COIF Charities Deposit Fund

Scheme Particulars

CCLA

GOOD INVESTMENT

Scheme Particulars
COIF Charities Deposit Fund

Effective from 20 November 2023

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

A copy of this document, which constitutes Scheme Particulars for the COIF Charities Deposit Fund (the "**Fund**"), established in 1985 and regulated by a Scheme dated 2 April 2008 and made under Section 25 of the Charities Act 1993, now Section 100 of the Charities Act 2011, as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014 (the "**Scheme**"), and adopted by the Manager on 22 July 2014 has been filed with the Charity Commission. The Fund is registered with the Charity Commission under Charity Registration Number 1046249.

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

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

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

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1. Definitions

1.1

The following defined terms are used in this Prospectus:

ABCP	means asset-backed commercial paper, a short-term investment, issued by banks or other financial institutions, with a maturity date typically between 90 and 270 days and backed by collateral such as the payments the issuer expects to receive from, for example, credit card debt or student loans.
Administrator	means HSBC Bank plc, or such successor entity appointed as administrator by the Manager from time to time.
AIFMD Legislation	refers to the Alternative Investment Fund Managers Regulations 2013, the Alternative Investment Fund Managers Directive 2011/61/EU and the Commission Delegated Regulation (EU) 231/2013 as applied in England and Wales from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11:00pm on 31 January 2020.
Annual Management Charge	means the periodic charge applied to the Fund by the Manager in payment for carrying out its duties and responsibilities.
Application Form	means the application form to open an account available from the Manager's website.
Auditor	means Deloitte LLP, or such successor entity appointed as auditor by the Board from time to time.
Base Currency	means pounds sterling, the currency of the Fund and in which the Report and Accounts of the Fund are prepared.
Board	means the persons appointed pursuant to the Scheme and as further described in these Scheme Particulars.
Business Day	means any day on which the London Stock Exchange is normally open for business, being a day other than a Saturday, Sunday, public or bank holiday in England.
Charitable Purposes	bears the meaning as set out in Section 2 of the Charities Act 2011.
Charity	means either a charity in England and Wales within the meaning of section 1(1) of the Charities Act 2011 or an "**appropriate body**" in Scotland and Northern Ireland within the meaning of section 101(3) of the Charities Act 2011.
Charity Commission	means the Charity Commission for England and Wales of 102 Petty France, London SW1H 9AJ.
Common Deposit Fund	means a common deposit fund established under section 100 of the Charities Act 2011.
Custodian	means HSBC Bank plc, the entity appointed by the Fund to be responsible for holding money market securities on behalf of the Fund.
Daily Yield	means the interest applying to the deposited sums on a particular day in accordance with paragraph 29.7.
Data Protection Legislation	means the UK General Data Protection Regulation and the Data Protection Act 2018 or any successor legislation thereto, and any associated codes, regulation or guidance (as may be amended or replaced from time to time) and any related regulations and guidance and all other laws concerning the processing of data relating to living persons.
Depositary Services Agreement	means the agreement dated 21 July 2014 entered into by the Trustee, the Board and the Manager in relation to the depositary services the Trustee provides to the Fund (as amended, supplemented or replaced from time to time).
Depositing Charity	means a Charity which has deposited sums in the Fund.
EEA	means European Economic Area.

EEA State	means a member state of the EEA.
EU	means European Union.
FCA	means the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or such regulatory authority which may replace or succeed it from time to time.
FCA Regulations	means the Handbook of Rules and Guidance issued by the FCA, as amended or replaced from time to time.
Fund	means the COIF Charities Deposit Fund.
Group	has the same meaning as listed in the glossary to the FCA Regulations.
Investment Management Agreement	means the agreement dated 22 July 2014 between the Manager and the Investment Manager delegating the portfolio management of the Scheme Property to the Investment Manager (as amended, supplemented or replaced from time to time).
Investment Manager	means CCLA Investment Management Limited.
Key Information Document	means the document published for the Fund which contains information to help investors understand the nature and the risks of making a deposit in the Fund. A key information document must be provided to investors prior to making a deposit so they can make an informed decision about whether to proceed.
LVNAV	means low volatility net asset value and LVNAV MMF means an MMF that complies with the specific requirements laid down in articles 29, 30, 32 and 33(2)(b) of the MMFR.
Manager	means CCLA Fund Managers Limited or such successor body corporate appointed as manager pursuant to the Scheme.
Member State	means a member state of the European Union for the purposes of the MMFR.
MMF	means money market fund.
MMFR	means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds together with Commission Delegated Regulation (EU) of 10 April 2018 supplementing Regulation (EU) 2017/1131 as they apply in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020.
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.
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.
Net Asset Value or **NAV**	means the value of the Scheme Property less the liabilities of the Fund as calculated in accordance with Appendix B.
Register	means the register of Depositing Charities maintained by the Registrar on behalf of the Trustee.
Registrar	means a corporate body appointed by the Trustee as registrar from time to time for the purpose of maintaining the Register.
Report and Accounts	means the annual (audited) and interim (unaudited) report and financial statements for the Fund prepared by the Manager to the periods ending 31 December and 30 June respectively.
Scheme	means the Scheme sealed by the Charity Commission on 2 April 2008 as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014.

Scheme Particulars	means these rules and particulars of the Fund made under the Scheme, as amended or replaced from time to time.
Scheme Property	means the deposits, assets and property of the Fund.
Transfer Agent	means FNZ TA Services Limited, or such other entity as is appointed to act as transfer agent to the Fund from time to time.
Trustee	means HSBC Bank plc, or any successor body corporate appointed as trustee pursuant to the Scheme.
UK AIF	refers to an alternative investment fund in the United Kingdom and has the same meaning as listed in the glossary to the FCA Regulations.
UK AIFM	refers to the alternative investment fund manager and has the same meaning as listed in the glossary to the FCA Regulations.
VNAV	means variable net asset value and VNAV MMF means an MMF that complies with the specific requirements laid down in articles 29, 30 and 33(1) of the MMFR.

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

2. The Structure of the Fund

2.1
The Fund is a Common Deposit Fund established in 1985 and regulated by the Scheme dated 2 April 2008 and made under Section 25 of the Charities Act 1993, now Section 100 of the Charities Act 2011, as amended by resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014 and 22 July 2014. The Fund follows the rules and valuation process of a short-term LVNAV MMF in accordance with the MMFR.

2.2
The Fund is managed by the Manager as a UK AIF in accordance with the FCA Regulations, the MMFR and the AIFMD Legislation.

2.3
The object of the Fund shall be the provision of a Common Deposit Fund for the deposit of sums of money from time to time by or on behalf of a Depositing Charity provided that the Depositing Charities shall be entitled, subject to the provisions of the Scheme and these Scheme Particulars, to the repayment of the deposit and to the payment of income in accordance with these Scheme Particulars.

3. Investment Objective

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

4. Investment Policy

4.1
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, term deposits and Money Market Instruments, but may invest in other assets.

4.2
The Fund follows a client-driven ethical investment policy.

5. Ethical and Responsible Investment

5.1
The Fund is managed in accordance with CCLA's values-based screening policy.

5.2
CCLA monitors counterparties' environmental, social and governance risk management on a regular basis and takes action if necessary. This process is based on the work of CCLA's Sustainability team and their data providers. Additional information is available from the Manager on request.

6. Comparator Benchmark

6.1
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.

6.2
The comparator benchmark sets a standard against which the performance of the Fund can be assessed.

7. Target Investors

7.1
The Fund is intended for eligible Charity investors, with at least a basic knowledge of relevant financial instruments, which are 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.

7.2
Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor.

7.3
Investors may be either retail or professional clients (both per se and elective).

8. Investment Powers

The Manager shall comply with the investment powers and restrictions set out in the Scheme and the MMFR, as applicable to the Fund, and summarised in Appendix A.

9. Eligible Assets

The Fund may only invest in the category of assets set out in paragraph 1 of Appendix A.

10. Custody of Assets

The funds placed with the approved financial institutions are held by the Trustee, in its capacity as depository, in the name of the Fund. In the event that the Manager elects to invest in Money Market Instruments, the Board has authorised the appointment of the Custodian to hold such instruments.

