

# The CBF Church of England Fixed Interest Securities 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 Fixed Interest Securities Fund (the “**Fund**”). The Fund is an Investment Fund, administered as a Common Fund and is 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 in February 1977. 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 the 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](http://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, Shareholders and/or potential Shareholders should not treat this Scheme Information as advice relating to their own legal, tax or investment position. If a Shareholder or potential Shareholder 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

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**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.

**Accumulation Share(s)** means those Shares where distributions are reinvested and reflected in the Share price.

**Applicant(s)** means a Church Trust (or nominee company acting on its behalf) which is applying for Shares.

**Application Form** means the application form for Shares 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.

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

**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.

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

**Common Fund** means a common fund within the meaning of section 4 of the Scheme.

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

**Custodian** means HSBC Bank plc.

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

**Dealing Day(s)** means the day on which the Manager issues and/or redeems Shares as set out in this Scheme Information.

**Distribution Account** means an account for the purpose of holding income to be distributed to Shareholders.

**Eligible Contributor(s)** means a Church Trust (or nominee company acting on its behalf) which is and continues to be eligible to hold Shares.

**Eligible Securities and Investment Markets** means the investment markets on which the Fund may invest.

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

**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 Fixed Interest Securities Fund.

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

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

**Income Share(s)** means those Shares which pay distributions to Shareholders.

**Investment Committee** means the body responsible for the oversight of the Manager's investment processes and activities.

**Investment Fund** means an investment fund as defined by section 1 of the Scheme.

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

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

**Register** means the register of Shareholders 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 investments, assets and property of the Fund.

**Shareholder(s)** means an Eligible Contributor who is registered as a holder of Shares.

**Share(s)** means shares in the Fund which may be Income Shares or Accumulation Shares.

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

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

**References to any statutory provision or FCA Regulations in 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 Investment Fund and Charitable Status

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The Fund is an Investment Fund, administered as a Common Fund and is established under the Measure (as amended or replaced from time to time). The Fund was formed in February 1977. 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 99(4) of the Charities Act 2011, as amended or replaced from time to time.

### 2.2 The Board

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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

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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 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 Trustee has appointed the Custodian to hold the securities of the Fund in specially designated accounts in safe custody.

### 2.4 The Manager

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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 issue and redemption of Shares, the valuation of the Fund’s assets, the operation of the Register, the payment of distributions 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

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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.

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## 2.6 The Administrator

HSBC Bank plc, 8 Canada Square, London E14 5HQ is the appointed Administrator of the Fund and undertakes the Fund pricing and Fund accounting and carries out certain administrative tasks including the preparation of valuations and other activities on behalf of the Fund. The Administrator has been appointed under 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.

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## 2.7 The Auditor

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

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## 2.8 Shareholders' 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 Shareholder 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 Shareholder 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

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### 3.1 Investment Objective

The Fund aims to provide an income yield and a total return in excess of the target benchmark.

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### 3.2 Investment Policy

The Fund is an actively managed, diversified portfolio invested predominantly in sterling denominated fixed interest securities but may also include other asset classes, 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).

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## 3.3 Ethical and Responsible Investment

The Fund has regard to ethical investment considerations, both positive and negative, in selecting and retaining investments and is represented on the Church of England's EIAG. EIAG policies are available at [www.churchofengland.org](http://www.churchofengland.org).

The Fund will take a proactive approach to proxy voting and will vote routinely on all holdings within the Fund as required.

The Manager will make reasonable endeavours to ensure that decisions in respect of corporate actions are taken in the best interests of the Fund. Investments that do not qualify as permitted investments may be offered as a result of corporate actions. The Manager is authorised to accept such investments and will dispose of them expeditiously, taking into account the best interests of the Fund.

Further information on the Ethical Investment Policy and the Corporate Governance Policy are available from the Manager.

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## 3.4 Target Benchmark

The target benchmark for the Fund is the Markit iBoxx™ £ Gilts Index, 50%; Markit iBoxx™ £ Non-Gilts Index, 50%.

The target benchmark sets a standard against which the long-term performance of the Fund can be assessed.

## 4. Participation in the Fund

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

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

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



## 4.2 Eligible Contributors to the Fund

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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 Contributors (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 Shareholder (potential or otherwise) is found not to be eligible or becomes ineligible at a later date, it, or its nominee, must inform the Manager and disinvest. The Manager reserves the right to decline any application without giving any reason and to sell Shares on behalf of a Shareholder if it reasonably believes that the Shareholder is no longer eligible to invest in the Fund.

