DATED

**[Manager]**

**[Trustee]**

**TRUST DEED**

**constituting**

**[Name of Scheme]**

***[FOR SINGLE FUND SCHEME WHICH IS ALSO A REGISTERED CHARITY WITH DIFFERENT UNIT CLASSES]***

**TRUST DEED**

**DATE**

**BETWEEN**

1 **[ ]** whose registered office is at [ ] (the "Manager")

2 **[ ]** whose registered office is at [ ] (the "Trustee")

**WHEREAS**

A Each of the Manager and the Trustee is an authorised person for the purposes of the Financial Services and Markets Act 2000 (the "Act") and is eligible to act as the manager or the trustee respectively of an authorised unit trust scheme for the purposes of Section 243 of the Act.

B The Manager wishes to establish, on the terms of this Deed and obtain authorisation for, a charity authorised unit trust scheme being a [UCITS Scheme] [Non-UCITS Retail Scheme] to be called [                       ] (the "Scheme").

C The Scheme is to be established for charitable purposes only for the exclusive benefit of charities. Only Eligible Investors shall be permitted to hold units in the Scheme.

D The Trustee has agreed to act as trustee upon and subject to the terms of this Deed.

E Application will be made by the Manager and the Trustee to the Financial Conduct Authority under Section 242 of the Act for an order declaring the unit trust scheme constituted by this Deed to be an authorised unit trust scheme pursuant to Section 243(1) of the Act.

F Application will be made by the Manager and Trustee to the Charity Commission for registration of the Scheme as a registered charity.

**NOW THIS DEED WITNESSES** as follows:

1. **Definitions and Interpretation**
   1. In this Deed unless the context otherwise requires, the following words shall have the following meaning:

["Advisory Committee[[1]](#footnote-1)" means the persons appointed pursuant to Clause 33 of this Deed, and each Member of the Advisory Committee shall be independent of the Manager and the Trustee.]

"Charities Act" means the Charities Act 2011.

"Charity"/"Charities" means (a) a charity within the meaning of Section 1 of the Charities Act; or

(b) an organisation which is a charity as defined in paragraph 1(1) Schedule 6, Finance Act 2010 [; or

(c) a Scottish recognised body or a Northern Ireland charity, within the meaning of Section 104 of the Charities Act]*.*[[2]](#footnote-2)

"COLL" means the Collective Investment Schemes Sourcebook.

"Commission" means the Charity Commission for England and Wales.

["Depositary Agreement" means a written contract entered into by the Manager and Trustee to evidence the appointment of the Trustee as depositary in accordance with the requirements of the Regulations.]

"Eligible Investor" means an eligible investor as defined in Clause 17.3.

["FUND" means the Investment Funds Sourcebook.]

["Income Reserve Account"][[3]](#footnote-3) means a separate account maintained by the Trustee and forming part of the income property of the Scheme into which income may be transferred in accordance with COLL 14.4.1R to 14.4.4R and Clause 26 of this Deed that would otherwise fall to be allocated or distributed as income.

"Net Asset Value" means the value of the Scheme property less all the liabilities of the Scheme determined in accordance with this Deed.

"Nominee Arrangement" means a binding legal agreement under which a person (the nominee) holds property for an Eligible Investor, in such a manner that the nominee does not have and cannot acquire any beneficial interest in that property and the nominee holds that property to the order of the Eligible Investor.

"Prospectus" means the prospectus of the Scheme, as modified from time to time.

The "Schedule" means the schedule hereto.

The "Scheme" means the trust constituted by this Deed and called by the name stated in paragraph 1 of Part One of the Schedule or such other name as the Trustee and the Manager with the approval of the Authority and the Commission may determine, as modified from time to time, such name being consistent with the charitable object and authorised status of the Scheme referred to in Clauses 3 and 4 below.

* 1. Words and phrases defined in the glossary published by the Financial Conduct Authority ("FCA") as part of their Handbook of rules made under the Act (the "FCA Rules") shall bear the same meanings in this Deed.
  2. References herein to:
     1. "charitable purposes" shall have the same meaning as in the Charities Act;
     2. the "Regulations" shall mean the rules and directions set out in COLL and/or FUND (as applicable), which shall, for the avoidance of doubt, not include guidance or evidential provisions contained in the said sourcebook.
  3. References herein to Clauses and sub-clauses are to Clauses and sub-clauses of this Deed; references to the singular number only shall include the plural; words importing the masculine gender shall include the feminine gender; words importing persons shall include corporations; references to "written" or "in writing" shall include all forms of visible reproduction in permanent form and references to any statute or statutory instrument or regulations or rules shall be deemed to extend to any modification, substitution or re-enactment thereof for the time being in force.
  4. The headings in this Deed are for convenience only and shall not affect the construction hereof.
  5. [The term independent in the context of the Advisory Committee means that:
     1. a relevant party is not the same entity as another relevant party and that no director or employer of a relevant party acts as another relevant party or as a director or employee of another relevant party; and
     2. no relevant party nor any director or employee of a relevant party shall (without the prior written consent of the Commission) hold, either directly or indirectly, more than 15% of the voting share capital of any other relevant party; and
     3. there is no contractual commitment between any relevant parties which affects the independence of those relevant parties in relation to each other.]
  6. The provisions of Clause 1 shall apply to the recitals.

1. **Authorised Status and Governing Law**
   1. The Scheme is a [non-UCITS retail] [UCITS] scheme for the purposes of the Regulations.[[4]](#footnote-4)
   2. [The Scheme is an AIF for the purpose of the Regulations.]
   3. This Deed is made under and governed by the Laws of England and Wales.[[5]](#footnote-5)
   4. With effect from the date of the making of an order by the Commission under section 96 of the Charities Act in respect of the Scheme, the Scheme shall be established as a common investment fund for the purposes of that Act. The Manager and the Trustee agree that no property will be held under the terms of the Scheme until the making of such order.
2. **Charitable Status**

The Scheme is established for charitable purposes only for the exclusive benefit of Charities, and shall be a Charity registered by the Commission.

The Manager and the Trustee are the charity trustees under the Charities Act.