11. Valuation

11.1
The Scheme Property will be valued in accordance with the valuation procedure set out in Appendix B.

11.2
As the Fund follows the LVNAV MMF methodology, the Manager will generally determine the value of total deposits of the Fund as equal to the constant NAV. For the purposes of valuation and pricing, the Manager is required to treat the deposits of Depositing Charities as if they were unitised. When carrying out these calculations on a unitised basis, where the actual NAV per 'unit' deviates from the constant NAV per 'unit' by more than 0.20% (the "**Collar**"), the Manager shall give notice to the Depositing Charity holding such 'unit' in the Fund that:

11.2.1
if the value of such 'unit' has decreased by more than the Collar, the Manager will compulsorily reduce the value of the Depositing Charity's deposit; or

11.2.2
if the value of such 'unit' has increased by more than the Collar, the Manager will compulsorily increase the value of the Depositing Charity's deposit,

in each case so the value of the 'unit' is equal to an amount representing the actual NAV per 'unit', calculated in accordance with paragraph 2 of Appendix B.

12. Credit Quality Assessment

12.1
The Manager has procedures in place, in accordance with the MMFR, to determine whether the credit quality of a Money Market Instrument receives a favourable assessment.

12.2
In carrying out its credit quality assessment, the Manager takes into account at least the following factors and general principles:

12.2.1
the quantification of the credit risk of the issuer and of the relative risk of default of the issuer and of the instrument;

12.2.2
qualitative indicators on the issuer of the instrument, including in the light of the macroeconomic and financial market situation;

12.2.3
the short-term nature of Money Market Instruments;

12.2.4
the asset class of the instrument;

12.2.5
the type of issuer distinguishing at least the following types of issuers: national, regional or local

administrations, financial corporations, and non-financial corporations;

12.2.6
for structured financial instruments, the operational and counterparty risk inherent within the structured financial transaction and, in case of exposure to securitisations, the credit risk of the issuer, the structure of the securitisation and the credit risk of the underlying assets; and

12.2.7
the liquidity profile of the instrument.

12.3
The Manager shall review its procedures on at least an annual basis to ensure that they are in line with regulatory requirements and market practices and that they remain valid and appropriate for the Fund.

13. Changes to Investment Objective and Policy

13.1
The Board may only alter the Fund's investment objective and, subject to approval by the Board, the Manager may only alter the investment policy in accordance with these provisions and the MMFR.

13.2
Where it is proposed that the investment objective or investment policy of the Fund be altered and the Board or the Manager (as appropriate) reasonably considers that such an alteration would be considered a "**fundamental change**" within the meaning in the FCA Regulations such an alteration may only be made following prior approval from the Depositing Charities by way of an extraordinary resolution (having the same meaning as when used in the FCA Regulations and following the same notice procedures for meetings of unitholders as used in the FCA Regulations).

13.3
Where it is proposed that the investment objective or investment policy of the Fund be altered and the Board or the Manager (as appropriate) reasonably considers that such an alteration would be considered a "**significant change**" within the meaning in the FCA Regulations such an alteration may only be made following the provision of 60 days' prior written notice to Depositing Charities.

13.4
By way of guidance, the Board and/or the Manager (as appropriate) may consider the change to be significant rather than fundamental where:

13.4.1
the proposed alterations do not alter the risk profile of the Fund;

13.4.2
there is no change to the nature or purpose of the Fund; and

13.4.3
the Depositing Charities are not materially prejudiced by the proposed change.

13.5
In certain limited circumstances the Board and/or the Manager (as appropriate) may decide that very minor changes to the investment policy and/or investment objective of the Fund (for example, those aimed at clarification of the investment objective and/or investment policy) would be considered a "**notifiable change**" within the meaning in the FCA Regulations. Such alterations may be made by providing Depositing Charities with access to an updated copy of these Scheme Particulars. All current scheme particulars for the COIF Charities Funds are available on www.ccla.co.uk or by request please contact Client Services on 0800 022 3505.

14. Leverage

14.1
Under the AIFMD Legislation the Manager is required to disclose in what circumstances and how the Manager may use leverage as defined by the AIFMD Legislation ("**Leverage**") in respect of the Fund and maximum level of Leverage permitted.

14.2
The Manager is not permitted to use Leverage under the Scheme and the MMFR. As a result, no further Leverage disclosures are made.

15. The Board

15.1
The Fund is subject to oversight by the Board, which has been assigned certain duties, details of which are set out in the Scheme. It meets regularly to receive reports and monitor the progress of the Fund.

15.2
The duties of the Board include (but are not limited to):

15.2.1
making an annual report regarding the discharge of its responsibilities;

15.2.2
a duty to inform the Charity Commission promptly and in writing if the Board is not satisfied as to the compliance of the Trustee or the Manager with the Scheme or these Scheme Particulars; and

15.2.3
a duty to inform the FCA promptly and in writing if the Board is not satisfied as to the compliance of the Trustee or the Manager with the applicable provisions of the AIFMD Legislation or the MMFR.

15.3
The Board is made up of individuals who together have wide experience of finance, investments, charities and the law. A non-executive director of the Investment Manager (or an associate) is entitled to be a member of the Board. No Board member is required to be approved by the FCA, in relation to their capacity as a member of the Board, because no Board member offers investment advice or conducts investment business in relation to the Fund.

15.4
In safeguarding the interests of Depositing Charities, the Board has a number of responsibilities which include setting and subsequently advising on the investment objective and investment policy of the Fund, monitoring performance, the appointment and discharge of the Manager and the Trustee, appointing the Auditor to the Fund, and agreeing the fees charged by the Trustee, the Manager and the Auditor. Prior to the Trustee making any written declaration that the Fund is to be wound up, the Trustee must serve on the Board a notice of the Trustee's intention to wind up the Fund and consider the Board's representations (if any).

15.5
To the extent of those duties and powers specified in the Scheme, the Board members are charity trustees within the meaning of the Charities Act 2011.

15.6
The Board members are entitled to be paid out of the Scheme Property any reasonable costs and expenses incurred by them in carrying out their duties as a member of the Board. Such reasonable costs and expenses may be drawn from the Fund. The Manager currently pays the reasonable costs and expenses of the Board members and intends to continue to do so for the foreseeable future.

16. The Trustee and Depositary

16.1
The Trustee acts as a trustee of the Fund for the purposes of and pursuant to the Scheme. Pursuant to the Depositary Services Agreement and for the purposes of and in compliance with the AIFMD Legislation and the relevant FCA Regulations, the Trustee has been appointed as depositary to the Fund.

16.2
The depositary, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

16.3
The depositary provides services to the Fund as set out in the Depositary Services Agreement and, in doing so, shall comply with the AIFMD Legislation, the relevant FCA Regulations and the terms of the Scheme.

16.4
The depositary's duties include the following: -

16.4.1
Ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to the Fund have been received.

16.4.2
Safekeeping the assets of the Fund, which includes (i) holding in custody all financial instruments that can be physically delivered to the depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.

16.4.3
Ensuring that deposits/withdrawals into/from the Fund are carried out in accordance with applicable law and the Scheme.

16.4.4
Ensuring that the value of the Fund is calculated in accordance with applicable law and the Scheme.

16.4.5
Carrying out the instructions of the Manager, unless they conflict with applicable law or the Scheme.

16.4.6
Ensuring that in transactions involving the Fund's assets, any consideration is remitted to the Fund within the usual time limits.

16.4.7
Ensuring that the Fund's income is applied in accordance with applicable law and the Scheme.

16.5
The appointment of the depositary under the Depositary Services Agreement may be terminated without cause by not less than 90 days' written notice provided that the Depositary Services Agreement does not terminate until a replacement depositary has been appointed.

16.6
The depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement.

16.7
Depositing Charities have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

16.8
In general, the depositary is liable for losses suffered by the Fund as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the depositary will be liable to the Fund for the loss of financial instruments of the Fund which are held in its custody. The depositary will not be indemnified out of the Scheme Property for the loss of financial instruments where it is so liable.

16.9
The liability of the depositary will not be affected by the fact that it has delegated safekeeping to a third party save where this liability has been lawfully discharged to a delegate any such discharge will be notified to the Depositing Charities and consent will be obtained from the Manager to such delegation and discharge. At the date of these Scheme Particulars, the depositary has not discharged its liability for the safekeeping of assets in its safekeeping.

16.10
The depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The depositary shall not be liable for any indirect, special or consequential loss.

16.11
In the event there are any changes to the depositary's liability under the AIFMD Legislation and the relevant FCA Regulations, the Manager will inform Depositing Charities of such changes without delay.

17. Trustee and Depositary Conflicts of Interest

17.1
From time to time actual or potential conflicts of interest may arise between the depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Fund. The depositary maintains a conflict of interest policy to address this.