## 4.3 Compulsory Sale of Shares where a Shareholder Ceases to be an Eligible Contributor

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Where a Shareholder:

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

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

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

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

- any assessment for income or capital gains tax or any other tax to which the Fund would not have been assessed had the Shareholder remained as an Eligible Contributor;

- any distributions paid out to or settled in respect of the Shareholder's Shares after the date on which the Shareholder ceased to be an Eligible Contributor; and
- all costs and expenses including professional fees incurred in connection with such assessment.

On the written request of the Manager any Shareholder who is required to sell their Shares must:

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

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

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

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

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

## 4.4 Income and Accumulation Shares

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Eligible Contributors to the Fund may purchase either Income or Accumulation Shares or both. Income Shares provide regular income distributions and each Share represents one undivided part in the Scheme Property. Holders of Income Shares receive income distributions quarterly.

Holders of Accumulation Shares do not receive distributions. The distributions allocated to the Accumulation Shares accumulate within the Fund and are reflected in the price of the Shares. The effect of this accumulation of distributions is an increase in the price of an Accumulation Share relative to the price of an Income Share. An

Accumulation Share represents an increasing undivided part in the Scheme Property. The right represented by the holding of a Share is that of a beneficial interest under a trust.

A Church Trust may, subject to the terms of its governing instrument, convert Accumulation Shares into Income Shares of the corresponding value or vice versa on any Dealing Day free of charge.

The Measure allows the Trustee to subdivide the Shares at any time. Shareholders will receive notice of any proposed subdivision.

#### **4.5 Registration of Shares**

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

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

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

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

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

#### **4.6 Anti-Money Laundering Requirements**

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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 Contributors. Proof of identity may sometimes be required either when buying or selling Shares from time to time, even of existing Shareholders. The Manager may freeze or return investments and/or subscription amounts until the necessary evidence of identity can be obtained. In the case where Shares are being sold, the remittance of proceeds may be delayed until proof of identity has been obtained.

#### **4.7 Fair Treatment of Shareholders**

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

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

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

#### **4.8 Changes to Authorised Signatories and Correspondents**

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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's holding of Shares 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

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Past performance is not a reliable indicator of future results. The price of Shares and any income distributions from them may fall as well as rise. There can be no guarantee that any fund will achieve its investment objective or that a shareholder will recover the full amount invested in a fund. The capital return and income distributions of each fund are based on the capital appreciation of, and the income received from, the securities it holds, after deduction of expenses incurred. Therefore, each fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

The Fund's Shares are intended only for medium to long-term investment and are not suitable for money liable to be spent in the near future. Shares are realisable on each weekly Dealing Day only.

### 5.2 Market Risk

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Some of the recognised exchanges on which the Fund may invest may prove to be illiquid or volatile from time to time and this may affect the price at which the Fund may liquidate positions to meet redemption requests.

### 5.3 Risk Associated with Investment in Other Collective Investment Schemes

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The Fund may invest in one or more Collective Investment Schemes including schemes that are managed by the Manager or affiliated companies. In some cases, these Collective Investment Schemes may be unregulated. The Fund may invest in Collective Investment Schemes and other assets which may, on occasions, be illiquid.

### 5.4 Political Risk

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The value of the Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation and currency repatriation restrictions on foreign investment in some of the countries that the Fund may invest.

### 5.5 Currency Risk

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Some of the investments the Fund makes may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in the Fund to fluctuate. The Fund may use currency hedging techniques within the limits set by the Board.

### 5.6 Credit, Counterparty and Settlement Risks

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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.

### 5.7 Interest Rate Risk

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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.

### 5.8 Concentration Risk

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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.

### 5.9 Custody Risk

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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.

### 5.10 Emerging Market Risk

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Risks associated with investing in these markets are likely to exceed the risk of investing in more mature markets. Such risks arise from negative investor sentiments as a result of situations such as military conflict, civil unrest or other adverse political developments. Furthermore, there may be difficulties in accurately assessing a company's prospects where accounting standards are such that those prospects are not fairly reflected by published accounts; there can be difficulties in selling, or selling at a fair price, where the market is inefficient; delays may be experienced in settlement and the local currency may not be readily realisable. In some emerging markets there may also be foreign ownership restrictions which limit the Fund's ability to participate in certain corporate actions. The Fund may generally face significant registration, settlement and custody risks in purchasing and selling securities in emerging markets.