1. **Charitable object of the Scheme**
   1. Subject to Clause 4.2 the Scheme is established exclusively to further the charitable purposes of the Charities that directly or indirectly hold units in the Scheme from time to time.
   2. If at any time there are no holders of units in the Scheme, the Scheme shall have such charitable purposes as the Manager and Trustee shall determine from time to time.
2. **Investment object of the Scheme**

In furtherance of the charitable object contained in Clause 4, the Manager may invest the property of the Scheme [in transferable securities, money market instruments, deposits, units in collective investment schemes, derivative instruments and forward transactions, [immovable property[[6]](#footnote-6) and gold] in accordance with the Regulations applicable to the Scheme according to the type of authorisation of the Scheme as stated in Clause 2 above[[7]](#footnote-7) with the aim of spreading investment risk and giving holders of units the benefit of the results of the management of that property[[8]](#footnote-8) [No more than 10% of the Scheme's assets can be invested in aggregate in units of other UCITS (as defined in the Regulations) or other collective investment undertakings.][[9]](#footnote-9)

1. **Trust Deed to be Binding and Authoritative[[10]](#footnote-10)**
   1. This Deed is binding on each holder as if he had been a party to it and each holder shall be bound by its provisions and authorises and requires the Trustee and the Manager to do the things required of them and authorises the Trustee and the Manager to do the things permitted of them, by the terms of this Deed.
   2. Subject to clause 6.3, if and to the extent that the Regulations permit (or would permit if this Deed contained the appropriate authority or imposed the relevant duty) the doing or omission of any act or thing in relation to the Scheme, it is hereby declared that the Manager and the Trustee (as appropriate) shall have the power hereunder to do or omit to do any such act or thing (including exercising any power of delegation) in accordance with the Regulations or any other regulations made under Section 247 of the Act from time to time as if this Deed expressly contained the appropriate authority or imposed the relevant duty.
   3. The Manager and the Trustee shall have no power for which provision may not lawfully be made by or in a common investment scheme, as that term is defined in section 96 of the Charities Act.
2. **Base Currency[[11]](#footnote-11)**

The base currency of the Scheme is pounds Sterling [or such other currency or currencies as shall be the lawful currency of [the United Kingdom].[[12]](#footnote-12)

1. **Declaration of Trust[[13]](#footnote-13)**
   1. Subject to the provisions of this Deed and to all regulations made under Section 247 of the Act for the time being in force:
      1. the property of the Scheme (other than any sum standing to the credit of the distribution account) is held by the Trustee on trust for the holders of units in the Scheme pari passu according to the number of units held by each holder or, when more than one class of units are in issue according to the number of undivided shares in the property of the Scheme represented by the units held by each holder[[14]](#footnote-14); and
      2. the sums standing to the credit of the distribution account are held by the Trustee on trust to distribute or apply them in accordance with the Regulations.
   2. For the purposes of Clause 8.1.1 and this Deed, the Manager, with the approval of the Trustee, shall designate one class of units as the "base class". Each unit in the base class represents one undivided share in the property of the Scheme. Each unit in any other class represents such multiple of one undivided share in the property of the Scheme as is found by multiplying one by a fraction of which the numerator is the price of the class in question (calculated in accordance with COLL) and the denominator is the price of a unit of the base class (calculated in the same way). If for any reason (for example, as a result of merger or winding up) the base class ceases to exist, the Manager, with the approval of the Trustee, shall designate another class (or, as the case may be, the only remaining class) as the base class, and such adjustments shall be made to the interests of the units in any other class as are necessary to preserve the proportionate interests of the classes in the property of the Scheme.
2. **Valuation and Pricing[[15]](#footnote-15)**

The Scheme will be [single/dual] priced. The Net Asset Value of the Scheme shall be determined in accordance with the Regulations, and, subject thereto, in accordance with Part Four of the Schedule.[[16]](#footnote-16) Subject to the Regulations and in the absence of bad faith, negligence or manifest error, such determination by the Manager shall be definitive. The basis for the pricing of any units issued in the Scheme shall be [forward pricing only][historic pricing] in accordance with the Regulations.[[17]](#footnote-17)

1. **Duration of Scheme[[18]](#footnote-18)**

[The Scheme is to be wound up after the expiry of [insert period of time].][The Scheme is not to be wound up after the expiry of a particular period of time and shall continue in existence until otherwise wound up in accordance with Rule 7.4 of the Regulations.]

1. **Holder's Liability to Pay[[19]](#footnote-19)**

A holder shall not be liable to make any further payment for his units in excess of the purchase price and no further liability can be imposed upon him in respect of the units he holds.

1. **[Manager's Preliminary Charge [and Redemption Charge][[20]](#footnote-20)**
   1. [The Manager shall be entitled to make a preliminary charge to be included in the issue price of a unit. The amount or rate of any preliminary charge shall be such amount or rate as is stated in the Prospectus [and subject to consultation with the Advisory Committee in accordance with Clause 33] [provided that any introduction of, or increase in, the rate of a preliminary charge requires the prior written approval of the Commission] and [holders] shall be given a period of notice (which shall not be less than 60 days) of any proposed increase in the amount or rate of such preliminary charge.]
   2. [The Manager shall be entitled to make a redemption charge which will be deducted from the proceeds of redemption of any unit before payment to the holder. The amount or rate of any redemption charge shall be such amount or rate as is stated in the Prospectus [and subject to consultation with the Advisory Committee in accordance with Clause 33] [provided that any introduction of, or increase in the rate of, a redemption charge requires the prior written approval of the Commission] and [holders] shall be given a period of notice (which shall not be less than 60 days) of any proposed increase in the amount or rate of such redemption charge.]
2. **Manager's Charges and Expenses[[21]](#footnote-21)**

* 1. The Manager shall be entitled to remuneration for its services as Manager paid out of the property of the Scheme. Such remuneration shall (unless otherwise determined by the Manager) be deemed to accrue from day-to-day and the amount of such remuneration shall (subject to the Regulations) be determined in accordance with the terms set out in the Prospectus [and subject to consultation with the Advisory Committee in accordance with Clause 33] [provided that any increase of the Manager's remuneration requires the prior written approval of the Commission][[22]](#footnote-22).
  2. The Manager shall be entitled to reimbursement of expenses of any type disclosed in the Prospectus and for which it may be reimbursed in accordance with the Regulations.