17.2
In addition, actual or potential conflicts of interest may also arise between the Fund, the Depositing Charities or the Manager on the one hand and the depositary on the other hand. For example, such actual or potential conflict may arise because the depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Fund or the Manager and from which fees and profits in relation to the provision of those products or services may arise and from which the depositary may benefit directly or indirectly. In addition, the depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Fund, or may have other clients whose interests may conflict with those of the Fund, the Depositing Charities or the Manager.

17.3
In particular, HSBC Bank plc may provide foreign exchange services to the Fund for which they are remunerated out of the Scheme Property. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Fund; provide broking services to the Fund and/or to other funds or companies; act as financial adviser, banker, derivatives counterparty or otherwise provide services to the issuer of the investments of the Fund; act in the same transaction as agent for more than one client; have a material interest in the issue of the investments of the Fund; or earn profits from or have a financial or business interest in any of these activities.

17.4
The depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed.

17.5
The depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary's issues to be properly identified, managed and monitored.

18. Remuneration and Expenses of the Trustee

18.1
The Scheme provides for the remuneration of the Trustee out of the Scheme Property by way of a periodic charge (plus VAT, if applicable and if any), and the reimbursement of expenses (including VAT, if applicable and if any) properly incurred by the Trustee. The rate of the Trustee's periodic charge is to be agreed in writing with the Board from time to time.

18.2
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):

18.2.1
delivery of Money Market Instruments to the Trustee;

18.2.2
custody of assets;

18.2.3
collection of income;

18.2.4
submission of tax returns;

18.2.5
handling of tax claims;

18.2.6
preparation of the Trustee's annual report; and

18.2.7
such other duties as the Trustee is required or empowered by law to perform.

18.3
The maximum periodic charge that may be made by the Trustee, subject to the prior written approval of the Charity Commission, is 0.01% per annum, (plus VAT, if applicable and if any), of the value of the Scheme Property.

18.4
The actual periodic charge agreed with the Board is: 0.001875% per annum on all assets.

18.5
The periodic charge (plus VAT, if applicable and if any), accrues daily to the Scheme Property and is payable monthly in arrears.

18.6
Any increase in the actual or maximum amount of the periodic charge made by the Trustee shall be subject to:

18.6.1
notice of at least 90 days being given to Depositing Charities;

18.6.2
the prior written agreement of the Board; and

18.6.3
the prior written approval of the Charity Commission.

18.7
In addition to the annual charge the Trustee is entitled to be paid custody charges as follows;

18.7.1
Transaction - £3 to £11.25 per transaction;

18.7.2
Safekeeping - 0.003%.

19. The Manager

19.1
CCLA Fund Managers Limited is the appointed UK AIFM and Manager of the Fund. The Manager is a limited liability company incorporated in England and Wales with company registration number 8735639, whose registered address and details are shown in Appendix D.

19.2
The Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 611707. The Manager has permission from the FCA to act as a full scope UK AIFM. The only business activity of the Manager is the management of UK AIFs as a UK AIFM. The ultimate holding company of the Manager is CCLA Investment Management Limited.

19.3
Subject to the FCA Regulations and the AIFMD Legislation the Manager may delegate (and authorise its delegate to sub-delegate) its duties as Manager.

19.4
The Manager has delegated the provision of certain services including investment management, administration and the preparation of various reports for Depositing Charities to the Investment Manager and Administrator as detailed below.

19.5
The Manager's appointment may be terminated by the Board acquiring approval by the Trustee and serving written notice on the Manager.

19.6
The Manager is entitled to its pro rata fees and expenses (as provided for in the Scheme and detailed in these Scheme Particulars) to the date of termination of its appointment as Manager of the Fund and any additional expenses necessarily incurred in settling or realising any outstanding obligations.

19.7
The Manager is responsible for all the investment management and administration services in relation to the Fund set out under paragraph 15 of the Scheme. These include:

19.7.1
deciding, subject to these Scheme Particulars, the terms and conditions on which deposits are accepted by the Fund, and giving instructions to the Trustee with respect to the receipt and repayment of deposits, and the payment of income in respect of deposits;

19.7.2
the day-to-day management of the Fund;

19.7.3
the making of any necessary calculations of the yield in respect of deposits made with the Fund and that these calculations of the yield are correctly carried out and to ensure that correct payments of income are made;

19.7.4
the keeping of a daily record of all of the Fund's transactions including the receipt and repayment of deposits;

19.7.5
the preparation of any valuations or other calculations to be made under these Scheme Particulars;

19.7.6
the keeping of such accounts as the Trustee or the Board may require; and

19.7.7
any matters incidental to the above matters.

19.8
The Manager is also responsible for the risk management of the Fund. The Manager may not have a lien over, or security interest in, the Scheme Property, act as principal in any transaction with the Fund, or undertake stock lending on behalf of the Fund. The Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objectives of the Fund will be successfully accomplished.

19.9 Remuneration and Expenses of the Manager

19.9.1
The Annual Management Charge is based upon a fixed percentage of the capital assets of the Fund. The fee is accrued daily and is charged to the Fund on or around the last Business Day of each month. The charge is a maximum of 0.20% p.a. (plus VAT, if applicable), which is charged to the income of the Fund before the declaration of the Daily Yield. In a negative yield environment, the Annual Management Charge will be deducted from capital.

19.9.2
The Annual Management Charge on large account balances (typically accounts with balances of £15 million and over) may be reduced, at the Manager's discretion, through a rebate of a proportion of the Annual Management Charge earned by the Manager in order to enable a higher yield to be paid to these accounts.

19.9.3
The current and maximum charges respectively have been agreed with the Board.

19.9.4
Any increase in the actual or maximum amount of the Annual Management Charge shall be subject to:

19.9.4.1
notice of at least 90 days being given to Depositing Charities;

19.9.4.2
the prior written agreement of the Board; and

19.9.4.3
the prior written approval of the Charity Commission.

19.9.5
Further information on costs and charges can be found on the Manager's website www.ccla.co.uk.

20. The Investment Manager

20.1
CCLA Investment Management Limited is the appointed Investment Manager of the Fund. The Investment Manager is a limited liability company incorporated in England and Wales with company registration number 2183088, whose registered address and details are shown in Appendix D. The Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of investment business in the United Kingdom and is entered on the FCA's register under reference number 119281.

20.2
The Investment Manager has been appointed by the Manager pursuant to the Investment Management Agreement to provide portfolio management and administrative services to the Fund under the Investment Management Agreement. The Investment Manager also provides secretarial services to the Board.

20.3
Under the terms of the Investment Management Agreement, the Investment Manager's appointment may be terminated on three months' written notice by the Investment Manager or by the Manager, or in certain limited circumstances immediately by the Manager. The Investment Manager may not have a lien over, or security interest in, the Scheme Property, act as principal in any transaction with the Fund, or undertake stock lending on behalf of the Fund. The Investment Manager accepts responsibility for loss of the investments of the Fund to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates. The Investment Manager will not otherwise be liable for any loss to the investments of the Fund. No warranty is given by the Investment Manager as to the performance or profitability of the Fund (or any part of it) or that the investment objective of the Fund will be successfully accomplished.

20.4
The Manager is responsible for any fees payable to the Investment Manager and meets the fees of the Investment Manager from the Annual Management Charge the Manager receives for its services to the Fund.

21. The Registrar

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

22. The Transfer Agent

The Manager has appointed FNZ TA Services Limited to act as Transfer Agent to the Fund.

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

The registered address of the Transfer Agent is shown in Appendix D.

23. The Administrator

HSBC Bank plc is the appointed Administrator of the Fund and undertakes the Fund pricing and Fund accounting functions 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 Investment Manager and the Manager meets the fees of the Administrator from the Annual Management Charge it receives for its services to the Fund.

The registered address of the Administrator is shown in Appendix D.

24. Auditor

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

25. Depositing Charities' Rights Against Service Providers

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

26. Other Expenses

26.1
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:

26.1.1
fiscal charges and other disbursements which are necessary or properly to be incurred in effecting transactions for the Fund;

26.1.2
taxation and duties payable in respect of the Scheme Property or the Scheme, if applicable;

26.1.3
any costs incurred in modifying the Scheme where modification is:

26.1.3.1
necessary to implement, or necessary as a direct consequence of, any changes in the law; or

26.1.3.2
expedient having regard to any change in the law made by or under any fiscal enactment; or

26.1.3.3
to remove obsolete provisions from the Scheme; or

26.1.3.4
agreed by the Manager and Trustee to be in the interests of Depositing Charities.

