

The CBF Church of England Deposit Fund

Scheme Information

Effective from 6 April 2021

Issued by CCLA Investment Management Limited (the “Manager”)

This document sets out the Scheme Information for The CBF Church of England Deposit Fund (the “**Fund**”). The Fund is a Deposit 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, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010 (together the “**Measure**”) and the Trustee Act 2000. The Fund was formed on 1 May 1958. The Fund is not a Collective Investment Scheme within the meaning of the Financial Services and Markets Act 2000 (“**FSMA**”) as amended or changed from time to time.

Should the provisions of the Measure and this Scheme Information be in conflict, the provisions of the Measure shall prevail.

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

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

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1. Definitions

1.1 Definitions

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

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

Application Form means the application form to open an account and deposit sums in the Fund, available from the Manager's website.

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

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

Board means the board of trustees of the Trustee as listed in Appendix 1.

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

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

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

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

Church Trust means a charitable trust established by the Church of England.

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

Counterparty(ies) means the borrower(s) to which the Fund lends.

Custodian means HSBC Bank plc, the entity appointed by the Trustee to be responsible for holding money market securities on behalf of the Fund.

Data Protection Legislation means the UK General Data Protection Regulation and the Data Protection Act 2018 or any successor legislations thereto, and any associated codes, regulation or guidance (as may be amended or replaced from time to time) and any related regulations and guidance and all other

laws concerning the processing of data relating to living persons.

Deposit Fund means a deposit fund as defined by section 1 of the Scheme.

Depositor means an Eligible Depositor which has deposited sums in the Fund.

Eligible Depositor means a Church Trust (or nominee company acting on its behalf) which is and continues to be eligible to deposit sums in the Fund.

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

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

Fund means The CBF Church of England Deposit Fund.

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

Investment Management Agreement means the agreement dated September 2008 between the Trustee and the Manager delegating the portfolio management of the Scheme Property to the Manager (as amended, supplemented or replaced from time to time).

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

Money Market Instruments means transferrable instruments normally dealt in on the money market and include treasury and local authority bills, certificates of deposit, commercial paper, bankers' acceptances, and medium or short-term notes.

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

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

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

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

Report and Accounts means the annual (audited) and interim (unaudited) report and financial statements for the Fund prepared by the Manager to

the periods ending 31 December and 30 June respectively.

Scheme means the scheme as detailed in the schedule to the Measure.

Scheme Information means this Scheme Information of the Fund as amended or replaced from time to time.

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

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

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

2. The Structure of the Fund

2.1 Deposit Fund and Charitable Status

The Fund is a Deposit Fund established under the Measure (as amended or replaced from time to time) and was formed on 1 May 1958. The Fund is not a Collective Investment Scheme within the meaning of FSMA and is not regulated by the FCA or other regulatory bodies under FSMA. The Fund is entitled to charitable status by virtue of section 103(4) of the Charities Act 2011, as amended or replaced from time to time.

2.2 The Board

The Board of trustees of the Trustee are listed in Appendix 1.

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 approved by the FCA, in relation to their capacity as a member of the Board, because no Board member intends to offer investment advice or conduct investment business in relation to the Fund.

2.3 The Trustee and Operator

CBF Funds Trustee Limited is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered Charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee. Under the provisions of FSMA, the Trustee is not considered to be operating the Fund “by way of business”. Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose. This extends to the Manager in respect of its administrative, registrar and company secretarial functions for The CBF Church of England Funds. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Measure.

The Trustee is ultimately responsible for The CBF Church of England Funds and receives reports on the published Report and Accounts. The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the Investment Management Agreement. The Trustee 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 deposits placed with financial institutions are held by the Trustee in the name of the Fund. In the event that the Manager elects to invest in money market securities, the Trustee has authorised the appointment of the Custodian to hold such securities.

2.4 The Manager

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

The Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA’s register under reference number 119281. The Manager holds the necessary permissions to provide, amongst other things, discretionary investment management services and is subject to the requirements of the FCA Regulations in its management of the investments of the Fund.

The Manager has been appointed by the Trustee pursuant to the Investment Management Agreement to provide discretionary investment management services as well as administrative and registration services under the Investment Management Agreement.

