



SCHEME PARTICULARS

RELATING TO

CHARITY ASSETS TRUST

18 January 2019

REGISTERED CHARITY NUMBER 1146166

29 FEBRUARY 2012

Scheme Particulars

Important information

Duties and responsibilities of Charity Trustees

This section sets out some duties and responsibilities in respect of the investment powers of charity trustees. These are included as a reminder to trustees of their legal obligations when investing the assets of charities. However, please bear in mind that the decision to invest in the Fund is the decision of the trustees of a Participating Charity and neither the Trustee or the Manager are giving, or purporting to give, advice or guidance to charity trustees in respect of the exercise of their investment powers.

The Charity Commission has issued a number of publications describing the duties and responsibilities of trustees when investing charity funds. These publications are available on request from the Charity Commission or may be obtained from their website at www.charitycommission.gov.uk . We strongly recommend that you obtain and read them.

The general duties and responsibilities of charity trustees are

Charity trustees must from time to time review the investments of the charity and consider whether, having regard to the investment criteria imposed by charity law (set out below), the investments are appropriate or should be varied.

Key investment criteria include

- the suitability to the charity of investments of the same kind as any particular investment proposed to be made or retained and of that particular investment as an investment of that kind and
- the need for diversification of investments of the charity, in so far as is appropriate to the circumstances of the charity.

Before exercising the power of investment of the charity, the charity trustees must obtain and consider proper advice about the way in which, having regard to the investment criteria, the power should be exercised.

‘Proper advice’ is the advice of a person who is reasonably believed by the charity trustees to be qualified to give it by his or her ability in, and practical experience of, financial and other matters relating to the proposed investment.

Important notice

This document constitutes the Scheme Particulars for the Charity Assets Trust (‘the Fund’). The Fund is a common investment fund established under section 96 of The Charities Act 2011, pursuant to a scheme made by an order of the Charity Commission dated 29 February 2012, as varied by a further scheme dated 22 July 2014 (‘the Scheme’). Pursuant to clause 41 of the Scheme these Scheme Particulars have been issued by Ruffer AIFM Limited (‘the Manager’) on 18 January 2019.

While the Manager has taken all reasonable care to ensure that the facts stated in these Scheme Particulars are true, clear and not misleading, Participating Charities and/or potential Participating Charities should not treat these Scheme Particulars as advice relating to their own legal, tax or investment position. If a Participating Charity or potential Participating 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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An investment in the Fund involves certain risks. The value of Units may go down as well as up and accordingly a Participating Charity may not receive back the amount invested. The performance of the Fund and the returns which Participating Charities achieve may be affected adversely, either directly or indirectly, by (amongst other things): such risks as are set out in the ‘Risk Warnings’ section of these Scheme Particulars.

In addition, Participating Charities and potential Participating Charities should bear in mind that the Fund is intended to be suitable for medium to long-term investments by investors who can accept the risks associated with making an investment in the Fund. The Fund may not be suitable for all charities. A prospective Participating Charity should therefore read these Scheme Particulars carefully and obtain proper advice before investing in the Fund.

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1. Definitions and interpretation

1.1 Definitions

The following definitions are used in these Scheme Particulars unless the context otherwise requires—

Accumulation Units means accumulation Units in the Fund having the characteristics described in these Scheme Particulars.

Administration Agreement means the agreement entered into between the Administrator and the Manager.

Administrator means The Bank of New York Mellon (International) Limited of 1 Canada Square, London E14 5AL.

AIF refers to an alternative investment fund and has the same meaning as listed in the Glossary to the FCA Handbook.

AIFM refers to an alternative investment fund manager and has the same meaning as listed in the Glossary to the FCA Handbook.

AIFMD means Directive 2011/16/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.

AIFMD Rules means the provisions of: (i) the AIFMD Delegated Regulation; and (ii) the provisions of the FCA Handbook and any other applicable regulations implementing AIFMD, in each case as may be altered, amended, added to or cancelled from time to time.

Application Form means the application form for Units issued by the Manager, as amended from time to time.

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

Charity Commission means the Charity Commission for England and Wales of 30 Millbank, London, SW1P 4DU.