26.1.4
the audit fee properly payable to the Auditor and VAT which may be chargeable thereon and any proper expenses of the Auditor;

26.1.5
the proper expenses of the Board; and

26.1.6
such other fees or expenses as may from time to time be agreed with the Trustee and depositary.

27. Preliminary Charge

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

28. Register of Depositing Charities

28.1
The Register is maintained on behalf of the Trustee by the Registrar. Accounts are usually registered in the name of Depositing Charities (or where applicable, accounts may be registered in the name of a nominee company acting on behalf of a Depositing Charity). Accounts cannot be registered in the names of the individual trustees.

28.2
The Register may be inspected by or on behalf of Depositing Charities 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 Depositing Charity, the sums of money on deposit and the name and address of the correspondent for each account. In addition, the Register may also contain the following particulars: details of the nominee company acting on behalf of a Depositing Charity; client designation; bank account details for the remittance of any 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.

28.3
The expenses of maintaining the Register are currently borne by the Manager and covered by the Annual Management Charge paid to the Manager.

29. Deposits and Withdrawals

29.1 Deposits

29.1.1
Applications for the Fund must be made by completion of the Application Form and submitted to the Transfer Agent.

29.1.2
Applications for the initial deposit and all subsequent deposits must be made using a completed deposit form. By completing the form, the applicant/Depositing Charity will confirm that they have received, read and understood the Key Information Document. Appropriate payment must be made by bank transfer by the published cut-off time (currently 9:30am).

29.1.3
Cheques, if used, must be drawn on an account in the name of the applicant/Depositing Charity and made payable in the Base Currency of the Fund to "**CCLA Fund Managers Limited CMPA**". Deposits will be processed on the day of receipt if the instruction is received and the cheque is cleared (typically within two Business Days of receipt) on or before the published cut-off time (currently 9:30am). Deposits will be processed on the next Business Day if

instructions are received, or funds clear after the published cut-off time.

29.2 Client Money

The Manager is obliged to comply with the FCA's Client Money Asset Rules ("**CASS**") where it holds client money (as defined by CASS).

Client money typically arises during the deposit and withdrawal processes where a Depositing Charity passes money to the Manager for the purpose of making a deposit in the Fund or the Manager passes money due to the Depositing Charity as the result of making a withdrawal of a deposit from the Fund. All deposits are received into a client money account and all withdrawals are passed into, and paid from, a client money account.

Money received for deposits or withdrawals: Any money which is received by the Manager prior to being deposited in the Fund or following a withdrawal will be held in accordance with the FCA's client money rules. Where the Manager is required to protect client money it will deposit the cash in the UK with an authorised bank to be held on its behalf in a 'client money' account separate to any account used to hold money belonging to the Manager in its own right. Interest will not be paid on cash balances held in the client money account. The purpose of client money accounts is to protect Depositing Charities' money should the Manager become insolvent. The Manager will not be responsible for any acts or omissions of the bank.

Paying money away: Where the Manager is holding unclaimed money, the Manager, may, in accordance with CASS, eventually pay away such amounts to a registered Charity. This would be after a period of six years has elapsed since the date of the last movement on the relevant account. Prior to paying away, the Manager will have ensured that it has taken reasonable steps in accordance with CASS, to attempt to pay these monies to the relevant Depositing Charity.

Insolvency of the third-party bank holding client money: If the third-party bank holding client money becomes insolvent, the Manager will have a claim on behalf of the Depositing Charities against the bank. It is important to note that if the bank holding client money fails, there may be a shortfall between the amount of client money held with the bank and any client money claimed by the Manager on behalf of Depositing Charities. In these circumstances, Depositing Charities will share that shortfall with all other clients in proportion to their respective claims, and Depositing Charities may not receive back all the client money due to them.

29.3 Eligible Depositing Charities

Any Charity in England and Wales and any appropriate body in Scotland and Northern Ireland within the meaning of the Charities Act 2011 may normally invest in the Fund, unless precluded by a specific provision in the Charity's governing instrument, provided always that such a Charity is recognised by HM Revenue & Customs as a Charity for tax purposes. The Manager is required under the Money Laundering Regulations to satisfy itself as to the identity of eligible Depositing Charities (please see the section headed Anti-Money Laundering Requirements in paragraph 32 below). Any Charity (or a nominee company acting on its behalf) applying to participate must give a declaration of eligibility of the Charity to invest in the Fund. Where a Depositing Charity (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.

29.4 Minimum Initial and Subsequent Deposits

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

29.5 Withdrawals

Withdrawals of any amount may normally be made on demand without penalty. Withdrawal instructions, which must be made on the withdrawal forms provided and signed in accordance with the existing mandate, will be carried out on the day of receipt if received by the published cut-off time, otherwise on the next Business Day. Payments will only be made direct to the Depositing Charity's bank account by bank transfer. In the event funds are returned, the Manager will take reasonable steps to contact the Depositing Charity to re-confirm payment instructions and 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 Depositing Charity's payment instructions being incorrect or not being kept up to date.

29.6 Regular Deposits/Withdrawals

An applicant/Depositing Charity may place deposits and withdrawals at set intervals over a period of time not exceeding 12 months by making an application using the relevant form. For deposits, cleared funds must be presented as detailed in the form for the transactions to be placed. Should a payment be missed, the standing instruction will be terminated. By completing the form, the applicant/Depositing Charity will confirm that they have received, read and understood the Key Information Document. For transactions beyond 12 months, or where a transaction is missed, a new instruction will be required to be submitted.

29.7 Daily Yield

29.7.1
After taking into account the Annual Management Charge, fees and expenses of the Trustee, the Manager will declare the yield for each day. The yield will apply to all accounts. In certain market conditions, the yield may be negative.

29.7.2
Higher yields may apply to accounts with large balances (typically accounts with balances of £15 million and over) at the Manager's discretion. The provision of an enhanced yield for larger deposits is achieved at the expense of the Manager who may reduce the Annual Management Charge in respect of large balance accounts through a rebate of the proportion of the Annual Management Charge earned by the Manager. In this instance, the points at which a higher yield apply and the differential between the standard yield and the higher yield may vary from time to time.

29.8 Application of the Daily Yield

The appropriate Daily Yield (whether positive or negative) is applied to the daily balance of the deposited sums from the day of deposit up to and including the day prior to withdrawal. At the end of each month, any income payable without deduction of income tax is credited either to the deposit fund account of the Depositing Charity or is paid to the Depositing Charity's nominated bank account normally within five Business Days after the month end. The latter also applies to Depositing Charities who request a full withdrawal and closure of their deposit fund account during the income accrual period.

Applying a negative Daily Yield to the daily balance of the deposited sums will erode the value of the deposit.

29.9 Publication of the Daily Yield and Performance

The Daily Yield is published on the Manager's website www.ccla.co.uk. The Daily Yield may also appear or be published in other third party websites or publications. The Manager does not accept responsibility for the accuracy of the Daily Yield published in, or for the non-publication of the Daily Yield by, these sources for reasons beyond the control of the Manager.

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

29.10 Authority to Open and Operate Accounts

29.10.1
The Manager is entitled to assume that the persons signing the Application Form as authorised officials are duly authorised on behalf of the Charity to open a deposit fund account in the Charity's name.

29.10.2
The Manager requires that an authorised correspondent is nominated by the Charity for each deposit fund account opened and requires the signatures of two authorised signatories to act, one of which may be the authorised correspondent, in respect of all transactions until they receive written notice to the contrary.

29.11 Regular Statements

All deposits and withdrawals are acknowledged within two Business Days. Applicants can opt to receive regular statements on a monthly, quarterly or biannual basis when completing the Application Form. Applicants should note that monthly statements are only available via the CCLA Digital Portal.

30. Changes to Authorised Signatories and Correspondents

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

31. Depositing Charities' Meetings

31.1
Any meeting of Depositing Charities shall be held in accordance with the FCA Regulations, and all the provisions of the FCA Regulations shall apply to such meetings. A meeting of Depositing Charities duly convened and held by the Trustee may vote on a resolution:

31.1.1
to approve a proposed scheme of amalgamation put forward by the Manager, or Trustee and the Board members (or either of them); or

31.1.2
to approve a proposed scheme of reconstruction put forward by the Manager, or Trustee and the Board members (or either of them).

31.1.3
to approve fundamental changes of investment objective and investment policy.