The Manager provides the Trustee with administrative, registration and company secretarial services where necessary for the operation of the Fund. These include the maintenance of the records of the deposit fund accounts opened, the calculation of the daily deposit interest, the payment of interest, the issue of quarterly deposit fund account statements and the maintenance of the accounting records of the Fund.

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

Under the terms of the Investment Management Agreement, the Manager may be replaced by the Trustee on the expiry of a 12 months’ notice period. The Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objective of the Fund will be successfully accomplished.

2.5 The Registrar

The Trustee has appointed CCLA Investment Management Limited to act as the Registrar of 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.

2.6 The Administrator

HSBC Bank plc, 8 Canada Square, London E14 5HQ is the appointed Administrator of the Fund and carries out certain administrative tasks and other activities 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.

2.7 The Auditor

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

2.8 Depositors' Rights Against Service Providers

A number of third-party service providers provide services to the Fund, including the Auditor and the Administrator, whose details are set out in this Scheme Information (the "**Service Providers**"). No Depositor 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 Depositor may have to bring a claim against an FCA authorised Service Provider, the Manager or the Trustee under Section 138D of FSMA (as a result of a breach of the FCA Regulations by such Service Provider, the Manager or the Trustee), or any tortious or contractual cause of action.

3. Investment Objective and Policy of the Fund

3.1 Investment Objective

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

3.2 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, which may be either liquid or illiquid in nature.

The Fund is managed in accordance with the policies of the Church of England's Ethical Investment Advisory Group (EIAG). EIAG policies are available at www.churchofengland.org.

3.3 Comparator Benchmark

The comparator benchmark for the Fund is the Sterling Overnight Index Average (SONIA), or a similar short-term measure which may replace or succeed it from time to time. This index was chosen as it is widely used in the banking and investment industries and meets accepted international standards of best practice.

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

4. Participation in the Fund

4.1 Target Investors

The Fund is intended for eligible Charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should understand that their capital may be at risk and have the ability to bear losses.

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

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

4.2 Eligible Depositors

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 Money Laundering Regulations to satisfy itself as to the identity of Eligible Depositors (please see section headed Anti-Money Laundering Requirements below).

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 Depositor (potential or otherwise) is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and 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.

4.3 Registration of Deposits

The Register is maintained on behalf of the Trustee by the Registrar. Accounts are usually registered in the name of Depositors (or where applicable, accounts may be registered in the name of a nominee company acting on behalf of a Depositor). Accounts cannot be registered in the names of the individual trustees.

The Register may be inspected by or on behalf of Depositors during normal business hours at the office of the Registrar. Entry in the Register is conclusive evidence of title to the deposits with the Fund. The Register contains the name of each Depositor, 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 a Depositor; client designation; bank account details for the remittance of income and withdrawals; 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 deposit, 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 to the Manager.

4.4 Anti-Money Laundering Requirements

The Manager is required by law to maintain procedures to combat money laundering. In order to implement these procedures, electronic or manual identity checks will be undertaken by the Manager on certain persons named within the Application Form to satisfy itself as to the identity of Eligible Depositors. Proof of identity may sometimes be required either when accepting or releasing deposits from time to time, even of existing Depositors. The Manager may freeze or return deposits 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.

4.5 Fair Treatment of Depositors

The Manager has established policies and procedures and made arrangements to ensure the fair treatment of Depositors. Such arrangements include, but are not limited to, ensuring that no one or more Depositors 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 Depositor. All rights and obligations to Depositors, including those related to deposit and

withdrawal requests, are set out in this Scheme Information.

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

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

4.6 Changes to Authorised Signatories and Correspondents

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

5. Risks

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

5.1 General Investment Risks

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 interest rate on the Fund is variable and past performance is not a reliable indicator of future results. Deposits in the Fund are not covered by the Financial Services Compensation Scheme (FSCS).

5.2 Political Risk

The value of the Fund's assets may be affected by uncertainties such as political developments, changes in government policies and taxation.

5.3 Credit, Counterparty and Settlement Risks

The Fund will be exposed to credit risk in relation to the Counterparties with whom it trades and may also bear the risk of settlement default.

5.4 Interest Rate Risk

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

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

5.5 Concentration Risk

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

5.6 Custody Risk

There may be a risk of a loss where the Scheme Property is held in custody that could result from insolvency, negligence or fraudulent action of the Custodian or sub-custodian.