### **5.11 Operational Risks (including Cyber Security and Identity Theft)**

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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.

### **5.12 Liquidity Risk**

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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.

### **5.13 Risk Management Process and Liquidity Management**

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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 and Borrowing Powers**

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The Manager will mainly invest the Scheme Property, at its discretion, in any sterling denominated securities or preference shares, whether or not carrying conversion rights, issued by any government, local authority, company or organisation.

The Fund may, subject to certain restrictions and as a protective measure, undertake forward currency transactions.

Up to 100% of the Fund may be invested in British government securities (Gilts). In other respects, the Manager must have regard to the need for diversification and suitability of investments.

The Fund may, subject to the Trustee's consent, borrow for the purpose of meeting any payment properly to be made out of the Fund. The borrowing shall not exceed 10% of the Net Asset Value of the Scheme Property. Cash awaiting investment may be deposited with a deposit taker approved by the Trustee or in The CBF Church of England Deposit Fund.

### **6.2 Breach of Investment Limits of the Fund**

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

### **6.3 Investment in In-House Collective Investment Schemes**

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

## 6.4 Eligible Securities and Investment Markets

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The Manager may trade on Eligible Securities and Investment Markets on recognised and designated investment exchanges as approved by the Investment Committee from time to time.

## 7. Pricing of Shares and Valuation of the Fund

### 7.1 Valuation Point

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The Manager values the Scheme Property after the last closing price on the relevant exchange on the Business Day prior to each Dealing Day for the purpose of determining the prices at which Shares may be issued or redeemed. In addition, for valuation and reporting purposes, the Fund is valued on the last day of each calendar month. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Valuation Points.

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

### 7.2 Valuation of the Fund

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The Scheme Property is valued in accordance with the requirements of the Measure and takes account of the provisions of the FCA Regulations. The value of the Fund shall be the value of its assets less the value of its liabilities. The valuation of exchange traded securities is carried out at mid-market prices at the Valuation Point. The valuation of non-exchange traded securities is determined as follows:

- shares in a Collective Investment Scheme – if the scheme is single priced then that price will be used. If the scheme is dual priced the mid-market price will be used.
- private equity holdings – the Manager will calculate the price based on valuation information provided by the private equity company.
- other assets – the Manager will value all other assets at a value which, in the opinion of the Manager, represents a fair and reasonable value based on independent inputs.

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

The amount of income to be included is the amount of income received by the Fund up to and including the day before the Dealing Day, together with the amount of income accrued and including any UK tax credits to which the Fund is entitled. Any overseas income is treated on the same basis except that

overseas tax deducted at source is only credited to the income of the Fund on receipt of claims made under double taxation treaties. All expenses paid or accrued on the same basis as the income will be deducted from the income.

### 7.3 Buying and Selling Prices

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

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

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

### 7.4 Publication of Prices

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Month end prices for valuation purposes and weekly Bid and Offer prices are displayed on the Manager's website [www.ccla.co.uk](http://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](http://www.ccla.co.uk).

## 8. Dealing in Shares

### 8.1 Application for Shares

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

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

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

## 8.2 The Dealing Day

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There is currently one Dealing Day per week, normally Tuesday, except when this is not a Business Day; then the preceding Business Day becomes the Dealing Day, unless otherwise specified on the Announcements page of the Manager's website. The Manager may, subject to the agreement of the Trustee, introduce additional or alternative Dealing Days.

## 8.3 Minimum Initial and Subsequent Investments

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The normal minimum initial investment in the Shares is £1,000. Any additional amount may be invested thereafter. The Manager reserves the right to waive the minimum initial investment amount.

## 8.4 Buying Shares

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

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

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

### Applications from nominees

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

Where the Manager has acted upon such an instruction, cleared funds must be received by the end of two Business Days following that Dealing Day. Should cleared funds not be received by this time,

the Manager reserves the right to immediately redeem any Shares created as a result of that instruction.

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

### Provisions applicable to all applications

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

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

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

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

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

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

### Conditional Orders

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

## 8.5 Additional Investments

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Funds for additional investments may be sent via the Clearing House Automated Payment System (CHAPS), Bankers' Automated Clearing Services (Bacs) or Faster Payments Service (FPS). It should be noted that the payment must be remitted from the Shareholder's nominated bank account.