31.2
A meeting of Depositing Charities has no other powers.

32. 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 and/or Transfer Agent on certain persons, whether named within the Application Form or associated with the eligible Depositing Charity (or who are subsequently appointed to act for the eligible Depositing Charity) to satisfy itself as to the identity of the eligible Depositing Charity and those acting on its behalf. Proof of identity may sometimes be required either when accepting or releasing deposits from time to time, even of existing Depositing Charities. Until the necessary evidence of identity can be obtained the Manager and/or Transfer Agent may, at its sole discretion, freeze accounts, withhold income distribution payments or refuse to process withdrawal requests or release withdrawal proceeds.

33. Treating Customers Fairly

The Manager is committed to Treating Customers Fairly (TCF). The Manager has reviewed these Scheme Particulars in the context of TCF and believes it is in accordance with its TCF commitment.

34. Complaints

34.1
The Manager has established a complaints policy to investigate complaints received.

34.2
Any complaints regarding the operation of the Fund should be addressed in writing to the addresses shown in Appendix D.

34.3
Depositing Charities who are eligible complainants (as defined in the FCA Regulations) may have the right to complain directly to the Financial Ombudsman Service (FOS) if a complaint is not dealt with to the satisfaction of the Depositing Charity. The address, telephone number and website of the FOS is shown in Appendix D.

34.4
A copy of the Manager's complaints policy is available on www.ccla.co.uk.

35. Risks

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

35.1 General Investment Risks

35.1.1
The Manager undertakes to exercise reasonable care in its placing of deposits or purchasing Money Market Instruments from a selected list of approved financial institutions, but it cannot give guarantees regarding repayment. The Daily Yield on the Fund is variable and could be negative. A negative Daily Yield will be applied to the balance of deposited sums which would erode the value of the deposit. Past performance is not a reliable indicator of future results.

35.1.2
A deposit in the Fund is not a guaranteed investment. A deposit in the Fund is different from a deposit with a bank, as the amount invested in the Fund is capable of fluctuation and may be eroded. The Fund does not rely on external support for guaranteeing the liquidity of the Fund or stabilising the Net Asset Value of its assets. The risk of loss of the amount deposited shall be borne by the Depositing Charity.

35.2 Political Risk

35.2.1
The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies and in legal, regulatory and tax requirements.

35.3 Counterparty Risk

35.3.1
Whilst the Investment Manager will place transactions, hold positions and deposit cash with a range of approved financial institutions (counterparties), there is a risk that a counterparty may default on its obligations or become insolvent, which may put the Fund's capital at risk.

35.4 Credit Risk

35.4.1
Where the Fund holds bonds or other debt instruments the value of the Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. AAA rated government and corporate bonds have a relatively low risk of default compared to non-investment grade bonds. However, the ratings are subject to change and they may be downgraded. The lower the rating the higher the risk of default. The Fund is only permitted to invest with financial institutions that have the highest short-term credit ratings.

35.5 Settlement Risk

35.5.1
Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. The Fund bears the risk of settlement default due to exposure to the risk of default of certain counterparties. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

35.6 Interest Rate Risk

35.6.1
Investment in both fixed rate and floating rate securities involves interest rate risk. Any change to the interest rate relevant for floating rate securities may result in future income either increasing or decreasing. Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the market value of any fixed interest securities held.

35.6.2
In a negative yield 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. This could affect the value of deposited sums which may fluctuate and capital may be eroded.

35.7 Concentration Risk

35.7.1
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.

35.8 Operational Risk

35.8.1
The Fund, the Manager, the Trustee and other Service Providers, their delegates, and counterparties are exposed to operational risk, which is the risk of financial and non-financial impact resulting from inadequate or failed internal processes, personnel and systems errors, third party service provider errors or external events, and is present in all of its businesses. The Manager, Trustee and Service Providers seek to reduce these operational risks through controls and procedures and by implementing an operational risk framework in order to identify, assess, manage and report on the operational risks and associated controls including IT, data and outsourcing arrangements. However, operational risks are inherent in all activities and processes and exposure to such risk could disrupt the Manager's, Trustee's and Service Providers' systems and operations significantly, which may result in financial loss, regulatory censure and/or reputational damage.

35.9 Cyber Event Risk

35.9.1
Like other business enterprises, the use of the internet and other electronic media and technology exposes the Fund, the Manager, Trustee and Service Providers and their respective operations to potential risks from cyber-security attacks or incidents (collectively, "**cyber-events**"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Fund and its Depositing Charities. A cyber-event may cause the Fund, or the Manager, Trustee and/or Service Providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of the Fund or allow Depositing Charities to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Fund and the Manager, Trustee and/or Service Providers. In addition, cyber-events affecting issuers in which the Fund invests could cause the Fund's investments to lose value.

35.10 Inflation Risk

35.10.1
The real value of returns achieved from deposits in the Fund will be affected by the rate of inflation experienced over the holding period.

35.11 Other Risks including Terrorism and Pandemic Risk

35.11.1
The Fund and counterparties with which the Manager on behalf of the Fund may do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities, or as a result of governmental or regulatory actions in anticipation of the same. Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, or governmental or regulatory actions in anticipation or mitigation of the same, such as a lockdown, or a typhoon warning, could severely disrupt the global economy and/or the operation of the Fund and its counterparties. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, relevant persons and entities involved in the operations of the Fund and its counterparties may to the extent that they are affected by such pandemic or natural disaster or by such governmental or regulatory actions, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Fund and materially and adversely affect its operation.

35.12 Tax Risk

35.12.1
The tax information provided in the "Taxation" section is based on tax law and practice at the date of these Scheme Particulars. Tax legislation, the tax status of the Manager, the Fund, the taxation of Depositing Charities and the availability of any tax reliefs may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction in which the Fund may be registered, marketed or invested could affect the tax status of the Fund and the value of the Fund's investments in the affected jurisdiction.

35.12.2
The availability and value of any tax reliefs to Depositing Charities will depend on the particular circumstances of individual Depositing Charities. The information in the "Taxation" section is not exhaustive and does not constitute tax or legal advice. Depositing Charities should seek professional advice from their tax advisors in respect of the tax consequences of an investment in the Fund.

35.13 Liquidity Risk

35.13.1
The Fund's investments may be subject to liquidity constraints which means that securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.

35.14 Risk Factors Not Exhaustive

35.14.1
The risks set out in these Scheme Particulars do not purport to be exhaustive and potential investors should be aware that a deposit in the Fund may be exposed to risks of an exceptional nature from time to time.

36. Risk Management Process and Liquidity Management

36.1
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. This is set out in more detail in paragraph 1 of Appendix C.

36.2
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. This is set out in more detail in paragraph 2 of Appendix C.

36.3
The liquidity management systems and procedures allow the Manager to apply various tools and arrangements necessary to ensure that the Fund is sufficiently liquid to respond appropriately to repayment requests. In normal circumstances, repayment requests will be processed as set out in these Scheme Particulars.

36.4
Other arrangements may also be used in response to repayment requests, including, in extreme cases, temporary suspension which, if activated, will restrict the repayment rights Depositing Charities benefit from in normal circumstances as set out in these Scheme Particulars.

37. Compensation

37.1
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 Depositing Charity (or nominee company acting on behalf of the Depositing Charity) in accordance with the mandate.

37.2
In certain circumstances a Depositing Charity may be entitled to protection from the FSCS. The Fund is **not** a bank account and therefore deposits in the Fund are **not** covered by the FSCS's deposit protection. The Fund is recognised as an MMF under the MMFR and is a UK AIF. Therefore, under the rules of the FSCS it is an investment and is covered under the 'Investments' section of the FSCS. The maximum amount that can be claimed under the FSCS is £85,000. However, please be aware that the compensation limits from the FSCS apply at a firm level. This means, for example, that if the Manager cannot meet its obligations and a Depositing Charity has investments in more than one CCLA fund (and each fund is eligible under the FSCS), then it is likely that the maximum amount that would be protected would be £85,000, provided the Depositing Charity is eligible to claim.

For further information about the FSCS please refer to www.fscs.org.uk or phone 0800 678 1100.

38. Material Interests and Conflicts

38.1
The Manager, the Investment Manager, the Trustee, the Transfer Agent and 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.

38.2
The Trustee may, from time to time, act as trustee of other funds.

38.3
Each of the parties will, to the extent of their ability and in compliance with the FCA Regulations and the AIFMD Legislation, ensure that the performance of their respective duties will not be impaired by any such involvement.

38.4
The Manager operates a client relationship management service to offer suitable support to Charities. It should be noted that this service is associated with the COIF Charities Funds and that the COIF Charities Investment Fund owns 22.37% of the share capital of the Investment Manager as at 31 December 2022.