5.7 Operational Risks (including Cyber Security and Identity Theft)

An investment in the Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by the Manager, the Trustee or Service Providers such as the Administrator. While the Fund seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to the Fund. The Manager, Administrator and Trustee each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Manager's, Administrator's and/or Trustee's service or ability to close out positions and the disclosure or corruption of

sensitive and confidential information.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption, such security breaches may potentially also result in loss of assets and could create significant financial and/or legal exposure for the Fund.

5.8 Liquidity Risk

Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the size of a transaction would represent a relatively large proportion of the average trading volume of that security or if the relevant market is illiquid it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

5.9 Risk Management Process and Liquidity Management

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

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

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

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

6. Investment Powers, Controls and Restrictions

6.1 Investment Powers

The Manager may invest the Scheme Property in eligible securities of Counterparties and these

Counterparties are regularly reviewed by the Trustee. The Manager must maintain a satisfactory level of liquidity. The weighted average maturity of the Fund must not exceed 120 days and the maximum maturity of any investment is 1 year. The Manager must have regard to the need for diversification and suitability of investments and also of Counterparties.

6.2 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.
- sterling denominated deposits with any local authority in the United Kingdom.
- loans to diocesan authorities.

7. Publication of the Deposit Interest Rate

The daily deposit interest rate is published on the Manager's website www.ccla.co.uk.

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

8. Deposits and Withdrawals

8.1 Deposits

Applications for the Fund must be made by completion of the Application Form and submitted to the Manager.

Electronic payments into the Fund may be made by CHAPS (Clearing House Automated Payment System), Bacs (Bankers' Automated Clearing Services) and FPS (Faster Payments Service) and must quote your CCLA account number as a reference. Failure to provide the account number as a reference may result in the transaction being delayed or payment returned. It should be noted that the payment must be remitted from the Depositor's nominated bank account.

Cheques, if used, must be drawn on an account in the name of the applicant and made payable in the Base Currency of the Fund to The CBF Church of England Deposit Fund. Deposits will be processed on the day of receipt if the instruction and cheque is received (or funds clear if paying electronically) by the published cut-off time (currently 9.30am). Deposits will be processed on the next Business Day if instructions and cheques are received (or

electronic payments clear) after the published cut-off time.

8.2 Authority to Open and Operate Accounts

The Manager is entitled to assume that the persons signing the Application Form as authorised officials are duly authorised on behalf of the Church Trust to open a deposit fund account in the Church Trust's name.

The Manager requires that an authorised correspondent is nominated by the Church Trust for each deposit fund account opened and requires the signatures of two authorised signatories to act, one of which may be the signature of the authorised correspondent, in respect of all transactions until they receive written notice to the contrary.

8.3 Minimum Initial and Subsequent Deposits

No minimum sum is required to open an account and further deposits made may be of any amount.

8.4 Withdrawals

Withdrawals of any amount may normally be made on demand without penalty. Withdrawal instructions, which must be made on the withdrawal form 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, otherwise on the next Business Day. Payments will only be made direct to the Depositor's bank account by Bacs.

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

The Fund reserves the right to require 7 days' notice for withdrawals of £5 million or over.

8.5 Execution Services

In accordance with the FCA Regulations, 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 and to ensure that all sufficient steps are taken to act in the Depositors' best interests in line with its Treating Customers Fairly Policy.

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. A copy will also be made available on request.

9. Interest

The interest rate on a deposit fund account is declared daily by the Manager after taking into account the Annual Management Charge and transfers to or from the deposit reserve account. It is applied to the daily balance of a deposit fund account from the day after deposit up to and including the day of withdrawal. Interest without deduction of income tax is credited in respect of the three months to the end of March, June, September and December either to the Depositor's deposit fund account or is paid to its nominated bank account normally within five Business Days after the quarter end.

9.1 Deposit Reserve Account

The Trustee has the power to set aside, out of the income of the Fund, transfers to a deposit reserve account. This deposit reserve account is held as a provision against potential default of Counterparties and it is also available to augment the Fund's deposit rate. The deposit reserve account is held by the Trustee on trust for Depositors for the time being in the Fund.

10. Reporting

10.1 Regular Statements

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

10.2 Report and Accounts of the Fund

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

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

The Report and Accounts include, amongst other things, information on the Fund's risk profile and details of any changes to the Fund's liquidity management.