1. **Trustee's Remuneration[[23]](#footnote-23)**
   1. Fees may be paid to the Trustee by way of remuneration for its services in every accounting period of the Scheme (in whole or in part) out of the property of the Scheme. The rate of such remuneration shall (subject to the Regulations) be determined in accordance with the terms set out in the Prospectus [and subject to consultation with the Advisory Committee in accordance with Clause 33]. [provided that any increase of the Trustee's remuneration requires the prior written approval of the Commission][[24]](#footnote-24) . The Trustee is relieved of any obligation to account to holders in respect of such remuneration.
   2. The Trustee is authorised to be reimbursed out of the property of the Scheme all expenses properly incurred by the Trustee in connection with the trusteeship of the Scheme in performing or arranging for the performance of the functions conferred upon it by the Regulations or by general law and for which it may be reimbursed in accordance with the Regulations.
2. **Value Added Tax**

Any amount payable pursuant to Clauses 13 or 14 may be subject to the addition of value added tax (to the extent applicable) in respect of the services in consideration of which such amount becomes payable and the amount of any such value added tax shall be payable out of the property of the Scheme.

1. **Classes of Units[[25]](#footnote-25)**

The Trustee shall create one or more classes of units as are set out in paragraph 2 of Part One of the Schedule and as may be instructed from time to time by the Manager pursuant to the Regulations and the rights attaching to each class of units shall be as set out in this Deed and in the Regulations. If there is more than one class of units in issue, the allocation of rights to participate in the property of the Scheme shall be ascertained in accordance with Part Three of the Schedule. On the creation of any new class of units, a new Part One of the Schedule to this Deed showing the new class and the rights attaching to it (as well as those of the other extant classes) shall be substituted for the previous Part One of the Schedule and form part of this Deed to the exclusion of the previous part. [Where a class is denominated in a currency which is not the base currency, distributions paid on units of that class shall, in accordance with the Regulations, be in the currency of that class. Where for any purpose not specifically covered by the Regulations or this Deed it is necessary to convert one currency into another, conversions shall be made at a rate of exchange decided by the Manager as being a rate that is not likely to result in any material prejudice to the interests of holders or potential holders.]

1. **Eligible Investors**
   1. For the purposes of this Clause 17 only:

"invest" means acquire any beneficial interest in a unit;

"holder" means a person who acquires or for the time being holds any beneficial interest in a unit in the Scheme, and “hold” shall be interpreted accordingly.

* 1. Only Eligible Investors will be eligible to invest in the Scheme. Units will only be marketed to Eligible Investors (or persons acting on their behalf). Holders and prospective holders will be required to provide such information and/or documentation as the Manager requires, to enable the Manager to satisfy itself that such holders or potential holders are, and continue to be, Eligible Investors, and able to hold units in the Scheme.
  2. Subject to Clause 17.4 an Eligible Investor is any person who is and who will, throughout the period for which the person is a holder, remain a Charity.
  3. The Manager may become a holder, for the purposes of managing a book of units in respect of the Scheme, provided that:
     1. where the Manager makes any profit in connection with the issue or re-issue of units or the cancellation of units when dealing as principal in units of the Scheme, such profits will be paid for and added to the property of the Scheme. The Manager shall bear any losses associated with the issue or reissue of units or cancellation of units as part of its function of managing a book of units in respect of the Scheme;
     2. where the Manager receives distributions in respect of units held as part of its function of managing a book of units for the Scheme such distribution will be added to the property of the Scheme and dealt with accordingly.
  4. Subject to clause 17.2, the Manager and Trustee are not required to take account of any trust or other equity affecting a holder or its property or rights.[[26]](#footnote-26)
  5. The Manager and Trustee may permit any Eligible Investor to hold units in the Scheme notwithstanding the purposes of any other Eligible Investor.
  6. For the avoidance of doubt, this Clause 17 does not prevent Eligible Investors from holding or investing in units in the Scheme via Nominee Arrangements.

1. **Issue or Cancellation of Units[[27]](#footnote-27)**

Subject to and in accordance with the Regulations, the Trustee will issue or cancel units in the Scheme as instructed from time to time by the Manager. [Subject to and in accordance with the Regulations, the issue or cancellation of units may take place through the Trustee directly.][[28]](#footnote-28)

1. **In Specie Issue and Cancellation[[29]](#footnote-29)**

The Trustee may, on the instruction of the Manager, take into or pay out of the Scheme property assets other than cash as payment for the issue or cancellation of units but only if the Trustee has taken reasonable care to ensure that receipt or payment out of the property concerned would not be likely to result in any material prejudice to the interests of holders in the Scheme.

1. **Sale and Redemption**

In accordance with the Regulations, the arrangements for the sale and redemption of units in the Scheme are as set out in the Prospectus. The restrictions that apply in relation to the sale and redemption of units are set out in Part One of the Schedule.[[30]](#footnote-30)

1. **No Assignment**

A holder is not permitted to assign or charge its interest in any units held.[[31]](#footnote-31)

1. **Voting at Meetings[[32]](#footnote-32)**

The entitlement to vote at any meeting of holders or class meeting attaching to each unit is in accordance with the Regulations and the manner in which votes may be given at such meetings is as set out in Part Two of the Schedule.

1. **Evidence of Title to Units[[33]](#footnote-33)**

Title to units shall be evidenced by an entry in the register of holders, and the Manager shall not issue certificates to holders. A statement of unit holding ("statement") in respect of units shall be sent to a holder [at least once a year/upon any alteration in the number of units to which the holder is entitled] in such form as the Manager may decide. A statement shall not constitute a document of title to the units to which it refers.[[34]](#footnote-34)