39. Conflicts of Interest Policy

39.1
The Manager and Investment Manager operate a conflicts of interest policy to ensure that their clients are treated fairly. The policy seeks to avoid circumstances which they consider may give rise to potential conflicts of interest and materially disadvantage their clients. It describes the controls and arrangements for preventing the Manager, the Investment Manager and their staff from:

39.1.1
favouring one client over another;

39.1.2
making a financial gain, or avoiding a financial loss, at the expense of the client;

39.1.3
favouring a member of staff over a client;

39.1.4
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;

39.1.5
market abuse and disclosing confidential information;

39.1.6
giving or receiving gifts and entertainment, monetary or otherwise that would be in breach of the conflicts of interest policy;

39.1.7
favouring one of the Investment Manager's owners at the disadvantage of its clients;

39.1.8
not disclosing the Investment Manager's close association with The CBF Church of England Funds, COIF Charities Funds and the Local Authorities' Property Fund; and

39.1.9
not disclosing any remaining conflicts of interest to clients before advising or transacting on their behalf.

39.2
Full details of the conflicts of interest policy are available on request and on the Manager's website www.ccla.co.uk.

40. Data Protection

40.1
The terms **process** (and its derivatives), **controllers, data subject and personal data** shall, where used in this section, have the meanings given to them in the Data Protection Legislation.

40.2
The Manager and Transfer Agent shall receive personal data on the employees of the Depositing Charity.

40.3
The Manager and each Depositing Charity will each be a data controller in respect of the personal data it processes under these terms.

40.4
Each party will comply with its obligations under the Data Protection Legislation at all times in relation to the relevant personal data.

40.5
The Depositing Charities acknowledge that the Manager may transfer personal data on to third parties, including third parties outside of the United Kingdom or EEA, subject to implementing appropriate safeguards in accordance with Data Protection Legislation.

40.6
Each Depositing Charity confirms and undertakes, to the extent applicable that:

40.6.1
it has obtained all consents, licences and authorisations necessary for the transfer, sharing, accessing and processing of data to, with and by the Manager contemplated under these terms and conditions; and

40.6.2
it has complied with and will comply with all relevant Data Protection Legislation in respect of its entry into and performance of this agreement.

41. Report and Accounts of the Fund

41.1
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).

41.2
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.

41.3
The Report and Accounts include, amongst other things, information on the Fund's risk profile and details of any changes to the Fund's liquidity management. The Report and Accounts will also include disclosures required by the AIFMD Legislation.

41.4
If a hard copy or an email of the Report and Accounts is required, please contact Client Services on 0800 022 3505.

42. Taxation

42.1
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 to 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.

42.2
Distributions of income are made gross (i.e. without deduction of tax). Depositing Charities should not be liable to UK tax in respect of such distributions provided such income is applied to Charitable Purposes.

42.3
For the purposes of the US Foreign Account Tax Compliance Act (FATCA), the Fund is deemed compliant.

42.4
This is the Manager's understanding of the tax position as of the date of these Scheme Particulars. The tax position may change in the future. Depositing Charities should obtain their own tax advice in respect of their own position. Depositing Charities will be notified in writing with regards to any material changes in the tax position of the Fund.

43. Professional Liability

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

44. Fair Treatment of Depositing Charities

44.1
The Manager has established policies and procedures and made arrangements to ensure the fair treatment of Depositing Charities. Such arrangements include, but are not limited to, ensuring that no one or more Depositing Charities are given preferential treatment over any rights and obligations in relation to their deposits in the Fund that would result in a disadvantage to any other Depositing Charity. All rights and obligations to Depositing Charities are set out in the Scheme and these Scheme Particulars.

44.2
The Manager has established fair and transparent calculation of yield 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 Depositing Charities.

44.3
The Manager has also established procedures to identify, manage and monitor conflicts of interest and, where applicable, disclose those conflicts of interest to prevent them from adversely affecting the interests of the Depositing Charities. The Manager has established a process for recognising and dealing with complaints fairly.

45. Amending these Scheme Particulars

45.1
These Scheme Particulars may be updated or amended by the Manager from time to time, subject where applicable to the approval of the Board or the Charity Commission where necessary as set out in the Scheme and these Scheme Particulars, and in relation to any changes to the investment objective and investment policy only in accordance with the provisions dealing with such changes as set out above in these Scheme Particulars.

45.2
The approval of the Board is necessary where the Manager seeks to amend the investment objective or investment policy.

45.3
The approval of the Charity Commission is required in the following circumstances:

45.3.1
if it is proposed that the fees of the Manager or the Trustee be increased; or

45.3.2
if any amendment is proposed that modifies or relaxes any duty to account to the Fund which may result from a conflict of interest or duty on the part of the Trustee, Manager or other person.

45.4
The Manager will endeavour to give Depositing Charities 30 days' notice of changes to the Scheme Particulars save in respect of any proposed increase in the fees of the Manager and/ or Trustee when a minimum of 90 days' prior notice is required to be given under the Scheme. For changes other than changes to the fees of the Manager and/or Trustee, in some circumstances it may not be possible to give 30 days' notice when changes are required for regulatory or other reasons.

46. Winding Up

46.1
If, upon consideration of the Board's representations (if any), the Trustee remains of the opinion that a winding up of the Fund is expedient in the interests of the Depositing Charities, the Trustee may execute a written declaration that the Fund is to be wound up, and if it does so, the Trustee shall send copies of the declaration to the Charity Commission, the Manager and the Board and publish it as the Charity Commission may direct.

46.2
Once the Trustee has executed the declaration to wind up the Fund dealings in the Fund will be suspended and all Depositing Charities will be deemed to have submitted a withdrawal form to realise their deposit.

46.3
As soon as practicable after the Fund falls to be wound up, the Trustee shall realise the Scheme Property and after paying or providing for the liabilities of the Fund and the costs of the winding up, distribute the proceeds to the Depositing Charities pro rata to their deposits.

46.4
Any withdrawal forms already received by the Transfer Agent 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 Depositing Charities on a pro-rata basis according to the deposit amounts held by them in the Fund.

47. Acceptance of Terms and Conditions

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

set out in these Scheme Particulars and the Scheme and agrees to be bound by them.

48. Applicable Law and Jurisdiction

48.1
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.

48.2
These Scheme Particulars summarise 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 Scheme which is available upon request from the Manager.

48.3
By applying to deposit sums in the Fund, a Depositing Charity 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 Depositing Charity's investment in the Fund or any related material.

49. Additional Information

49.1
A Depositing Charity is entitled to request an unaudited periodic report to be provided after the end of the period to which it relates.

49.2
The Manager will make available copies of the Scheme Particulars, Key Information Document, factsheet and annual and half-yearly Report and Accounts on its website www.ccla.co.uk. Alternative formats of these documents are available upon request from clientservices@ccla.co.uk.

49.3
The Manager and Investment Manager's order execution policy can be found at www.ccla.co.uk.

49.4
If a hard copy or an email copy of any of these documents or the Scheme is required, please contact Client Services on 0800 022 3505.

Appendix A
Investment Powers and Restrictions

The investment objective and investment policy of the Fund is subject to limits on investment under the Scheme and the MMFR, relevant parts of which are summarised below.

1. Eligible Assets

1.1
The Fund may only invest in the following categories of assets:

1.1.1
Money Market Instruments including financial instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the United Kingdom or Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or a central bank of a country other than the United Kingdom or a Member State, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements or any other relevant international financial institution or organisation to which the United Kingdom or one or more Member States belong; and

1.1.2
deposits with credit institutions provided that all of the following conditions are fulfilled:

1.1.2.1
the deposit is repayable on demand or is able to be withdrawn at any time;

1.1.2.2
the deposit matures in no more than 12 months; and

1.1.2.3
the credit institution has its registered office in the United Kingdom or a Member State or, where the credit institution has its registered office in a country other than the United Kingdom or a Member State, it is subject to prudential rules considered equivalent to those laid down in EU law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013 as it applies in the United Kingdom from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020.

1.2
The Fund is not permitted to undertake the following activities:

1.2.1
invest in assets other than those referred to in paragraph 1.1 above;

1.2.2
short sell any of the following instruments: Money Market Instruments, securitisations, ABCPs and units or shares of other money market funds;

1.2.3
take direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;

1.2.4
enter into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the Fund; and/or

1.2.5
borrow and lend cash.