Dealing Day means (a) each Wednesday where this day is a Business Day (and where a Wednesday is not a Business Day the next Business Day); and (b) the last Business Day of each calendar month when the last such Business Day is not a Wednesday.

Distribution Allocation Date means 15 March, 15 June, 15 September and 15 December or such other or further such dates as the Manager may from time to time determine, when distributions of income (if any) for the Fund is paid.

Income Units means income Units in the Fund having the characteristics described in these Scheme Particulars.

Efficient Portfolio Management means the techniques and financial instruments used for one or more of the following purposes: reduction of risk, reduction of costs or generation of additional capital or income within an acceptably low level of risk.

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

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

Full-scope UK AIFM has the meaning as listed in the Glossary to the FCA Handbook.

Full-scope EEA AIFM has the meaning as listed in the Glossary to the FCA Handbook.

Fund means Charity Assets Trust.

Global Sub-Custodian means The Bank of New York Mellon SA/NV of 46 Rue Montoyerstraat, B-1000 Brussels, Belgium

Manager means Ruffer AIFM Limited of 80 Victoria Street, London, SW1E 5JL.

Net Asset Value means the net asset value of the property of the Fund determined in accordance with the Scheme and the Scheme Particulars.

Participating Charity means a charity which is a registered holder of Units in the Fund.

Register means the register of Participating Charities established and maintained by the Registrar.

Registrar means Ruffer AIFM Limited of 80 Victoria Street, London, SW1E 5JL.

Scheme means the scheme dated 29 February 2012, as varied by a scheme dated 22 July 2014, constituting the Fund, made by the Charity Commission under the provisions of section 96 of The Charities Act 2011.

Scheme Particulars means this document constituting the scheme particulars for the Fund for the purposes of clause 41 of the Scheme, as amended from time to time.

Sterling means pounds sterling, the lawful currency of the United Kingdom.

Trustee means The Bank of New York Mellon (International) Limited of One Canada Square, London E14 5AL which shall include acting as global custodian.

Units means Income Units and/or, as the context requires, Accumulation Units in the Fund, each representing a beneficial interest under the Fund.

Valuation Point means (a) each Wednesday where this is a Business Day (and where a Wednesday is not a Business Day the next Business Day), and (b) the last Business Day of each calendar month when the last such Business Day is not a Wednesday.

1.2 **Interpretation**

In these Scheme Particulars (except where the context otherwise requires)

1.2.1 clause headings are included for convenience only and do not affect the interpretation of these Scheme Particulars

1.2.2 use of the singular includes the plural and vice versa

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- 1.2.3 use of any gender includes the other gender
- 1.2.4 any reference to a 'person' includes a natural person, firm, partnership, company, corporation, association, organisation, government, state, foundation and fund (in each case whether or not having separate legal personality)
- 1.2.5 any reference to any statutory provision shall include any statutory provision which amends or replaces it and any subordinate legislation made under it
- 1.2.6 any phrase introduced by the terms 'including', 'include', 'in particular' or any similar expression is to be construed as illustrative and does not limit the sense of the words preceding those terms.

2. The structure of the Fund

2.1 Common Investment Fund

- 2.1.1 The Fund is a common investment fund established under section 96 of The Charities Act 2011 by the Scheme.
- 2.1.2 Common investment funds are pooled investment funds which are governed by The Charities Act 2011. The Fund as a common investment fund is itself a charity and benefits from the tax reliefs and exemptions available to charities. The Fund is open to all charities that are permitted to invest in a common investment fund under relevant legislation as amended from time to time.
- 2.1.3 Further information on eligibility to participate in the Fund is set out in section 5.2.

2.2 The Scheme Particulars

- 2.2.1 These Scheme Particulars explain in detail how the Fund operates. Where the provisions of the Scheme Particulars require the prior written consent of the Commission, those provisions have been approved by the Commission. These Scheme Particulars have been adopted by the Manager on 18 January 2019.
- 2.2.2 Should the Scheme and the Scheme Particulars be in conflict, the Scheme prevails.