1. **Responsibility for the Register[[35]](#footnote-35)**
   1. The [Manager][Trustee] will be responsible for establishing and maintaining a register of holders in the Scheme in accordance with the Regulations.
   2. The [Manager][Trustee] shall be entitled to remuneration out of the property of the Scheme as the registrar of the Scheme, and/or where it establishes and/or maintains a plan sub-register for the Scheme, of such amounts as the Manager and the Trustee shall from time to time agree, as disclosed in the Prospectus.
   3. The [Trustee][Manager] (or the registrar on the [Trustee's][Manager's] behalf) may charge a fee for issuing any document recording or amending an entry on the register, otherwise than on the issue or sale of units**.[[36]](#footnote-36)**
2. **Income[[37]](#footnote-37)**
   1. Paragraph 2 of Part One of the Schedule shall set out the basis for the distribution or re-investment of income in respect of any class of units in issue for the Scheme. No distribution or other monies payable on or in respect of a unit shall bear interest against the Scheme.
   2. All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Scheme. The payment of any such unclaimed distribution, interest or other sum payable by the Scheme on or in respect of a unit into a separate account shall not constitute the Manager or Trustee being trustee thereof.
3. **[Income Reserve Account**
   1. The Manager and Trustee may establish an Income Reserve Account in respect of the Scheme, details of which shall also be contained in the Prospectus.[[38]](#footnote-38)
   2. For the sole purpose of avoiding fluctuations in the income available for distribution or allocation in accordance with the rest of this Deed, the Manager may instruct the Trustee to transfer to the Income Reserve Account up to 15% [[39]](#footnote-39) of the income available for distribution or allocation from one accounting period for allocation or distribution in a future accounting period.
   3. Any income retained in the Income Reserve Account shall be held by the Trustee in accordance with Clause 8.1.1.
   4. Any interest earned by placing on deposit or otherwise investing money standing to the credit of the Income Reserve Account shall be treated as income of the Scheme and dealt with accordingly at the end of the accounting period during which it was received.
   5. The Manager may instruct the Trustee at any time to transfer income standing to the credit of the Income Reserve Account into the income account in which case any amount so transferred shall be treated as income available for allocation or distribution at the next income allocation date.]
4. **Income Equalisation[[40]](#footnote-40)**
   1. An allocation of income (whether annual or interim) may be made in respect of each unit to which the Clause applies issued or sold during the accounting period in respect of which that income allocation is made and shall be of the same amount as the allocation to be made in respect of the other units [of the same class] issued in respect of the Scheme but shall include a capital sum ("income equalisation") representing the Manager's best estimate of the amount of income included in the price of that unit and calculated in accordance with Clause 27.2.
   2. The amount of income equalisation in respect of any unit to which Clause 27.1 applies shall be either:
      1. The actual amount of income included in the issue price of that unit; or
      2. An amount arrived at by taking the aggregate of the amounts of income included in the price in respect of units [of the same class] issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such units and applying the resultant average to each of the units in question.]
5. **Allocation of Income**

The provisions of Part Three of the Schedule shall apply to each allocation of income at a time when more than one class of units is in issue in respect of the Scheme, provided that the Scheme may adopt a method of calculating the amount of income to be allocated between the units in issue which is different to that which appears in Part Three of the Schedule if the Manager is satisfied that such method is fair to holders and that it is reasonable to adopt such method in the given circumstances.

1. **[Total return approach[[41]](#footnote-41)** 
   1. The Scheme has a pre-determined target income allocation/distribution amount which is set out in the Prospectus.
   2. The Manager and Trustee are entitled to operate the Scheme on the basis of a total return approach to the allocation or distribution of income, solely for the purpose of meeting the pre-determined allocation/distribution amount referred to in Clause 29.1.
   3. In operating the total return approach the Manager may, from time to time, instruct the Trustee to make transfers between the capital account and the income account of the Scheme.]
2. **Redemption or Cancellation of Units on Breach of Law or Rules[[42]](#footnote-42)**
   1. The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no units in the Scheme are acquired or held by any person in circumstances ("relevant circumstances"):
      1. where that person is not an Eligible Investor; or
      2. which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
      3. which would (or would if other units were acquired or held in like circumstances) result in the Scheme incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

and, in this connection, the Manager may, inter alia, reject at its discretion any subscription for, sale, exchange or transfer of, units.

* 1. If it comes to the notice of the Manager that any units ("affected units") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to in Clause 30.1 or if it reasonably believes this to be the case the Manager may give notice to the holder of the affected units requiring the holder to transfer such units to a person who is qualified or entitled to own the same or to give a request in writing for the redemption or cancellation of such units in accordance with the Regulations. If any person upon whom such a notice is served pursuant to this Clause does not within 30 days after the date of such notice transfer his units to a person qualified to hold the same, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected units are qualified and entitled to hold the units, he shall be deemed upon the expiration of that 30-day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the affected units pursuant to the Regulations.
  2. A person who becomes aware that he has acquired or holds, whether beneficially or otherwise, affected units in any of the relevant circumstances referred to in Clause 30.1 shall forthwith, unless he has already received such a notice pursuant to Clause 30.1, either transfer or procure the transfer of all the affected units to a person qualified to own the same or give a request in writing or procure that a request is so given for the redemption or cancellation of all the affected units pursuant to the Regulations.
  3. When the holder of any units in any unit class fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of units in a manner, in terms of the Scheme making or not making any deduction of United Kingdom tax prior to the distribution or allocation to the holder, as is envisaged for such unit class, he shall, without delay, give notice thereof to the Manager and the Manager shall, upon receipt of such notice, treat the holder concerned as if he had served on the Manager a notice requesting exchange of all of the relevant units owned by such holder for units of the class or classes of units in the Scheme which, in the opinion of the Manager, such holder is entitled to hold and most nearly equate to the class or classes of units being exchanged by that holder.
  4. If at any time the Manager becomes aware that the holder of any units, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Scheme, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such units without deduction of United Kingdom tax, then the Manager shall, without delay, treat the holder concerned as if he had served on the Manager a notice requesting exchange of all of the relevant units owned by such holder for units of the class or classes which, in the opinion of the Manager, such holder is entitled to hold and most nearly equate to the class or classes of units held by that holder.
  5. An amount equal to any tax charge incurred by the Scheme or for which the Scheme may be held liable as a result of an exchange pursuant to Clause 30.5 shall be recoverable from the holder concerned and may be accounted for in any adjustment made of the number of new units to be issued pursuant to Clause 30.5.
  6. If at any time the Manager is not entitled to receive distributions or have income allocations made in respect of units held by it without deduction of United Kingdom tax and has redeemed, pursuant to the Regulations, any units that make distributions or allocations without any tax being deducted or accounted for by the Scheme, the Manager shall forthwith following such redemption arrange for the Trustee to cancel any such units or (at its discretion) the Manager shall forthwith sell such units to a person who is (or appears to the Manager to be) entitled to hold the same.

1. **Government and Public Securities[[43]](#footnote-43)**

[More than 35% in value of the property of the Scheme may consist of Government and other public securities issued by one issuer provided that the issuer or issuers are amongst the following:

* 1. the Government of the United Kingdom;
  2. [ ]; and

[ ].