2. Eligible Money Market Instruments

A Money Market Instrument will be eligible for investment by the Fund provided that it fulfils all of the following requirements:

2.1
it falls within one of the following categories of Money Market Instruments:

2.1.1
Money Market Instruments admitted to or dealt in on a regulated market;

2.1.2
Money Market Instruments dealt in on another regulated market in the United Kingdom or an EEA State, which operates regularly and is recognised and open to the public;

2.1.3
Money Market Instruments admitted to official listing on a stock exchange in a country other than the United Kingdom or a Member State or dealt in on another regulated market in a country other than the United Kingdom or a Member State which operates regularly and is recognised and open to the public provided that the choice of stock exchange or

market has been approved by the competent authorities or is provided for in these Scheme Particulars or in the Scheme;

2.1.4
Money Market Instruments other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:

2.1.4.1
issued or guaranteed by a central, regional or local authority or central bank of the United Kingdom or an EEA State, the European Central Bank, the European Union or the European Investment Bank, a country other than the United Kingdom or an EEA State or, in the case of a federal state, one of the members making up the federation, or a public international body to which the United Kingdom or one or more EEA States belong;

2.1.4.2
issued by an undertaking any securities of which are dealt in on regulated markets referred to in 2.1.2, 2.1.3 or 2.1.4 above;

2.1.4.3
issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by United Kingdom or EU law, or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by United Kingdom or EU law; or

2.1.4.4
issued by other bodies belonging to the categories approved by the FCA provided that investments in such instruments are subject to investor protection equivalent to that laid down in 2.1.4.1, 2.1.4.2 or 2.1.4.3 immediately above and provided that the issuer is a company whose capital and reserves amount to at least €10,000,000 and which presents and publishes its annual accounts, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2.2
it displays one of the following alternative characteristics:

2.2.1
it has a legal maturity at issuance of 397 days or less;

2.2.2
it has a residual maturity of 397 days or less; and

2.3
the issuer of the Money Market Instrument and the quality of the Money Market Instrument have been favourably assessed by the Manager in accordance with the MMFR; provided that this will not apply to Money Market Instruments issued or guaranteed by the EU, a central authority or a central bank of the United Kingdom or a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

3. Diversification

3.1
The Fund may not invest more than:

3.1.1
5% of its assets in Money Market Instruments issued by the same body;

3.1.2
10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the United Kingdom is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Fund to make deposits in a Member State, in which case up to 15% of its assets may be deposited with the same credit institution.

3.2
Notwithstanding the limits set out in paragraph 3.1 above, where to do so would result in an investment of more than 15% of its Scheme Property in a single body, the Fund may not combine any of the following:

3.2.1
investments in Money Market Instruments issued by that body; and

3.2.2
deposits made with that body.

3.3
Notwithstanding paragraph 3.1.1, the Fund may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in the United Kingdom or a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

3.4
Where the Fund invests more than 5% of its assets in the bonds issued by a single issuer, the total value of those investments may not exceed 40% of the value of its assets.

3.5
Notwithstanding paragraph 3.1.1, the Fund may invest no more than 20% of its assets in bonds issued by a single credit institution. Where the Fund invests more than 5% of its assets in the bonds issued by a single issuer, the total value of those investments must not exceed 60% of the value of its assets, including any possible investment in assets referred to in paragraph 3.3.

3.6
Companies which are included in the same group for the purposes of consolidated accounts in accordance with Section 399 of Companies Act 2006, Directive 2013/34/EU of the European Parliament and of the Council, as it applies in the United Kingdom from time to time, or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 3.1 and 3.2 above.

4. Government and Public Securities

4.1
By way of derogation from paragraph 3.1.1 above, the Fund may invest, in accordance with the principle of risk-spreading, up to 100% of its assets in different Money Market Instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the United Kingdom or Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or a central bank of a country other than the United Kingdom or a Member State, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which the United Kingdom or one or more Member States belong. For the Fund, such securities are restricted to government and public securities issued by or on behalf of or guaranteed by the government of the United Kingdom.

4.2
Paragraph 4.1 above shall only apply where all of the following requirements are met:

4.2.1
the Fund holds Money Market Instruments from at least six different issues by the issuer;

4.2.2
the Fund limits the investment in Money Market Instruments from the same issue to a maximum of 30% of its assets;

4.2.3
the Fund makes express reference, in its Scheme Particulars or Scheme, to all administrations, institutions or organisations referred to in the paragraph 4.1 that issue or guarantee separately or jointly Money Market Instruments in which it intends to invest more than 5% of its assets; and

4.2.4
the Fund includes a prominent statement in its Scheme Particulars and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisation referred to in paragraph 4.1 that issue or guarantee separately or jointly Money Market Instruments in which it intends to invest more than 5% of its assets.

5. Concentration

5.1
The Fund may not hold more than 10% of the Money Market Instruments issued by a single body.

5.2
The limit set out in paragraph 5.1 above shall not apply in respect of holdings of Money Market Instruments issued or guaranteed by the European Union, national, regional and local administrations of the United Kingdom or Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or a central bank of a country other than the United Kingdom or Member State, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which the United Kingdom or one or more Member States belong.

6. Portfolio rules for the Fund

6.1
The Fund must comply on an ongoing basis with the following:

6.1.1
its portfolio is to have a weighted average maturity ("**WAM**") of no more than 60 days;

6.1.2
its portfolio is to have a weighted average life ("**WAL**") of no more than 120 days;

6.1.3
at least 10% of its Scheme Property must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day.

The Fund may not acquire any asset other than a daily maturing asset if its acquisition would result in the Fund investing less than 10% of its Scheme Property in daily maturing assets;

6.1.4
at least 30% of its assets must be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days. The Fund is not to acquire any asset other than a weekly maturing asset if its acquisition would result in the Fund investing less than 30% of its Scheme Property in weekly maturing assets.

6.2
For the purpose of the calculation referred to in paragraph 6.1.4 above, assets referred to in paragraph 4.1 which are highly liquid and can be withdrawn and settled within one working day and have a residual maturity of up to 190 days may also be included within the weekly maturing assets of the Fund, up to a limit of 17.5 % of its assets.

6.3
For the purposes of paragraph 6.1.2 above, when calculating the WAL for securities, including structured financial instruments, the Fund shall base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, in the event that a financial instrument embeds a put option, the Fund may base the maturity calculation on the exercise date of the put option instead of the residual maturity, but only if all of the following conditions are fulfilled at all times:

6.3.1
the put option is able to be freely exercised by the Fund at its exercise date;

6.3.2
the strike price of the put option remains close to the expected value of the instrument at the exercise date; and

6.3.3
the investment strategy of the Fund implies that there is a high probability that the option will be exercised at the exercise date.

Appendix B
Valuation

1. Valuation of the Fund

1.1
The Scheme Property shall be valued on at least a daily basis.

1.2
The Scheme Property shall be valued by using mark-to-market whenever possible, as described in the MMFR.

1.3
When using mark-to-market:

1.3.1
the asset of the Fund shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market;

1.3.2
only good quality market data shall be used; such data shall be assessed on the basis of all of the following factors:

1.3.2.1
the number and quality of the counterparties;

1.3.2.2
the volume and turnover in the market of the asset of the Fund;

1.3.2.3
the issue size and the portion of the issue that the Fund plans to buy or sell.

1.4
Where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of the Fund shall be valued conservatively by using mark-to-model.

The model shall accurately estimate the intrinsic value of the asset of the Fund, based on all of the following up-to-date key factors:

1.4.1
the volume and turnover in the market of that asset;

1.4.2
the issue size and the portion of the issue that the Fund plans to buy or sell;

1.4.3
market risk, interest rate risk, credit risk attached to the asset.

When using mark-to-model, the amortised cost method shall not be used.

1.5
By way of derogation from paragraphs 1.2 and 1.4, in addition to the mark-to-market referred to in paragraphs 1.2 and 1.3 and the mark-to-model referred to in paragraph 1.4, the Scheme Property that have a residual maturity of up to 75 days may be valued by using the amortised cost method.

The amortised cost method shall only be used for valuing an asset of the Fund in circumstances where the price of that asset calculated using mark-to-market or mark-to-model (in accordance with paragraphs 1.2, 1.3 and 1.4 above) does not deviate from the price of that asset calculated in accordance with the amortised cost method by more than 10 basis points. In the event of such a deviation, the price of that asset shall be calculated in accordance with paragraphs 1.2, 1.3 and 1.4.

1.6
A valuation carried out in accordance with paragraphs 1.2 to 1.5 above shall be communicated to the FCA.

2. Calculation of NAV per 'unit'

2.1
For administration purposes, the Fund shall calculate a NAV per 'unit' as the difference between the sum of all the Scheme Property and the sum of all liabilities of the Fund valued in accordance with mark-to-market or mark-to-model, or both, divided by the number of outstanding 'units' of the Fund.