2.3 Manager

- 2.3.1 The Manager of the Fund, Ruffer AIFM Limited, was appointed under the Scheme.
- 2.3.2 Ruffer AIFM Limited is a private limited company incorporated in England and Wales on 13 August 2003. The Manager's registered office is 80 Victoria Street, London, SW1E 5JL.
- 2.3.3 Under the Scheme, the Manager is responsible for those aspects of the administration and management of the Fund and its property which are specified in these Scheme Particulars and as further detailed in the Scheme. To the extent of those duties and powers, the Manager is a charity trustee of the Fund within the meaning of the Charities Act 2011, is the AIFM of the Fund for the purposes of the AIFMD Rules and is authorised and regulated by the FCA under registration number 613490 to perform the regulated activity of managing an AIF.
- 2.3.4 If the Manager wishes to retire, it shall give notice of its intention to retire to both the Commission and the Trustee. If the Trustee is of the opinion for good and sufficient reason that a change of Manager is desirable in the interests of the Participating Charities, it shall

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serve on the Manager a notice of the proposed change. The Manager shall only be discharged upon the appointment of a replacement manager.

2.3.5 The Manager may delegate any of its functions to the extent permitted by the AIFMD Rules, subject to any restriction imposed by or under the provisions of the Scheme.

2.4 Trustee

2.4.1 The Trustee of the Fund is The Bank of New York Mellon (International) Limited, and for the avoidance of doubt, acts as global custodian to the Fund. The Trustee is a private limited company, incorporated in England and Wales on 9 August 1996. The Trustee's registered and head office is at One Canada Square, London E14 5AL. Its ultimate holding company is Bank of New York Mellon Corporation which is incorporated in the United States of America.

2.4.2 The principal business activity of the Trustee is the provision of custodial, banking and related financial services. The Trustee is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Under the Scheme, the Trustee is responsible for those aspects of the administration and management of the Fund and its property which are specified in these Scheme Particulars and as further detailed in the Scheme. To the extent of those duties and powers, the Trustee is a charity trustee of the Fund within the meaning of the Charities Act 2011, is the depository of the Fund within the meaning of the AIFMD Rules and is authorised by the FCA to act as a depository of an AIF.

2.5 Custodian

The Trustee acts as global custodian to the Fund and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Trustee has delegated safekeeping of the assets of the Fund to The Bank of New York Mellon SA/NV and The Bank of New York Mellon. The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Fund may invest to various sub-delegates.

2.6 Registrar

2.6.1 The Trustee has appointed the Manager as its delegate to provide Registrar services in relation to the Units of the Fund.

2.6.2 Currently the Manager delegates the performance of registration of Units of the Fund and certain other administrative functions to the Administrator.

2.7 Administrator

2.7.1 The Manager is also responsible for the overall administration of certain matters relating to the Fund which are not provided by the Trustee.

2.7.2 The Manager has appointed the Administrator, The Bank of New York Mellon (International) Limited, as its agent to provide certain administration services in relation to the Fund and to process all Participating Charities transactions. The Administrator's registered address is 1 Canada Square, London E14 5AL.

2.7.3 The Administrator maintains a Register of Participating Charities of the Fund and the number and type of Units allocated to each Participating Charity which may be inspected at the

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registered office of the Administrator by or on behalf of Participating Charities, on any Business Day during normal business hours. The Manager has delegated its registrar functions to the Administrator.

2.8 Auditors

The Trustee has appointed Ernst & Young LLP as auditor to provide annual audit services to the Fund. The auditor's registered address is 1 More London Place, London, SE1 2AF.

2.9 Legal Advisers

The Manager has appointed Simmons & Simmons LLP as legal advisers as to matters of UK law. The legal adviser's registered address is Citypoint, One Ropemaker Street, London EC2Y 9SS.

2.10 Counterparties, Brokers and Execution and Settlement Agents

A list of trading counterparties, brokers and execution and settlement agents in respect of the Fund is available upon request.

