Fund as soon as reasonably possible and will inform depositors 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.

### **Remuneration and Expenses of the Manager**

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

The Annual Management Charge on large account balances may be reduced at the Manager's discretion in order to enable a higher rate of interest to be paid to these accounts.

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

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

- a) notice of at least 90 days being given to depositing charities;
- b) the prior written agreement of the Board; and
- c) the prior written approval of the Commission.

### **Investment Manager**

The Investment Manager is CCLA Investment Management Limited, a limited liability company registered in England, company No. 2183088. The Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of its investment business.

The Investment Manager has been appointed by the Manager pursuant to the Investment Management Agreement to provide portfolio management services to the Fund under the Investment Management Agreement.

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. 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 objectives 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.

Where research services are provided to the Investment Manager, any research fee is paid from the Investment Manager's own resources and not charged to the Fund.

## 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 including the preparation of statements and other reports together with marketing activities on behalf of the Fund. The Administrator has been appointed under the 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.

## Registrar

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

## Depositing Charities' rights against service providers

A number of third party service providers provide services to the Fund, including the Investment Manager, the Auditors and the Administrator, whose details are set out in these Scheme Particulars (the "Service Providers"). No Depositing Charities 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 Depositing Charities 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.

## Additional Payments from the Fund

Payments that may additionally be made out of the Scheme Property are as follows:

- a) fiscal charges and other disbursements which are necessary or properly to be incurred in effecting transactions for the Fund;
- b) taxation and duties payable in respect of the Scheme Property of the Fund, the Scheme, if applicable;
- c) any costs incurred in modifying the Scheme 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 Depositing Charities; or to remove from the Scheme obsolete provisions;
- d) any reasonable costs or expenses incurred by the Trustee or Manager in carrying out their duties as Trustee or Manager of the Fund respectively, which may be drawn from the Scheme Property as and when they occur. Such costs and expenses in addition to the remuneration of the Trustee and the remuneration of the Manager, as provided for in Clauses 34 and 35 of the Scheme respectively and specified earlier in these Scheme Particulars;
  - e) the audit fee properly payable to the Auditor and Value Added Tax which may be chargeable thereon and any proper expenses of the Auditor;
  - f) the proper expenses of the Board.

### **Preliminary Charge**

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

### **Register of Depositing Charities**

The Register of Depositing Charities is maintained on behalf of the Trustee by the Registrar. Accounts are registered in the name of the Depositing Charities or where applicable, holdings may be registered in the name of the nominee company acting on behalf of the Depositing Charities, with the name of the Depositing Charities separately recorded in the Register. Accounts may not be registered in the names of the individual trustees.

The Register may be inspected free of charge during normal business hours at the office of the Registrar. Entry in the Register of Depositing Charities is conclusive evidence of title to the deposits with the Fund. The Register contains the name of each Depositing Charity, the sums of money on deposit and the name and address of the correspondent for each account. In addition, the Register may also contain the following particulars: details of the nominee company acting on behalf of the depositing charity; client designation; bank account details for the remittance of interest and withdrawals; authorised alternate signatory(ies) and the number of signatures required. No notice of any trust, express, implied or constructive, shall be entered in the Register in respect of any deposit, and the Manager and the Board shall not be bound by any such notice.

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

### **Deposits**

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

### **Eligible Depositing Charities**

Any charity within the United Kingdom and any appropriate body within the meaning of the Charities Act 2011 (as amended or replaced from time to time), may invest in the Fund,

unless precluded by a specific provision in its governing instrument. The Manager is required under Money Laundering Regulations to satisfy itself as to the identity of participants (please see section headed Anti-Money Laundering 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 Depositing Charity is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and withdraw the deposit. The Manager reserves the right to decline any application for a Deposit Fund account or to close a Deposit Fund account at any time, without giving any reason.

### **Minimum Deposit**

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

### **Withdrawals**

Withdrawals of any amount may normally be made on demand without penalty. Withdrawal instructions which must be on the withdrawal forms provided and signed in accordance with the existing mandate, will be carried out on the day of receipt if received by the published cut-off time (presently 9.30am), otherwise on the next Business Day. Payments will only be made direct to the charity's bank account by the BACS (or its successor) or by cheque drawn in favour of the charity. The Fund reserves the right, for any Depositing Charity, to limit the total amount of withdrawals within any seven day period to £5 million.

### **Deposit Reserve**

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

### **Interest Declared Daily Interest Rate(s)**

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

### **Application of Daily Interest Rate(s)**

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



the Fund in the charity's name or is paid to the charity's nominated bank account normally within five Business Days after the quarter end.

### **Publication of Deposit Interest Rates**

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

### **Authority to Open and Operate Accounts**

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

### **Regular Statements**

All deposits and withdrawals are acknowledged within two Business Days. Statements of Account are sent quarterly.