1. **Eligible Markets[[44]](#footnote-44)**

Subject to any restriction in the Regulations or this Deed, the Scheme has the power to invest in any securities market or deal on any derivatives market which is an eligible securities market or eligible derivatives market for the Scheme for the purposes of the Regulations to the extent that power to do so is conferred by the Regulations or to the extent that power to do so is conferred by the Regulations irrespective of any issue of eligibility. The Manager, after consultation with and notification to the Trustee,[[45]](#footnote-45) may choose a market as one which is appropriate for the purpose of investment of, or dealing in, the scheme property. Any such market will be an eligible market for the purposes of the Regulations and a list of such markets will be included in the Prospectus.

1. **[Advisory Committee[[46]](#footnote-46)**
   1. The Manager and Trustee shall ensure that an Advisory Committee is appointed in relation to the Scheme and that the members of the Advisory Committee are independent of the Manager and the Trustee. The Advisory Committee is a consultative body only with no executive powers and is not authorised to undertake regulated activities. As such, members of the Advisory Committee are not charity trustees under the Charities Act and are not required to be FCA approved persons to perform the functions of the Advisory Committee. ]
   2. The Advisory Committee shall hold at least [two] committee meetings per calendar year. The Prospectus shall contain further information regarding the Advisory Committee, including composition, how members are nominated and removed, how meetings are called, and operated including as to quorum.
   3. The principal function of the Advisory Committee is to represent the interests of all holders in the Scheme and to consult with and make representations to the Manager and to the Trustee in carrying out that function.
   4. Without prejudice to Clause 33.3 the Advisory Committee:
      1. shall consider and, as the Advisory Committee deems appropriate, make representations to the Manager and to the Trustee regarding the management and administration of the Scheme, including (without limitation) in relation to:

* the appointment by the Manager and the Trustee of delegates providing key services in respect of the Scheme;
* the investment objective and policy of the Scheme;
* the income distribution policy of the Scheme; and
* the fees and charges borne or to be borne by any class of units of the Scheme (including any changes proposed to the fees and charges referred to in Clauses 12, 13 and 14 of this Deed); and
  + 1. may prepare each year an annual statement (which shall be the responsibility of the chair of the Advisory Committee) on the discharge by the Advisory Committee of its functions.
  1. The Advisory Committee may request the convening of a general meeting of holders by notice which must state the objects of the meeting, be dated, be signed by or on behalf of the Advisory Committee and be sent to the Manager or the Trustee. On receipt of notice from or on behalf of the Advisory Committee the Manager or the Trustee must convene a general meeting for a date not later than eight weeks after receipt of the requisition.
  2. The members of the Advisory Committee shall be entitled to be paid, out of the property of the Scheme, any reasonable costs and expenses incurred by them in carrying out their functions.
  3. The Manager shall at its own expense provide information to the Advisory Committee on the matters upon which the Advisory Committee is mandated to consider as part of the Advisory Committee's functions. The Manager shall provide information in reasonable detail which it reasonably considers relevant to the functions of the Advisory Committee, and with reasonable advance notice to allow proper consideration by the Advisory Committee. As a minimum the Manager will at its own expense:
     1. provide to the Advisory Committee details of any proposed increase in the fees and charges borne or to be borne by any class of units of the Scheme (including any changes proposed to the fees and charges referred to in Clauses 12, 13 and 14 of this Deed), at least 28 calendar days before any written notice of such matters are to be sent to holders;
     2. provide a report to the Advisory Committee [twice] a year on the matters referred to in Clause 33.4.1 and such other matters which the Manager deems will be of interest to the Advisory Committee;
     3. if required by the Advisory Committee, attend at meetings with the Advisory Committee at a time and place to be agreed.
  4. The Manager and Trustee shall:
     1. inform holders in writing of the representations (if any) made to them by the Advisory Committee in respect of any proposed increase, or introduction, in respect of fees and charges referred to in Clause 33.4.1;
     2. ensure on the request of the Advisory Committee that the Scheme's annual long report includes a statement prepared and approved by the Advisory Committee referred to in Clause 33.4.2 .]

1. **[Depositary Agreement**

The Manager and the Trustee will enter into a Depositary Agreement in order to comply with the requirements of the Regulations regarding the appointment of a depositary. To the extent that the Depositary Agreement confers any rights, powers, privileges, duties or obligations ("Rights") upon the Trustee or Manager not otherwise provided for herein, such Rights shall be deemed to be incorporated herein, mutatis mutandis, and shall be binding on the Manager, the Trustee and the holders accordingly.]

1. **Reimbursement of Tax**

If the Trustee, acting as such, becomes liable to pay any tax out of the property of the Scheme and the tax liability arises because a holder neither is [an Eligible Investor nor holds units for the benefit of an Eligible Investor], the holder shall pay to the Trustee on demand an amount equal to the tax liability together with any tax charged in respect of the payment, and any interest arising and this amount shall be added to the property of the Scheme.

1. **Modification of Trust Deed**

No change may be made to this Scheme which would cause the trust constituted by this Deed to cease to be a Charity and in particular any such change shall not authorise units to be issued or transferred to or held by any person other than an Eligible Investor, whether directly or via a Nominee Arrangement.

* 1. No revocation, variation or amendment of this deed which would or might be inconsistent with the Scheme’s status as a common investment fund established pursuant to sections 96 to 99 of the Charities Act shall be valid without the prior written approval of the Court or of the Commission.

1. **Reconstruction, Amalgamations and Conversions**

Neither the whole nor any part of the property of the Scheme may be transferred pursuant to any scheme of arrangement (whether the Scheme constitutes an amalgamation or reconstruction or conversion) so as to become the property or part of the property of any other regulated collective investment scheme unless that other regulated collective investment scheme is established for a similar charitable object to that given in Clause 4 and is on the register of charities maintained by the Commission. This limitation shall be construed as an additional requirement for a scheme of arrangement for the purpose of Rule 7.6.2 of COLL.

**IN WITNESS** whereof the parties hereto have entered into this Deed the day and year first above written.

**THE SCHEDULE**

**Part One**

1. Name of the Scheme[[47]](#footnote-47)

2. Classes of Units [List unit classes and state any differences between the rights of the differing unit classes and set out any additional rights[[48]](#footnote-48) Unit classes may be denominated in different currencies, may bear different charges of whatever nature (initial, annual, exit or otherwise), may differ as to limitations on issue and/or redemption (if so, state the basis on which any limited or deferred redemption arrangements or limited issue arrangements may apply), and/or as to minimum investment and/or minimum holding level requirements. In addition, set out the basis for the distribution or re-investment of income in respect of any class of units in issue[[49]](#footnote-49) e.g. state whether units are accumulation units or income units.]