Additional investments for which funds are sent electronically do not require a buy Shares form to be completed provided the funds are made payable to the Fund and the CCLA account designation of the Shareholder is included on the reference of the payment. Failure to provide the account number as a reference may result in the transaction being delayed or payment returned.

For the avoidance of doubt, following completion of an Application Form, subsequent purchases of Shares for settlement via cheque or a CBF Church of England Deposit Fund account will require a buy Shares form to be submitted. For further details please contact Client Services on 0800 022 3505.

## 8.6 Selling Shares

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All instructions to sell Shares must be made using a completed sell Shares form and be received by the Manager by 5.00pm on the Business Day prior to the Dealing Day to obtain that day's price. On acceptance of a redemption, Shares will be redeemed at the relevant Bid price. A contract note detailing the transaction will normally be sent out by the close of business on the next Business Day.

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

In the event funds are returned, the Manager will take steps to contact the Shareholder 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 Shareholder's payment instructions being incorrect or not being kept up to date.

Proceeds that are transferred to a CBF Church of England Deposit Fund account are credited with effect from the settlement date.

## 8.7 Switches

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Switches between The CBF Church of England Funds are permitted although switches involving The CBF Church of England Property Fund can only be undertaken on the monthly CBF Church of England Property Fund dealing day. Further details are available in the relevant scheme

information for this fund on the Manager's website.

## 8.8 Securities Exchange

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Quoted securities in which the Fund has power to invest may be offered to the Fund in exchange for the issue of Shares on a Dealing Day. If accepted, securities are taken in at mid-market valuation. The Manager has absolute discretion as to the securities that will be accepted. The procedure for exchange is complex and may require some time for completion; further details are available upon request. Neither the Trustee nor the Manager accepts any responsibility for any fluctuation in asset values during the transition into Shares. It is the investor's responsibility to arrange for the transfer of acceptable securities to the Fund. Neither the Trustee nor the Manager accepts any responsibility or liability for any loss that may arise as a result of any failure or delay in the transfer of securities by an investor or an investor's investment manager.

## 8.9 Large Deals

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Deals of any size can normally be completed without delay, and there is normally no restriction on the carrying out of transactions. For the purpose of this Scheme Information, a large deal is one of £1,000,000. The Manager may, at its discretion, elect to settle such deals by way of a transfer of securities from the assets of the Fund to the seller (in specie transfer) and may be applied at the discretion of the Manager and subject to the agreement of the Trustee.

## 8.10 Trustee's Refusal to Issue or Cancel Shares

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

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

In all the cases where the Trustee refuses to issue or cancel Shares the Trustee must give notice to the Manager that the Trustee refuses to issue or, as the

case may be, cancel, all, or a specified number of, the Shares.

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

### **8.11 Suspension of Dealing**

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In exceptional circumstances, the Manager may, if the Trustee agrees, or shall, if the Trustee requires, temporarily suspend the issue, cancellation, buying and selling of Shares. The Manager or the Trustee must be of the opinion that there is good and sufficient reason to do so having regard to the interests of the Shareholders. No Shares can be bought or sold during a period of suspension.

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

Once the suspension has been lifted the Manager expects Shares to be priced at the Valuation Point for the next Dealing Day.

During a period of suspension, any application for the compulsory sale of Shares will not be frozen.

If dealing in the Fund is suspended for any reason, any application to sell Shares (other than for Shares which are being compulsorily redeemed) will be frozen until such time as the suspension of dealing is lifted.

### **8.12 Execution Services**

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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 Shareholders' 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](http://www.ccla.co.uk). A copy will also be made available on request.

## **9. Distributions to Shareholders**

### **9.1 Quarterly Distribution**

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

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

Distributions in respect of the preceding quarter are usually paid at the end of February, May, August and November (or if this should not be a Business Day, the prior Business Day).

Monies will be paid directly to a bank account held in the name of the Shareholder (or a nominee company acting on behalf of that Shareholder) or paid into a CBF Church of England Deposit Fund account in the name of the Shareholder.

Holders of Accumulation Shares do not receive distributions of income as explained under the section headed Income and Accumulation Shares above.

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

### **9.2 Income Reserve Account**

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

### **9.3 Equalisation**

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



## 10. Reporting

### 10.1 Regular Statements

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

### 10.2 Report and Accounts of the Fund

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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](http://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

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The Manager has established a complaints 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.