2.2
The NAV per 'unit' shall be rounded up or down to the nearest basis point or its equivalent when the NAV is published in a currency unit.

2.3
The NAV per 'unit' of the Fund shall be calculated and published at least daily on the public section of the website of the Manager.

3. Calculation of the constant NAV per 'unit' of the Fund

3.1
For administrative purposes the Fund shall calculate a constant NAV per 'unit' as the difference between the sum of all of its assets valued in accordance with the amortised cost method as specified in paragraph 1.5 of this Appendix and the sum of all its liabilities, divided by the number of its outstanding 'units'.

3.2
The constant NAV per 'unit' of the Fund shall be rounded to the nearest percentage point or its equivalent when the constant NAV is published in a currency unit.

3.3
The constant NAV per 'unit' of the Fund shall be calculated at least daily.

3.4
The difference between the constant NAV per 'unit' and the NAV per 'unit' calculated in accordance with paragraph 2 above shall be monitored and published daily on the public section of the website of the Fund. Where the Daily Yield applied to deposited sums is positive, the price per 'unit' shall be quoted to two decimal places. In a negative yield environment, where the Daily Yield applied to deposited sums is negative, the price per 'unit' shall be quoted to four decimal places.

4. Deposit and withdrawal price

4.1
The 'units' of the Fund shall be subscribed and withdrawn at a price that is equal to the Fund's constant NAV per 'unit' but only where the actual NAV per unit does not deviate from the constant NAV per 'unit' by more than 0.20%.

4.2
In relation to paragraph 4.1 above, where the actual NAV per 'unit' deviates from the constant NAV per 'unit' by more than 0.20%, the following deposit or withdrawal shall be undertaken at a price that is equal to the actual NAV per 'unit'.

4.3
Where the Daily Yield applied to deposited sums is positive, the price per 'unit' should be stable and income should be payable in respect of such 'unit'. In a negative yield environment, where the Daily Yield applied to deposited sums is negative, no income will be payable in respect of such 'unit', the price per 'unit' will fluctuate and the value of deposited sums will be eroded.

Appendix C
Liquidity Management and Stress Testing

1. Stress testing

1.1
The Fund has in place sound stress testing processes that identify possible events or future changes in economic conditions which could have unfavourable effects on the Fund. The Fund or the Manager shall assess the possible impact that those events or changes could have on the Fund. The Fund or the Manager shall regularly conduct stress testing for different possible scenarios.

1.2
The stress tests shall be based on objective criteria and consider the effects of severe plausible scenarios. The stress test scenarios shall at least take into consideration reference parameters that include the following factors:

1.2.1
hypothetical changes in the level of liquidity of the assets held in the portfolio of the Fund;

1.2.2
hypothetical changes in the level of credit risk of the assets held in the portfolio of the Fund, including credit events and rating events;

1.2.3
hypothetical movements of the interest rates and exchange rates;

1.2.4
hypothetical levels of redemption;

1.2.5
hypothetical widening or narrowing of spreads among indices to which interest rates of portfolio securities are tied; and

1.2.6
hypothetical macro systemic shocks affecting the economy as a whole.

1.3
The stress tests shall estimate for different scenarios the difference between the constant NAV per 'unit' and the NAV per 'unit'.

1.4
Stress tests shall be conducted at a frequency determined by the board of directors of the Fund, where applicable, or the board of directors of the Manager, after considering what an appropriate and reasonable interval in light of the market conditions is and after considering any envisaged changes in the portfolio of the Fund. Such frequency shall be at least bi-annual.

1.5
Where the stress test reveals any vulnerability of the Fund, the Manager shall draw up an extensive report with the results of the stress testing and a proposed action plan.

1.6
Where necessary, the Manager shall take action to strengthen the robustness of the Fund, including actions that reinforce the liquidity or the quality of the Scheme Property and shall immediately inform the competent authority of the Fund of the measures taken.

2. Liquidity management

2.1
The Manager applies a prudent and rigorous liquidity management procedure for ensuring compliance with the weekly liquidity thresholds applicable to the Fund under the MMFR.

2.2
In ensuring compliance with the weekly liquidity thresholds, the following shall apply:

2.2.1
whenever the proportion of weekly maturing assets as set out in paragraph 6.1.4 of Appendix A falls below 30 % of the total Scheme Property and the net daily redemptions on a single working day exceed 10 % of total assets, the Manager shall immediately inform its board thereof and the board shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the Depositing Charities and shall decide whether to apply one or more of the following measures:

2.2.1.1
liquidity fees on redemptions that adequately reflect the cost to the Fund of achieving liquidity and ensure that investors who remain in the Fund are not unfairly disadvantaged when other Depositing Charities withdraw their 'units' during the period;

2.2.1.2
withdrawal gates that limit the amount of 'units' to be withdrawn on any one working day to a maximum of 10 % of the 'units' in the Fund for any period up to 15 working days;

2.2.1.3
suspension of redemptions for any period up to 15 working days; or

2.2.1.4
take no immediate action other than fulfilling the obligation laid down in Article 24(2);

2.2.2
whenever the proportion of weekly maturing assets as set out in paragraph 6.1.4 of Appendix A falls below 10 % of its total assets, the Manager shall immediately inform its board thereof and the board shall undertake a documented assessment of the situation and, on the basis of such assessment and having regard to the interests of the Depositing Charities, shall apply one or more of the following measures and document the reasons for its choice:

2.2.2.1
liquidity fees on redemptions that adequately reflect the cost to the Fund of achieving liquidity and ensure that investors who remain in the Fund are not unfairly disadvantaged when other Depositing Charities withdraw their 'units' during the period;

2.2.2.2
a suspension of withdrawals for a period of up to 15 working days.

2.3
When, within a period of 90 days, the total duration of the suspensions exceeds 15 days, the Fund shall automatically cease to be a LVNAV MMF. The Fund shall immediately inform each investor thereof in writing in a clear and comprehensible way that the Fund has ceased to be an LVNAV MMF and shall provide further information on the Manager's proposed course of action, which may result in operating the Fund as a VNAV MMF or winding up the Fund.

2.4
After the board of the Fund has determined its course of action with regard to both points 2.2.1 and 2.2.2, it shall promptly provide details of its decision to the FCA.

Appendix D
Directory

1. Trustee and Depositary

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

2. Manager

2.1
The Manager of the Fund is CCLA Fund Managers Limited which is a limited liability company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority in the conduct of investment business. The Manager is authorised by the FCA as a full scope UK AIFM and is entered on the FCA's register under reference number 611707.

2.2
The main business activity of the Manager is the management of unregulated and regulated collective investment schemes in the form of UK AIFs.

2.3
CCLA Fund Managers Limited is a wholly owned subsidiary of CCLA Investment Management Limited. Registered office at One Angel Lane, London EC4R 3AB.

Incorporated on 16 October 2013.

2.4
Directors of CCLA Fund Managers Limited are:

J. Bailie (Chairman)*
D. Sloper
E. Sheldon
J. Berens
N. McLeod-Clarke*
(* indicates a Non-Executive Director)

2.5
The Manager also manages the COIF Charities Ethical Investment Fund, the COIF Charities Short Duration Bond Fund, the COIF Charities Global Equity Fund, the COIF Charities Investment Fund and the COIF Charities Property Fund.

2.6
CCLA Fund Managers Limited Client Services telephone helpline number is 0800 022 3505. Please note telephone calls may be recorded.

3. The Board of the Fund

The members of the Board are:

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

4. Investment Manager

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

5. Administrator

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

6. Registrar

The Registrar of the Fund is CCLA Fund Managers Limited. The Register may be inspected at the registered office of CCLA Fund Managers Limited during normal business hours by a Depositing Charity or any Depositing Charity's duly authorised nominee/agent.

7. Transfer Agent

The Transfer Agent of the Fund is FNZ TA Services Limited, 7th Floor, 2 Redman Place, London E20 1JQ.

8. Auditor

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

9. Address for Complaints

9.1

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

9.2

Depositing Charities who are eligible complainants may have the right to complain directly to the Financial Ombudsman, Exchange Tower, London E14 9SR (telephone number 0800 023 4567 or by visiting www.financial-ombudsman.org.uk).

Appendix E
Past Performance

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

The Fund launched in March 1985. Past performance is not a reliable indicator of future results.

CCLA Fund Managers Limited

One Angel Lane
London
EC4R 3AB

Freephone 0800 022 3505
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