3. Investment objectives and policy of the Fund

3.1 Investment objectives

The Fund will follow an 'absolute return' investment strategy. This means that the Manager will not endeavour to track or 'outperform' a specific benchmark or stock market index, but instead seek to generate consistent positive returns regardless of the prevailing market conditions. The Manager expresses its absolute return approach through two principal investment objectives for the Fund

- preservation of capital, which the Manager defines as not losing money on a rolling 12 month basis and
- delivering consistent positive returns (through a combination of capital and income) greater than the return on cash (as defined by the Bank of England Bank Rate).

In the Manager's experience, if it can achieve the first objective, avoiding significant losses, investors are likely to achieve the second and make consistent, positive returns.

3.2 Investment policy

Under the provisions of the Scheme, the Manager is given the power to invest the assets of the Fund in a wide range of investments. Notwithstanding the general power granted by the Scheme, the Manager intends to follow the policies set out below

- 3.2.1 The Manager will utilise an unbenchmarked, absolute return investment strategy. In the Manager's experience there are two distinct advantages to the absolute return approach over traditional benchmarked strategies. First, by being unbenchmarked, the Manager is not constrained by individual asset class returns and the investor benefits from a low correlation and risk relative to stock markets, expressed in a lower volatility of their return. This is closely connected to the second advantage; that in the Manager's experience investors experience a better long-term return as through the avoidance of significant loss they benefit from the compounding of positive returns.

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- 3.2.2 The Fund will principally invest in the following asset classes: global equities, UK and overseas government and corporate bonds and commodities in order to achieve the Fund's investment objectives. Other conventional assets might be considered from time to time, such as convertible bonds or preference shares, but it is not anticipated that such assets will form a core constituent of the Fund property.
- 3.2.3 The Fund may also invest in collective investment schemes and closed-ended investment companies to gain exposure to some asset classes where such an investment provides additional benefits, such as capturing manager skill or additional diversification. Such collective investment schemes or closed-ended investment companies would usually be other funds managed by the Manager or by Ruffer LLP, the parent entity of the Manager, but could be managed by a third party. The Manager, Ruffer LLP, or any subsidiary entity of Ruffer LLP may also invest in such collective investment schemes or closed-ended investment companies for other clients. No more than 30% of the property of the Fund may be invested in collective investment schemes at the time of purchase.
- 3.2.4 The Fund may also invest in collective investment schemes offering exposure to derivatives traded for investment purposes. This strategy will be primarily protective rather than speculative. Such collective investment schemes would usually be other funds managed by the Manager or Ruffer LLP, the parent entity of the Manager, but could be managed by a third party. The Manager, Ruffer LLP or any subsidiary entity of Ruffer LLP may also invest in such collective investment schemes for other clients. The use of such collective investment schemes is not intended to increase the risk profile of the Fund.
- 3.2.5 The property of the Fund may consist of cash and near cash, where this may reasonably be regarded as necessary in order to enable redemption of Units, payment of distributions, efficient management of the Fund in accordance with its objectives or otherwise to enable the Manager to discharge its functions under the Scheme. In addition, the level of liquid assets held in the Fund may be increased by the level of subscriptions received by the Fund pending their investment in underlying asset classes and where the Manager deems it appropriate to increase liquidity for defensive or other market related reasons.
- 3.2.6 Overseas currency exposure will be hedged back to sterling when appropriate using forward currency contracts, reflecting that this is the base currency of the UK charities investing in the Fund, so positions out of sterling represent risk to the investing charities. From time to time derivatives may be used to reduce overall portfolio risk, and for the purposes of Efficient Portfolio Management. The use of derivatives for the purposes of Efficient Portfolio Management is in addition to the indirect use of derivatives for investment purposes as provided for in Section 3.2.4.

The Manager will apply best execution when carrying out transactions for the Fund. Best execution is a duty to execute transactions in such a way that the most favourable result is reasonably obtained under the circumstances. There are a number of factors to be taken into account and price is an important factor. However, there will be occasions when it may be determined that other factors are more important than price in obtaining the most favourable result in the circumstances prevailing at the time. A copy of the applicable execution policy for the Fund can be obtained from the Manager.