CCLA reserves the right to charge reasonable expenses in relation to printing and postage of any additional documentation required by the Depositing Charity.

### **Charity Trustees' Obligations**

Under the Trustee Act 2000, charity trustees are obliged to review their investments regularly. If you need a valuation to be able to conduct this review, please contact the Manager, at the Registered Office of the company shown in Appendix 1.

### **Changes to Authorised Signatories**

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

### **Change in Correspondents**

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

### **Depositing Charities' Meetings**

Any meeting of Depositing Charities 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 Depositing Charities of the Fund duly convened and held by the Board Members may vote on a resolution:

- a) to approve a proposed scheme of amalgamation put forward by the Manager, or Trustee

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

A meeting of Depositing Charities has no other powers.

## 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 accepting or releasing deposits from time to time, even of existing depositors. 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 deposits are released, the remittance of proceeds may be delayed until proof of identity has been obtained. Electronic identity checks may be undertaken on the persons named within the application form.

## Telephone and electronic communications

The Manager, in accordance with the Regulatory Rules, 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 the FCA Regulations.

## Complaints

The Manager has established a complaints handling procedure to investigate complaints received.

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

Depositing Charities 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 Depositing Charity. The address and telephone number of the FOS is shown in Appendix 1 of this document.

A copy of the Manager's complaints policy is available on [www.ccla.co.uk](http://www.ccla.co.uk)

## Risk Warning

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

## Risk management process and liquidity management

The Manager employs a risk management process, including the use of appropriate stresstesting 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 repayment requests. In normal circumstances, repayment requests will be processed as set out in these Scheme Particulars.

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

## 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 Authorised Correspondent and an additional signatory authorised for the time being properly notified to it.

As the Fund is unregulated it is not covered by the Financial Services Compensation Scheme. However, some of the Manager's activities are covered and should the Manager be unable to meet all its liabilities to Depositing Charities, compensation may be available to eligible Depositing Charities. The maximum level of compensation payable by the Scheme for a claim is £50,000 per Depositing Charity. 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

## Material Interests and Conflicts

The Manager, the Trustee, 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.

## Conflicts of Interest Policy

The Manager and Investment Manager operate a Conflicts of Interest Policy to ensure that their clients are fairly treated. Our 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;
- favouring the Manager's shareholders over a client.

Full details of the Manager's Conflicts of Interest Policy is available on request and on the website [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 Depositing Charity 's representatives (referred to below as "representatives") that has been supplied to the Manager (whether by the representative, a Depositing Charity or otherwise) as set out in CCLA's Privacy Notice. Each Depositing Charity 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 Manager may keep records of all business transactions for at least five years. Each Depositing Charity has a right to inspect 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 Depositing Charities' records as confidential and so reserves the right to provide copies of the Depositing Charity /representative's particular record, rather than allow access to files which may contain information about other Depositing Charities. 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.

## 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 Annual Report and Accounts for the period to 31 December (the accounting reference date) and half-yearly Reports and Accounts for the period to 30 June (the interim accounting date) within six months of the end of the relevant period.

An Annual Report is issued on or before 30 June each year which in addition to the valuation reports detailed above includes, amongst other things, information on the Fund's

risk profile, the Manager's risk management systems and details of any changes to the Fund's liquidity management. The annual report 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 a report is required please contact customer services telephone helpline on 0800 022 3505.

## **Auditor**

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

## **Taxation**

The Fund has charitable status and is recognised as a Charity for UK tax purposes. As a Charity, the Fund should not be subject to UK tax on gains (provided such gains are applied for charitable purposes) or income from investments (provided such income is applied to charitable purposes). Tax suffered on investment income from UK equity dividends is not recoverable. To the extent that the Fund invests overseas, it may not be possible for the Manager to recover withholding tax suffered. As a Charity, the Fund is exempt from UK Stamp Duty.

Distributions of interest will be made gross (i.e. without deduction of tax). Depositing Charities should not be liable to UK tax in respect of such distributions provided such income is applied to charitable purposes.

This is our understanding of the tax position as of the date of these Scheme Particulars. The tax position may change in the future. Depositing Charities should obtain their own tax advice in respect of their own position. Any changes to the tax position of the Fund will be notified on the Manager's website.

## **Professional liability**

The Manager holds professional indemnity insurance (PII) to cover professional liability risk.

## **Fair treatment of Depositing Charities**

The Manager has established policies and procedures and made arrangements to ensure the fair treatment of Depositing Charities. Such arrangements include, but are not limited to, ensuring that no one or more Depositing Charities are given preferential treatment over any rights and obligations in relation to their deposits in the Fund that would result in a disadvantage to any other Depositing Charity. All rights and obligations to Depositing Charities are set out in the Scheme and these Scheme Particulars.