Consider disclosures which depend upon nature of scheme

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[Where relevant, for a non-UCITS retail scheme or a qualified investor scheme, if investment in an overseas immovable is to be made through an intermediate holding vehicle or a series of intermediate holding vehicles, include a statement that the purpose of that intermediate holding vehicle or series of intermediate holding vehicles will be to enable the holding of overseas immovables by the scheme.][[50]](#footnote-50)

**Intermediate Holding Vehicle** a company, trust or partnership but not a collective investment scheme, whose purpose is to enable the holding of overseas immovables on behalf of a non-UCITS retail scheme or a qualified investor scheme]

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[Where a Scheme is to be a qualifying money market fund[[51]](#footnote-51),

Include statements that:

1. The Scheme is a qualifying money market fund

2. The primary investment objective is to maintain the net asset value of the undertaking [constant at par (net of earnings)][at the value of the investors' initial capital plus earnings][[52]](#footnote-52)

3. With a view to achieving this primary investment objective, the Scheme shall invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days; it may also invest with the same view on an ancillary basis in deposits with credit institutions.

4. The Scheme provides same day or next day settlement.]

**[high quality money market instrument** one that has been awarded the highest available credit rating by each competent rating agency which has rated that instrument. An instrument that is not rated by any competent rating agency is not to be considered to be of high quality]

**[competent rating agency** one which issues credit ratings in respect of money market funds regularly and on a professional basis and is an eligible ECAI within the meaning of Article 81(1) of the Directive of the European Parliament and the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (No 2006/48/EC)]

**Part Two**

# **Voting at Meetings[[53]](#footnote-53)**

1. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or by not less than two holders or by the Trustee. A demand by a proxy is deemed to be a demand by the member appointing the proxy. The chairman must exercise his power to demand a poll if requested to do so by the Manager.
2. The entitlement to vote at any meeting of holders or class meeting attaching to each unit is in accordance with the Regulations. On a show of hands every holder who is present in person has one vote. On a poll, votes may be given either personally or by proxy or in any other manner (including the use of ballot papers or electronic or computer voting systems) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
3. Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any holder on the ground (however formulated) of mental disorder, the Manager may in its absolute discretion upon or subject to production of such evidence of the appointment as the Manager may require, permit such receiver or other person on behalf of such holder to vote on a poll in person or by proxy at any meeting of holders or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of units in relation to such a meeting.
4. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
5. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Manager may approve or in its absolute discretion accept (including as to how it may be signed or sealed). The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument appointing the proxy pursuant to the next following Clause, failing which the instrument may be treated as invalid.
6. An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to or at the Manager's head office) by the time which is 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
7. A vote cast by proxy shall not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of the title to the units concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Manager at its head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
8. Any corporation which is a holder of units in the Scheme may by resolution of the directors or other governing body of such corporation and in respect of any unit or units in the Scheme of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the holders or of any class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such unit or units if it were an individual holder in the Scheme and such corporation shall for the purposes of this Deed be deemed to be present in person at any such meeting if an individual so authorised is so present.

**Part Three**

**Allocation of Rights to Participate in Scheme Property**

1. If there is more than one class of units in issue, the proportionate interests of each class of units in the assets and liabilities of the Scheme shall be ascertained as follows:

1.1 A notional account shall be maintained for each class of units. Each account shall be referred to as a "Proportion Account".

1.2 The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Scheme at that time.

1.3 There shall be credited to a Proportion Account:

1.3.1 the subscription money (excluding any initial charges or dilution levy) for the issue of units of the relevant class;

1.3.2 that class's proportion of the amount by which the Net Asset Value of the Scheme exceeds the total subscription money for all units in the Scheme;

1.3.3 that class's proportion of the Scheme income received and receivable; and

1.3.4 any notional tax benefit under paragraph 1.5 below.

1.4 There shall be debited to a Proportion Account:

1.4.1 the redemption payment for the cancellation of units of the relevant class of units;

1.4.2 that class's proportion of any amount by which the Net Asset Value of the Scheme falls short of the total subscription money for all units in the Scheme;

1.4.3 all distributions of income (including equalisation if any) made to units holders of that class of units;

1.4.4 all costs, charges and expenses incurred solely in respect of that class of units;

1.4.5 that class's proportion of the costs, charges and expenses incurred in respect of that class of units and one or more other classes of units, but not in respect of the Scheme as a whole;

1.4.6 that class's proportion of the costs, charges and expenses incurred in respect of or attributable to the Scheme as a whole; and

1.4.7 any notional tax liability under paragraph 1.5.

1.5 Any tax liability in respect of the Scheme and any tax benefit received or receivable in respect of the Scheme shall be allocated between unit classes in order to achieve, so far as possible, the same result as would have been achieved if each class of units were itself the Scheme so as not materially to prejudice any class of units. The allocation shall be carried out by the Manager after consultation with the auditors.

1.6 Where a class of units is denominated in a currency which is not the base currency, the balance on the Proportion Account shall be converted into the base currency in order to ascertain the proportions of all unit classes. Conversions between currencies shall be at a rate of exchange decided by the Manager as being a rate that is not likely to result in any material prejudice to the interests of holders or potential holders.

1.7 The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Scheme to holders or the other way round.

2. Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.

3. When units are issued thereafter each such unit shall represent the same proportionate interest in the property of the Scheme as each other unit of the same denomination and class of units then in issue and the respective proportion of income allocated to a particular class shall be allocated equally between each unit of the same class.

[**Part Four**

# **Determination of Net Asset Value *[SINGLE PRICED SCHEMES][[54]](#footnote-54)***

The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1 All the property of the Scheme (including receivables) is to be included, subject to the following provisions.

2 Property which is not cash (or other assets dealt with in paragraph 3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a collective investment scheme:

(i) if a single price for buying and selling units or shares is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;

[(b) immovable property:

(i) by a standing independent valuer (as defined in the glossary to the FCA Rules) [appointed by the Manager with the approval of the Trustee], on the basis of an 'open market value' as defined in [Practice Statement 3 in the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual (first edition published September 1995)] as updated and amended from time to time;

(ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and

(iii) on the basis of the last full valuation, at least once a month;][[55]](#footnote-55)

(b)/(c) exchange-traded derivative contracts:

(i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices;

(c)/(d) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;[[56]](#footnote-56)

(d)/(e) any other investment:

(i) if a single price for buying and selling the security is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and

(e)/(f) property other than that described in [(a), (b), (c) and (d)]/[(a), (b), (c), (d) and (e)] above: at a value which, in the opinion of the Manager, represents a fair and reasonable mid‑market price.