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4. Investment powers, controls and restrictions

4.1 Investment controls

4.1.1 The Manager will at all times have regard to the need for diversification of investments, insofar as it is appropriate to the circumstances of the Fund and the balancing of risks within the portfolio of the Fund.

4.1.2 The Fund will not normally

- (a) invest more than 10% of the property of the Fund in the equity securities of a single issuer at the time of purchase
- (b) invest more than 10% of the property of the Fund in corporate bonds, convertible bonds or preference shares of a single issuer at the time of purchase
- (c) invest more than 20% of the property of the Fund in a single collective investment scheme (or sub-fund of a collective investment scheme where the scheme is constituted as an umbrella); subject to a maximum limit of 30% of the property of the Fund in total at the time of purchase in collective investment schemes.

4.1.3 The Fund may invest in securities subject to stabilisation. Stabilisation is the process by which the price of a security is temporarily supported during an issue to ensure that the introduction of the new securities to the market occurs in an orderly fashion.

4.1.4 The Manager may, for the account of the portfolio of the Fund, underwrite or sub-underwrite any issue or offer for sale of securities. Subject to the investment controls and restrictions detailed herein, there are no restrictions on the categories of securities which may be underwritten and there are no financial limits on the extent of the underwriting. As at the date of these Scheme Particulars, the portfolio of the Fund does not contain, nor at any time during the 12 months preceding the date of these Scheme Particulars has the portfolio of the Fund contained, securities of which any issue or offer for sale was underwritten, managed or arranged by the Manager or by an associate of the Manager.

4.1.5 Ethical restrictions

The Manager adopts a responsible investment approach and implements certain ethical investment policy restrictions in relation to the asset allocation of the Fund. The Manager has a screening process which restricts investment by the Fund in the following sectors:

Area	Criteria	Definition
Adult Entertainment	3% of revenue	Companies which have derived over the past year more than 3% of their revenue from adult entertainment
Alcohol	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from alcohol-related business activities
Carbon and Fossil Fuels	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from oil sands or thermal coal
Defence and Weapons	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from weapons systems, components, and support systems and services

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Area	Criteria	Definition
	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from the manufacture and retail of civilian firearms and ammunition
	Exclude	Companies which manufacture cluster munitions systems, components or delivery platforms
	Exclude	Companies which manufacture landmines
	Exclude	Companies which are involved in the production of depleted uranium weapons, ammunition or armour
	Exclude	Companies which manufacture biological or chemical weapons systems or components
Gambling	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from gambling-related business activities
Tobacco	10% of revenue	Companies which have derived over the past year more than 10% of their revenue from tobacco-related business activities

The Manager may at its discretion use the services of a third party responsible screening and research provider to ensure compliance with these ethical investment restrictions. A particular third party research provider appointed by the Manager may be changed by the Manager at its discretion. If a third party research provider is used:

- a) the Manager will carry out a pre-trade enquiry and quarterly post trade fund screening against the data provided by the third party research provider;
- b) if the quarterly post trade screening reveal that any holdings fall within the restrictions outlined above the Manager will sell the holding within three months.

The restrictions are subject to change from time to time on the determination of the Manager. In particular, changes (including temporary changes) may arise on a change in any third party research provider appointed by the Manager.

In the Manager’s opinion the operation of the ethical investment policy restrictions (as detailed above) shall not substantially affect the performance of the Fund.

- 4.1.6 The investment controls and restrictions apply at the time when an investment is made. Accordingly, all restrictions may be exceeded as a result of appreciations or depreciations in value, changes of exchange rates, or by reason of the receipt of rights, bonuses or benefits in the nature of capital or any other circumstances affecting the value of the holdings of the Fund in underlying assets.
- 4.1.7 Details of the Manager’s commitment to environmental, social and corporate governance, and, its Stewardship Policy are available on our website, www.ruffier.co.uk.
- 4.1.8 Within the powers available to it under the Scheme, the Manager may vary the investment objectives, policy, investment controls and restrictions if it is believed by the Manager to be necessary to do so in the interests of Participating Charities. Any such variation will be agreed

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by the Manager with the Trustee and updated Scheme Particulars will be issued by the Manager.