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

11. Complaints and Compensation

11.1 Complaints

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

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

Depositors 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 Depositor. The address, telephone number and website of the FOS is shown in Appendix 1.

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

11.2 Compensation

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

Further information on any compensation scheme or any other investor compensation scheme of which the Manager is a member is available from the Manager on request or via www.fscs.org.uk.

12. Charges and Expenses

12.1 Remuneration and Expenses of the Trustee

The Trustee is entitled to be reimbursed or retain out of the income of the Fund, any reasonable costs or expenses incurred by it, including a due proportion of any overhead expenses of the Trustee, in administering or winding up the Fund. These include the costs of conducting the Trustee's business relating to the Fund; the attendance expenses of the Trustee's meetings; legal and other costs incurred in respect of the Fund. The certification of the Trustee as to the amount of any such costs or expenses shall be conclusive.

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):

- placing deposits;
- brokerage;
- taxation and governmental duties (if any) payable in respect of deposits;
- Auditor's fees and expenses;
- preparation of the Trustee's annual report; and

- other reasonable costs or expenses as may be incurred by the Trustee in respect of the Fund from time to time.

12.2 Remuneration and Expenses of the Manager

The Annual Management Charge is currently 0.20%* (plus VAT, if applicable) per annum of the Net Asset Value of the Scheme Property. The Annual Management Charge accrues daily and is calculated by reference to the sum of i) the Net Asset Value of the Scheme Property on the previous Business Day and ii) net deposits or withdrawals (as the case may be) received prior to the published cut-off time on the current Business Day. The accrued Annual Management Charge is paid from the Fund monthly in arrears.

The Annual Management Charge will be paid 100% from income before the declaration of the daily deposit interest rate.

*With effect from 5 January 2021 and until further notice, the Annual Management Charge has been temporarily reduced by 0.05% (from 0.20% p.a. to 0.15% p.a.)

Any increase in the rate of the Annual Management Charge made by the Manager shall be subject to:

- notice of at least 90 days being given to Depositors; and
- the prior written agreement of the Trustee.

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

12.3 Preliminary Charge

No preliminary charge is made on the opening of a CBF Church of England Deposit Fund account or initial deposit.

12.4 Inducements

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

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

12.5 Research

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

13. Conflicts of Interest

13.1 Conflicts of Interest Policy

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

- favouring one client over another;
- making a financial gain, or avoiding a financial loss, at the expense of the client;
- favouring a member of staff over a client;
- providing to (or receiving from) a person other than the client, an inducement in relation to a service provided to the client, in the form of a financial interest;
- market abuse and disclosing confidential information;
- giving or receiving gifts and entertainment, monetary or otherwise that would be in breach of the Conflicts of Interest Policy;
- favouring one of the Manager's owners, The CBF Church of England Investment Fund (53.69%), COIF Charities Investment Fund (22.37%), the Local Authorities' Mutual Investment Trust (13.42%), the Executive Directors of the Manager (8.19%), the CCLA Employee Share Trust (2.09%) and the CCLA Share Incentive Plan (0.24%) at the disadvantage of its clients;
- not disclosing the Manager's close association with The CBF Church of England Funds, COIF Charities Funds and the Local Authorities' Property Fund or its ownership (above); and
- not disclosing any remaining conflicts of interest to clients before advising or transacting on their behalf.

Full details of the Conflicts of Interest Policy are available on request and on the Manager's website www.ccla.co.uk.

13.2 Material Interests and Conflicts

The Manager, the Trustee, and/or the Administrator are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest in the management of the Fund. In addition, the Fund may enter into

transactions at arm's length with companies in the same Group as the Manager.

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

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

The Manager operates a client relationship management service to offer suitable support to Church Trusts. It should be noted that this service is associated with The CBF Church of England Funds and that The CBF Church of England Investment Fund owns 53.69% of the share capital of the Manager as at 31 December 2020.

14. Taxation

14.1 General

The Fund has charitable status and is recognised as a Charity for UK tax purposes. As a Charity, the Fund should not be subject to UK tax on income from investments (provided such income is applied for Charitable Purposes). 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 income will be made gross (i.e. without deduction of tax). Depositors should not be liable to UK tax in respect of such distributions provided such income is applied for Charitable Purposes.