3 Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.

4 In determining the value of the scheme property, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.

5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.

6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.

8 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

9 Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day-to-day.

10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

12 Add any other credits or amounts due to be paid into the property of the Scheme.

13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

14 Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of holders or potential holders.

[**Part Four**

# **Determination of Net Asset Value *[DUAL PRICED SCHEMES][[57]](#footnote-57)***

The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1 All the property of the Scheme (including receivables) is to be included, subject to the following provisions.

2 The valuation of the property of the Scheme shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.

2.1 The valuation of property for that part of the valuation which is on an issue basis is as follows:

2.1.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a collective investment scheme:

(i) if a single price for buying and selling units or shares is quoted, at that price plus any dealing costs (as defined below), any preliminary charge payable by the Scheme on the purchase of the units or shares, and any dilution levy or SDRT provision which would be added in the event of a purchase by the Scheme of the units or shares in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, the valuation must not include any preliminary charge payable in the event of a purchase by the Scheme of those units or shares);or

(ii) if separate buying (offer) and selling (bid) prices are quoted, at the buying price, less any expected discount plus any dealing costs (as defined below), but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, the issue price shall be taken instead of the buying price; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable;

[(b) immovable property:

(i) by a standing independent valuer (as defined in the glossary to the FCA Rules) [appointed by the Manager with the approval of the Trustee], on the basis of an 'open market value' as defined in [Practice Statement 3 in the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual (first edition published September 1995)] as updated and amended from time to time;

(ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and

(iii) on the basis of the last full valuation, at least once a month.;][[58]](#footnote-58)

(b)/(c) exchange-traded derivative contracts:

(i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices;

(c)/(d) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;[[59]](#footnote-59)

(d)/(e) any other investment:

(i) the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, (as defined below)); or

(ii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and

(e)/(f) property other than that described in [(a), (b), (c) and (d)]/[(a), (b), (c), (d) and (e)] above: at a value which, in the opinion of the Manager, is fair and reasonable (plus any dealing costs (as defined below)).

2.2 The valuation of property for that part of the valuation which is on a cancellation basis is as follows:

2.2.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a collective investment scheme:

(i) if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs (as defined below), any redemption charge payable by the Scheme on the sale of the units or shares, (taking account of any expected discount) and any dilution levy or SDRT provision which would be deducted in the event of a sale by the Scheme of the units or shares (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, any redemption charge payable in the event of a sale by the Scheme of those units or shares must not be deducted)); or

(ii) if separate buying (offer) and selling (bid) prices are quoted, at the selling price less any dealing costs (as defined below) and any redemption charge payable on the sale of the units or shares taking account of any expected discount (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, the cancellation price shall be taken instead of the selling price; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable;

[(b) immovable property:

(i) by a standing independent valuer (as defined in the glossary to the FCA Rules) [appointed by the Manager with the approval of the Trustee], on the basis of an 'open market value' as defined in [Practice Statement 3 in the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual (first edition published September 1995)] as updated and amended from time to time;

(ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes a building, internal inspection), at least once a year; and

(iii) on the basis of the last full valuation, at least once a month;][[60]](#footnote-60)

(b)/(c) exchange-traded derivative contracts:

(i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices;

(c)/(d) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;[[61]](#footnote-61)

(d)/(e) any other investment:

(i) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs (as defined below)); or

(ii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and

(e)/(f) property other than that described in [(a), (b), (c) and (d)]/[(a), (b), (c), (d) and (e)] above: at a value which, in the opinion of the Manager, is fair and reasonable (less any dealing costs (as defined below)).

3 Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

4 In determining the value of the scheme property, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any payment made or received and any consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.

5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. [Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.][[62]](#footnote-62)

6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.

8 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

9 Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day-to-day.

10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

12 Add any other credits or amounts due to be paid into the property of the Scheme.

13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

14 Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of holders or potential holders.

15 For the purposes of this Part Four of the Schedule, "dealing costs" means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question (but excluding any preliminary charge payable by the Scheme on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction.

EXECUTED as a DEED by )

[ ] )

in the presence of: )

EXECUTED as a DEED by )

)

as Attorney for [ ] )

in the presence of: )