4.2 Borrowing and leverage

4.2.1 The Manager may borrow money temporarily for the account of the Fund on terms that the borrowing is to be repaid out of the property of the Fund. For example, borrowing may be incurred for the following purposes

- (a) for meeting payments to be made out of the Fund
- (b) for the purpose of discharging any liability properly payable out of the Fund.

Such borrowing may not exceed 10% of the value of the property of the Fund unless permitted by The Charity Commission.

4.2.2 The Manager may employ leverage for the account of the Fund by borrowing funds from brokerage firms, banks and other financial institutions and/or by the use of derivatives and other non-fully funded instruments. In each case, leverage may be obtained on an unsecured or collateralised basis. Leverage obtained through borrowing is obtained from the relevant lender. Leverage obtained through the use of derivatives and other non-fully funded instruments is obtained from the relevant counterparty. The Manager does not currently grant any guarantee under any leveraging arrangement. The grant of any such guarantee will be disclosed to Participating Charities in accordance with the AIFMD Rules and will be made available on www.ruffier.co.uk/aifmdcat. The Manager may employ leverage for the account of the Fund by borrowing or otherwise in such circumstances where the Manager deems it appropriate to do so in order to continue to implement the investment approach and to achieve the investment objective.

4.2.3 The maximum level of leverage which the Manager may employ for the account of the Fund is equal to 250% and 150% times the Net Asset Value when respectively calculated in accordance with the “gross” and “commitment” methods set out in the AIFMD Rules. This maximum level has been set by the Manager in order to satisfy its obligations under the AIFMD Rules. In addition the gross leverage methodology does not allow for offsets of hedging transactions and other risk mitigation strategies involving derivatives, such as hedging and duration management.

4.2.4 The Manager may change the maximum level of leverage from time to time. Any changes will be disclosed to Participating Charities in accordance with the AIFMD Rules and will be made available on www.ruffier.co.uk/aifmdcat.

4.2.5 Save as set out herein, there are no restrictions of the Manager’s use of leverage, by borrowing or otherwise, other than those which may be imposed by applicable law, rule and regulation.

4.3 Collateral and reuse arrangements

4.3.1 There are no collateral and asset re-use arrangements currently in place.

4.3.2 Any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement will be disclosed to Participating Charities in accordance with the AIFMD Rules and will be made available on www.ruffier.co.uk/aifmdcat.

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5. Participation in the Fund

5.1 Types of Units in the Fund

5.1.1 The Fund issues Accumulation Units and Income Units. The respective characteristics of such Units are described in sections 5.1.2 and 5.1.3 below. The nature of the right represented by Units is that of a beneficial interest under the Fund.

5.1.2 Participating Charities who hold Accumulation Units are not entitled to be paid the income attributed to such Units. Such income is automatically accumulated within the Fund for the benefit of holders of Accumulation Units, and is reflected in the price of Accumulation Units.

5.1.3 Income Units

- (a) In relation to Income Units, distributions of income for the Fund are paid quarterly on Distribution Allocation Dates or, if such a day is not a Business Day, the next Business Day, provided that there is income available for distribution by the Fund. The income will be distributed rateably in accordance with the number of Units held.
- (b) Distributions are paid by telegraphic transfer directly into a Participating Charity's bank account, on or before the relevant Distribution Allocation Date. If a distribution made in relation to any Income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Fund.
- (c) The Manager will automatically reinvest any distribution entitlements in further Units of the Fund where the Participating Charity's anti-money laundering documentation is incomplete or has not been completed to the satisfaction of the Manager.

5.2 Eligibility to participate in the Fund

5.2.1 Subject to section 99(2) of The Charities Act 2011, any charity shall be qualified to participate in the Fund. The Fund is open to all charities that are permitted to invest in a common investment fund under relevant legislation as amended from time to time. Only eligible charities established in England, Wales, Scotland and Northern Ireland may invest in the Fund.

5.2.2 The Manager will require evidence (as stipulated in the application form) of the charitable status of applicants for Units in the Fund and may defer the issue of such Units until such time as the charitable status of the applicant has been confirmed. The registered charity number and/or the HM Revenue & Customs exemption number must be supplied.