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

15. Termination

15.1 Winding Up

The Trustee has the power to wind up the Fund in accordance with the Measure. Once the Trustee has executed the declaration to wind up the Fund dealings in the Fund will be suspended and all Depositors will be deemed to have submitted a withdrawal form to realise their deposit.

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 Depositors pro rata to their holdings.

Any withdrawal forms already received by the Manager to withdraw deposits in advance of the declaration to wind up the Fund but not yet processed will be prioritised ahead of the deemed withdrawals that have been triggered as a result of the decision to wind up the Fund. After the priority instructions to withdraw have been processed the Scheme Property will be distributed to the remaining Depositors on a pro-rata basis according to the deposit amounts held by them in the Fund.

In the event of winding up, any amount in the deposit reserve account is distributed at the discretion of the Trustee.

16. General Information

16.1 Data Protection

The Manager is a data controller in accordance with the Data Protection Legislation and will hold personal data about each Depositor's representatives (referred to below as "**representatives**") that has been supplied to the Manager (whether by the representative, a Depositor or otherwise) as set out in the Manager's Privacy Notice. Each Depositor 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 Depositor 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 Depositor, the Manager (or the investment scheme) sub-contracts part of the services or any support services; (ii) as agreed by the Depositor; or (iii) where required to do so for legal or regulatory purposes as set out in the Manager's Privacy Notice.

The Manager (and the investment schemes) may keep records of all business transactions for at least seven years. Depositors 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 Depositors' records as confidential and so reserves the right to provide copies of the

Depositor/representative's particular record, rather than allow access to files which may contain information about other Depositors. 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.

16.2 Telephone and Electronic Communications

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

16.3 Amending this Scheme Information

The Trustee and the Manager reserve the right to update or amend this Scheme Information at any time. Depositors will receive notice of any material amendment to the terms and conditions of the Fund. All current scheme information documents for The CBF Church of England Funds are available on www.ccla.co.uk or by request please contact Client Services on 0800 022 3505.

16.4 Professional Liability

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

16.5 Acceptance of Terms and Conditions

By completing the Application Form the Depositor acknowledges and accepts the terms and conditions

set out in this Scheme Information and the provisions of the Measure and agrees to be bound by them.

16.6 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.

This Scheme Information summarises the terms on which the Fund operates. For further information as to the terms on which deposits may be placed, reference should be made to the Measure.

By applying to deposit sums in the Fund, a Depositor 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 Depositor's investment in the Fund or any related material.

16.7 Additional Information

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

The Manager will make available copies of the Scheme Information, Key Information Document, factsheet, and annual and half yearly Report and Accounts on its website www.ccla.co.uk.

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

Appendix 1 – Directory

The Board of CBF Funds Trustee Limited

The members of the Board are:

A. Brookes (Chairman)
C. Chan
C. Johnson
N. Lewis
M. Woodmore
P. Chandler
D. Rees
G. Dixon

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

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

The Manager

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

Incorporated on 26 October 1987.

Directors of CCLA Investment Management Limited are:

R. Horlick (Chairman)*
J. Bevan
C. Johnson*
G. Newson*
P. Hugh Smith
A. Robinson
E. Sheldon
J. Jesty*
A. Roughead*
C. West*

(* 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 Property Fund.