Shareholders 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 Shareholder. 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](http://www.ccla.co.uk).

### 11.2 Compensation

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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 Shareholder 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](http://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 or capital 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):

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

### 12.2 Remuneration and Expenses of the Manager

---

The Annual Management Charge is currently 0.22% (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 most recent Net Asset Value of the Scheme Property. The accrued Annual Management Charge is paid from the Fund monthly in arrears.

The Annual Management Charge will be paid 100% from income. Where applicable, to avoid double charging, rebates of charges on holdings in the other funds managed or operated by the Manager or an associate are calculated and applied to the Fund.

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

- notice of at least 90 days being given to Shareholders; 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](http://www.ccla.co.uk).

### 12.3 Preliminary Charge

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No preliminary charge is currently levied. The introduction of a preliminary charge and any increase in the actual or maximum amount of a preliminary charge made by the Manager shall be subject to:

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

### 12.4 Redemption Charge

---

No redemption charge is currently levied. The introduction of a redemption charge and any increase in the actual or maximum amount of a redemption charge made by the Manager shall be subject to:

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

### 12.5 Inducements

---

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

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

### 12.6 Research

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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.

### 12.7 Other Expenses

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

- a) brokers' commission (where such payment may be made in accordance with the FCA Regulations), fiscal charges and other disbursements which are:
  - necessary or properly to be incurred in effecting transactions for the Fund;

- normally shown in contract notes, confirmation notes, and margin accounts as appropriate;
- b) interest on borrowing permitted by the Fund and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowing;
  - c) taxation and duties payable in respect of the Scheme Property or the issue of Shares, if applicable;
  - d) liabilities on a unitisation, amalgamation or reconstruction arising in certain circumstances;
  - e) the audit fee properly payable to the Auditor and VAT which may be chargeable thereon and any proper expenses of the Auditor;
  - f) the fees of any relevant regulatory authority in which Shares are or may be marketed;
  - g) any costs incurred through purchasing and holding of third-party funds; and
  - h) such other fees or expenses as may from time to time be agreed with the Trustee and Custodian.

## 13. Conflicts of Interest

### 13.1 Conflicts of Interest Policy

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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](http://www.ccla.co.uk).

### 13.2 Material Interests and Conflicts

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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 Fund has power to invest in other funds operated or managed by the Manager or an associate of the Manager and a rebate of charges is made to ensure no double charging of the management fee. The Manager operates a client relationship management service to offer suitable support to 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

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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 for 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 by the Fund will be made gross (i.e. without deduction of tax). Shareholders should not be liable to UK tax in respect of such distributions provided such income is applied for Charitable Purposes.

Distributions are paid and reinvested income is credited gross to Shareholders on the basis that all UK taxation has been both reclaimed and recovered.

Overseas income is credited net and any overseas withholding tax is credited to income when it is recovered. No deductions in respect of tax are made with regard to income distributions or income passed to capital.

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

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

## 15. Termination

### 15.1 Winding Up

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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 Shareholders will be deemed to have submitted a sell Shares form to sell their Shares to the Manager.

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

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

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

## 16. General Information

### 16.1 Data Protection

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The Manager is a data controller in accordance with the Data Protection Legislation and will hold personal data about each Shareholder's representatives (referred to below as "**representatives**") that has been supplied to the

Manager (whether by the representative, a Shareholder or otherwise) as set out in the Manager's Privacy Notice. Each Shareholder 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 Shareholder 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 Shareholder, the Manager (or the investment scheme) sub-contracts part of the services or any support services; (ii) as agreed by the Shareholder; 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. Shareholders 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 Shareholders' records as confidential and so reserves the right to provide copies of the Shareholder/representative's particular record, rather than allow access to files which may contain information about other Shareholders. Requests to access the above records/personal data or to exercise any other rights under 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.

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## 16.2 Telephone and Electronic Communications

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

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## 16.3 Amending this Scheme Information

The Trustee and the Manager reserve the right to update or amend this Scheme Information at any

time. Shareholders 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](http://www.ccla.co.uk) or by request please contact Client Services on 0800 022 3505.

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## 16.4 Professional Liability

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

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## 16.5 Acceptance of Terms and Conditions

By completing the Application Form, the Shareholder 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.

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## 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 Shares are issued, reference should be made to the Measure.