The Manager has established fair and transparent calculation of interest models and valuation systems and procedures for the assets of the Fund and endeavours to ensure that there are no undue costs being charged to the Fund and the Depositing Charities.

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 Depositing Charities. The Manager has established a process for recognising and dealing with complaints fairly.

## 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 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 policy.

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 Depositing Charities 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.

Interest payments and repayments of principal are made gross to Depositing Charities.

The Fund is deemed compliant for the purposes of FATCA.

## 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 Depositing Charities, 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. 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 Depositing Charities pro rata to their holdings.

In the event of winding up the Income Reserve is distributed at the discretion of the Trustee.

## Acceptance of Terms and Conditions

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

## 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 reference should be made to the Scheme.

## Scheme Particulars

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

## Additional Information

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

The Manager will make available copies of the Scheme Particulars, Factsheets 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 or the Scheme Rules is required please contact customer services on telephone helpline 0800 022 3505.

## APPENDIX 1 - Directory

### Trustee

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

### Manager

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

The main business activity of the Manager is the management of unregulated collective investment schemes in the form of alternative investment funds.

CCLA Fund Managers Limited is a wholly owned subsidiary of CCLA Investment Management Limited. Registered Office at Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Incorporated on 16 October 2013.

Directors of CCLA Fund Managers Limited 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 COIF Charities Ethical Investment Fund, the COIF Charities Investment Fund, the COIF Charities Fixed Interest Fund, the COIF Charities Property Fund and the COIF Charities Global Equity Income Fund.

CCLA Fund Managers Limited Customer Telephone Helpline Number is 0800 022 3505.

Please note telephone calls may be recorded.

CCLA Fund Managers Limited Customer Telephone Helpline Number is 0800 022 3505.

Please note telephone calls may be recorded.



## The Board of the Fund

The members of the Board are:

R. Norris (Chairman) (Non-Executive Director of the Investment Manager)

K. Corrigan

A. Daws

J. Hobart

N. Morecroft

G. Newson

J. West

## Investment Manager

The Investment Manager is CCLA Investment Management Limited which is a limited liability company registered in England and Wales and is authorised and regulated by the FCA in the conduct of investment business. Registered Office at Senator House, 85 Queen Victoria Street, London EC4V 4ET.

## Administrator

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

## Registrar

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

## 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 Fund Managers Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET or The Compliance Officer, HSBC Bank plc, Corporate Trustee of the COIF Charities Funds, 8 Canada Square, London E14 5HQ.

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

## Appendix 2

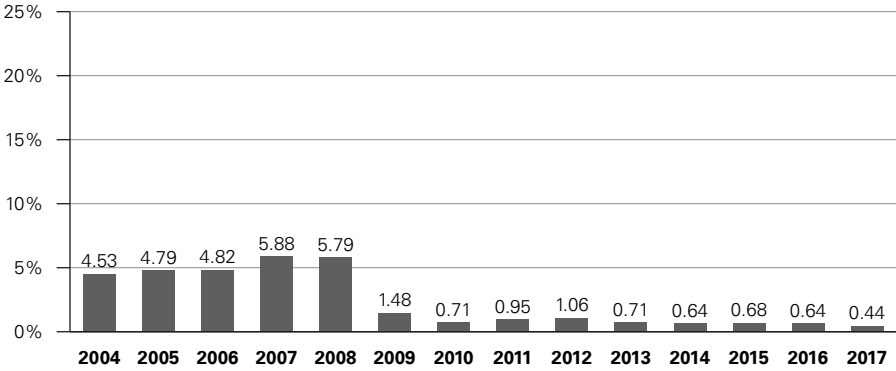
### Payments

Direct Payments into the COIF Charities Deposit Fund may be made by CHAPS (Clearing Houses Automated Payment System) /BACS (Bankers Automated Credit Services) and Faster Payment to the following bank account; Account Name: COIF Charities Deposit Fund; Bank Name: HSBC Bank plc - 60 Queen Victoria Street, London, EC4N 4TR; Sort Code: 40-05-30; Account Number: 24455223, your full account number must be quoted as a reference on the payment.

Provided the payment arrives in the bank account by 9.30am on a Business Day (that is a day on which the London Stock Exchange or any successor body is open for business) and correctly quotes your account number as a reference, the funds will be credited that day. Failure to provide the reference may result in the transaction being delayed or returned.

### APPENDIX 3 - Past Performance

The performance shown below is gross of all Fund charges and it has been calculated in Sterling.



The Fund started on March 1985. Past performance is not a guide to future performance.

# **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) and CCLA Fund Managers Limited (Registered in England No. 8735639) are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London, EC4V 4ET.