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

Registrar

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

Custodian

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

Administrator

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

Auditor

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

Address for Complaints

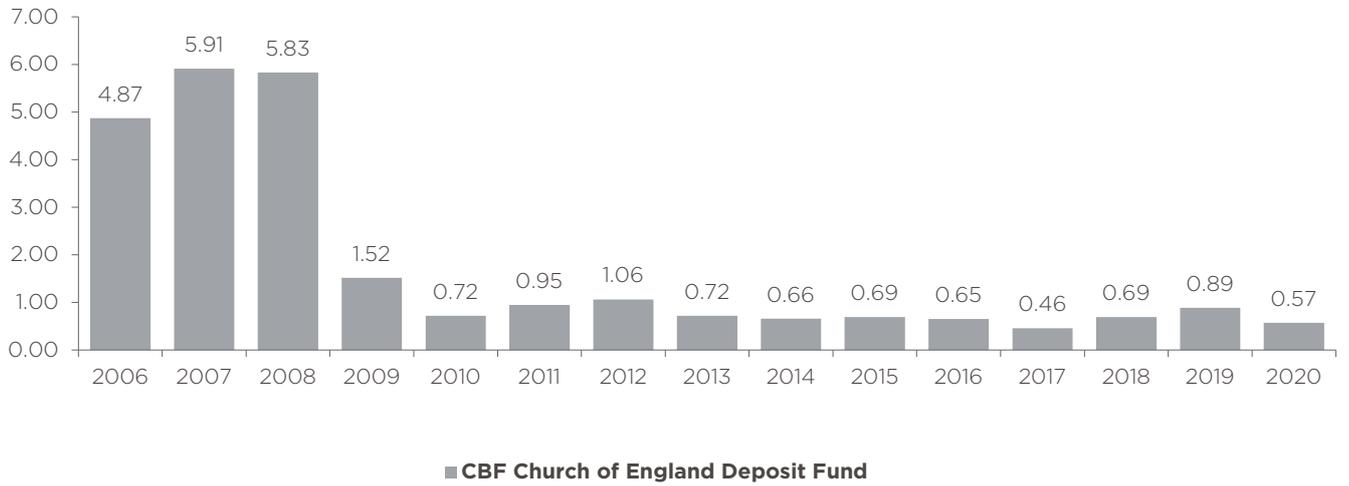
Complaints regarding the operation of the Fund should be addressed to: The Head of Client Services, CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET or The Company Secretary, CBF Funds Trustee Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Depositors who are eligible complainants may have the right to complain directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. (telephone number 0845 0801800 or by visiting www.financial-ombudsman.org.uk).

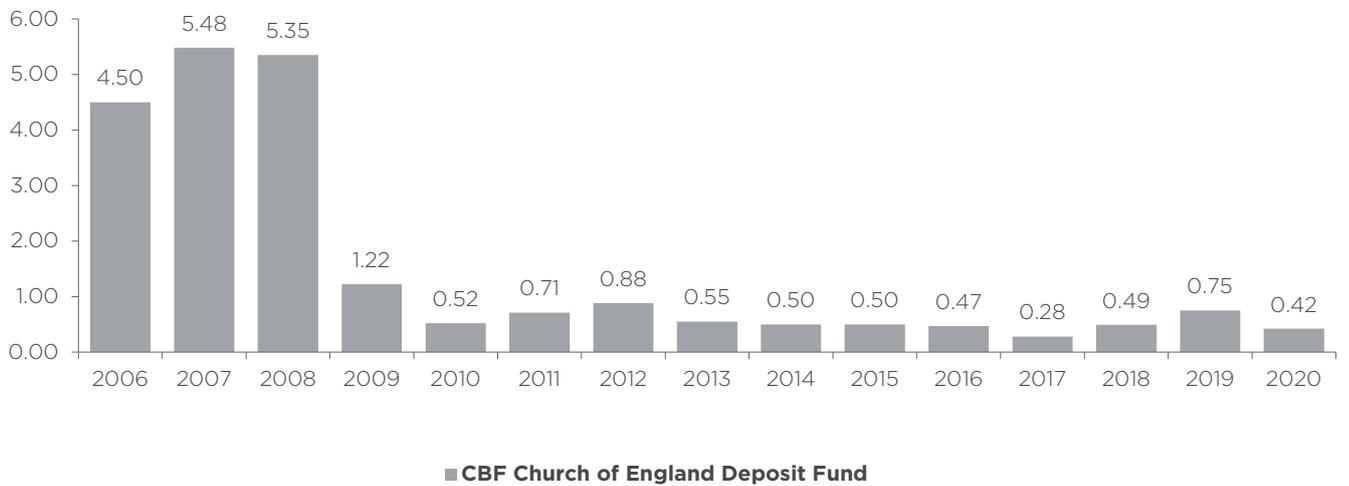
Appendix 2 – Past Performance

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

Gross



Net



The Fund launched in May 1958. Past performance is not a reliable indicator of future results.

CCLA Investment Management Limited

Freephone 0800 022 3505
clientservices@ccla.co.uk

www.ccla.co.uk

CCLA Investment Management Limited
(Registered in England & Wales No. 2183088) is
authorised and regulated by the Financial Conduct
Authority. Registered address: Senator House,
85 Queen Victoria Street, London EC4V 4ET.

CCLA

BECAUSE GOOD IS BETTER