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

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## 16.7 Additional Information

A Shareholder 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](http://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 Global Equity Income Fund, The CBF Church of England Investment Fund, The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Deposit 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**

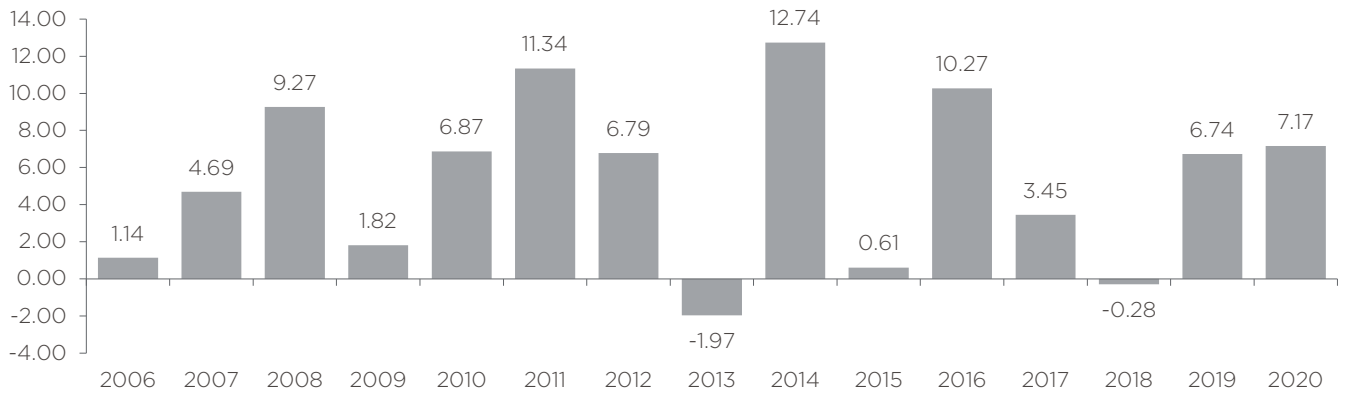
Complaints regarding the operation of the Fund should be addressed to: The Head of Client Services, CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET or The Company Secretary, CBF Funds Trustee Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Shareholders 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](http://www.financial-ombudsman.org.uk)).

## Appendix 2 – Past Performance

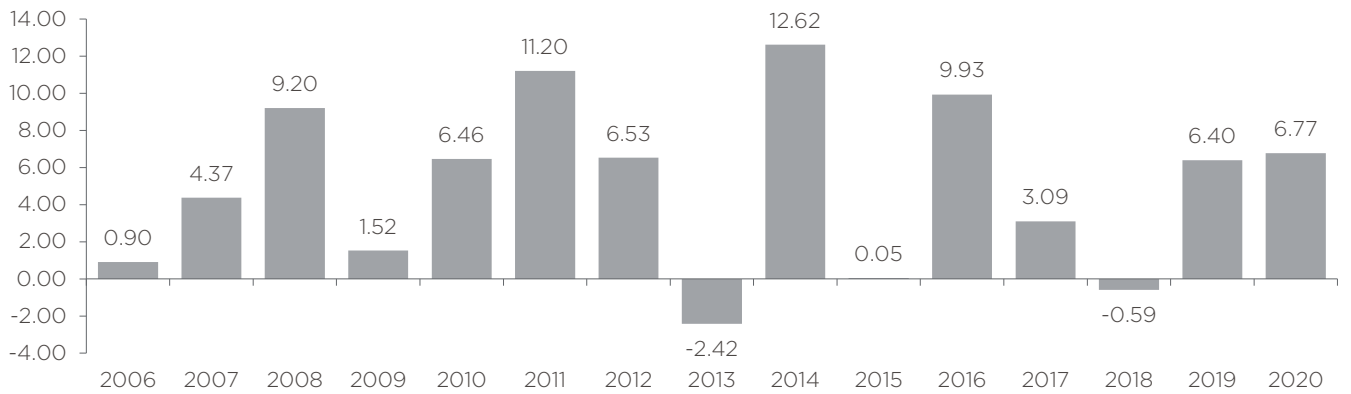
The performance below is shown both gross and net of all Fund charges and expenses. It has been calculated in the Base Currency of the Fund.

### Gross



■ CBF Church of England Fixed Interest Securities Fund

### Net



■ CBF Church of England Fixed Interest Securities Fund

The Fund launched in February 1977.  
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](http://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