1. The Advisory Committee is optional for a charity authorised unit trust. However if there is no Advisory Committee any increase in the remuneration of the Manager or Trustee requires the prior written approval of the Commission. [↑](#footnote-ref-1)
2. Although CAIFs are registered charities in England and Wales, the establishment of CAIFs as common investment funds under the Charities Act means that they can be structured so as to permit investment by Scottish recognised bodies and/or Northern Ireland charities, as those types of entity are defined in the relevant section of the Charities Act. This is optional for those establishing the CAIF, and may mean that the purposes of the investor class taken together are not limited to those which are charitable in accordance with the law of England and Wales. [↑](#footnote-ref-2)
3. An Income Reserve Account is optional for a charity authorised unit trust. Further provisions in respect of the Income Reserve Account are contained in Clause 26. [↑](#footnote-ref-3)
4. COLL 3.2.6R 1(2) [↑](#footnote-ref-4)
5. COLL 3.2.6R 23 [↑](#footnote-ref-5)
6. Consider whether the disclosure is required under COLL 3.2.6R 28 where investment in an overseas immovable is to be made through one or more intermediate holding vehicles for a non-UCITS retail scheme or a qualified investor scheme (see Schedule Part One for definition and disclosure). [↑](#footnote-ref-6)
7. The model generally assumes the Scheme is a single fund with more than one unit class. The wording suggested for the Object clause is intended to be general. Further consideration of what is required to comply with COLL 3.2.6R 7(1) may be required; and see for example COLL 3.2.6R 7A for money market funds; and 7C for a fund of alternative investment funds. See as well in relation to non-UCITS retail schemes under COLL 5.6.10R(3). The model does not cover any specific requirements/exceptions that may apply if the fund is a feeder fund (e.g. COLL 5.6.7R(6)). [↑](#footnote-ref-7)
8. COLL 3.2.6R 7(2) [↑](#footnote-ref-8)
9. COLL 5.2.13R (23) and UCITS Article 19 1.(e) – This is not applicable for a scheme which is a fund of funds. In all other cases, consider whether it is prudent to include this as this will ensure that the Scheme can be invested in by other Schemes that are Eligible Investors [↑](#footnote-ref-9)
10. COLL 3.2.6R 24 [↑](#footnote-ref-10)
11. COLL 3.2.6R 4 [↑](#footnote-ref-11)
12. This would need to be tailored if the country of incorporation is not the UK. A mechanism to adopt the Euro could be built in here. [↑](#footnote-ref-12)
13. COLL 3.2.6R 25 [↑](#footnote-ref-13)
14. Holders' entitlement to share in the Scheme property is expressed by reference to the number of "undivided shares" in the property of the Scheme which their units represent. [↑](#footnote-ref-14)
15. COLL 3.2.6R 5 [↑](#footnote-ref-15)
16. COLL 3.2.6R 5 – Use the first alternative Part 4 of the Schedule for a single priced AUT and the second Part 4 of the Schedule for a dual priced AUT. [↑](#footnote-ref-16)
17. COLL 6.3.9R [↑](#footnote-ref-17)
18. COLL 3.2.6R 6 [↑](#footnote-ref-18)
19. COLL 3.2.6R 3 [↑](#footnote-ref-19)
20. COLL 3.2.6R 10 and COLL 6.7.7R. This provision is only required where preliminary or redemption charges may be made. [↑](#footnote-ref-20)
21. COLL 3.2.6R 10 [↑](#footnote-ref-21)
22. This provision, and those in Clause 12 are relevant to a Scheme which does not have an Advisory Committee. In that case the Commission will need to pre approve any introduction of or increase of a preliminary charge or redemption charge or increase in the remuneration of the Manager. . [↑](#footnote-ref-22)
23. COLL 3.2.6R 26. [↑](#footnote-ref-23)
24. This provision is relevant for a Scheme which does not have an Advisory Committee. In that case the Commission will need to pre approve any increase in the remuneration of the Trustee. . [↑](#footnote-ref-24)
25. The rights attaching to each class of units should be specified in paragraph 3 of Part One of the Schedule – COLL 3.2.6R 9, COLL 3.3.2G (1), COLL 3.3.5R [↑](#footnote-ref-25)
26. This provision is included as it follows Article 99(1)(b) of the Charities Act 2011 (relevant to CIFs). [↑](#footnote-ref-26)
27. COLL 3.2.6R 11 and COLL 6.2.6R and 6.2.7R. [↑](#footnote-ref-27)
28. COLL 6.2.7R (2)(a) This provision is optional but it must be included if issue or cancellation is required by the Manager, or permitted at the request of the investor, directly through the Trustee. [↑](#footnote-ref-28)
29. COLL 6.2.15R and COLL 3.2.6R 12 [↑](#footnote-ref-29)
30. COLL 3.2.6R 13 - Where relevant, include any restrictions that apply in relation to the sale and redemption of units under COLL 6.2.16R in Part One of the Schedule (e.g. limited or deferred redemption and limited issue). For example, for a non-UCITS retail scheme that invests substantially in approved immovables, or whose investment objective is to provide a specified level of return, consideration should be given as to whether a provision for limited redemption is appropriate (COLL 6.2.19R) [↑](#footnote-ref-30)
31. This provision is included as it follows Article 99(1)(a) of the Charities Act 2011 (relevant to CIFs). [↑](#footnote-ref-31)
32. COLL 3.2.6R 14 and 4.4.8R [↑](#footnote-ref-32)
33. COLL 3.2.6R 27 [↑](#footnote-ref-33)
34. Non-certification adopted [↑](#footnote-ref-34)
35. COLL 3.2.6R 27 [↑](#footnote-ref-35)
36. COLL 3.2.6R 15(2) [↑](#footnote-ref-36)
37. COLL 3.2.6R 16 [↑](#footnote-ref-37)
38. An Income Reserve Account is provided for by new rules COLL 14.4.1R to 14.4.4R . [↑](#footnote-ref-38)
39. The 15% is calculated by reference to the current income available for allocation/distribution in respect of an annual accounting period. Income held in the Income Reserve Account from previous years is irrelevant for the purpose of the 15% calculation. [↑](#footnote-ref-39)
40. COLL 3.2.6R 17 [↑](#footnote-ref-40)
41. Relevant only if the Scheme is to operate a total return approach. The ability to operate a total return approach is provided for by COLL 14.4.5R. . [↑](#footnote-ref-41)
42. COLL 3.2.6R 18 [↑](#footnote-ref-42)
43. COLL 3.2.6R 8 and 5.2.12R (4) [↑](#footnote-ref-43)
44. COLL 3.2.6R 2 [↑](#footnote-ref-44)
45. COLL 5.2.10R (2)(a) [↑](#footnote-ref-45)
46. The Advisory Committee is optional for a charity authorised unit trust (see COLL 14.3). The Trust Deed must contain the roles and responsibilities of the Advisory Committee (COLL 14.3.2). [↑](#footnote-ref-46)
47. COLL 3.2.6R 1 [↑](#footnote-ref-47)
48. COLL 3.2.6R 9 [↑](#footnote-ref-48)
49. COLL 3.2.6R 16 [↑](#footnote-ref-49)
50. COLL 3.2.6R 28 and see the definition of intermediate holding vehicle [↑](#footnote-ref-50)
51. COLL 3.2.6R 7A and see the definition of high quality money market instrument and competent rating agency [↑](#footnote-ref-51)
52. Delete one choice [↑](#footnote-ref-52)
53. COLL 3.2.6R 14 and 4.4.8R [↑](#footnote-ref-53)
54. COLL 3.2.6R 5 [↑](#footnote-ref-54)
55. This wording could be included for non-UCITS retail schemes which invest in immovable property. See COLL 5.6.20R (3). [↑](#footnote-ref-55)
56. COLL 5.2.23R (3) [↑](#footnote-ref-56)
57. COLL 3.2.6R 5 [↑](#footnote-ref-57)
58. This wording could be included for non-UCITS retail schemes which invest in immovable property. See COLL 5.6.20R (3). [↑](#footnote-ref-58)
59. COLL 5.2.23R (3) [↑](#footnote-ref-59)
60. This wording could be included for non-UCITS retail schemes which invest in immovable property. See COLL 5.6.20R (3). [↑](#footnote-ref-60)
61. COLL 5.2.23R (3) [↑](#footnote-ref-61)
62. This wording may be included to match the methodology used for single priced schemes. [↑](#footnote-ref-62)