5.2.3 Any charity applying to participate in the Fund may be required by the Trustee to give a declaration of eligibility to participate and an indemnity against liabilities arising out of its ineligibility.

5.3 Anti-money laundering requirements

5.3.1 The Manager is required to maintain procedures to combat money laundering and terrorist financing. This means that persons buying or selling Units may be required to provide proof of identity. For each of the trustees of the Participating Charity who sign the application form, the Manager will request documentation which evidences proof of identity and proof of address. The Manager may request additional documentation as required.

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5.3.2 Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay proceeds of a redemption of Units or pay income on Units to the investor.

6. Pricing of Units and valuation of the Fund

6.1 Dealing prices

6.1.1 Units will be priced on a forward basis in accordance with the relevant provisions of the FCA Handbook at close of business on a Dealing Day.

6.1.2 Application may be made to subscribe and redeem Units on each Dealing Day.

6.1.3 Units are single priced.

6.2 Publication of prices

The last available price for each type of Unit in issue will be published weekly in the Financial Times. The Unit prices, together with details of the historical performance of the Fund, are also published on the Manager's website www.ruffier.co.uk. Participating Charities can also obtain up-to-date prices and details of the historical performance of the Fund by telephoning 0844 892 0906.

6.3 Valuation

6.3.1 The Manager is responsible for the proper valuation of the assets of the Fund and for the calculation and publication of the Net Asset Value and the Net Asset Value per Unit.

6.3.2 Units in the Fund shall be subscribed or redeemed at a single price. The price of a Unit is calculated by reference to the Net Asset Value of the property of the Fund attributable to Units of the relevant type. For the purposes of determining the Net Asset Value and the prices at which Units may be subscribed or redeemed, the Manager will carry out a valuation of the property of the Fund as at each Valuation Point.

6.3.3 The Manager may carry out additional and special valuations of the property of the Fund at any time if it considers it desirable to do so.

6.3.4 In some circumstances a dilution levy may be applied in relation to the Unit Price. Further information is set out in section 7.5.

6.4 Calculation of Net Asset Value

The Net Asset Value of the property of the Fund shall be the value of its assets less the value of its liabilities. The valuation will be conducted by the Manager in accordance with the following principles

6.4.1 All the property of the Fund (including receivables) will be included in the valuation, subject to the following provisions.

6.4.2 Property which is not cash (or other assets dealt with in section 6.4.5 below) or a contingent liability transaction 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

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- (i) if a single price for buying and selling Units or shares or interests 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 if no recent traded price is available or if no price exists, at a value which in the opinion of the Manager is fair and reasonable
- (b) 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 those 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

6.4.3 Property which is a contingent liability transaction shall be treated as follows

- (a) if it is a written option (and the premium for writing the option has become part of the Fund property), deduct the amount of the net valuation of premium receivable. If the property is an off exchange option the method of valuation shall be agreed between the Manager and the Trustee
- (b) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee
- (c) if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Property is an off exchange derivative, include it at a valuation method agreed between the Manager and the Trustee.

6.4.4 Property other than that described in sections 6.4.2 and 6.4.3 above: at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.

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

6.4.6 In determining the value of the Fund's 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 shall be assumed (unless the contrary has been shown) to have been taken.

6.4.7 Subject to sections 6.4.8 and 6.4.9 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 shall be assumed to have been taken. Such unconditional

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agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

- 6.4.8 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 section 6.4.7.
 - 6.4.9 All agreements are to be included under section 6.4.7 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.
 - 6.4.10 An estimated amount for the anticipated tax liabilities at that point in time will be deducted including (as applicable and without limitation) capital gains tax, income tax, corporation tax and value added tax.
 - 6.4.11 Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon treating periodic items as accruing from day to day.
 - 6.4.12 Deduct the principal amount of any outstanding borrowings (whenever repayable) and any accrued but unpaid interest on borrowings.
 - 6.4.13 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
 - 6.4.14 Add any other credits or amounts due to be paid into the property of the Fund.
 - 6.4.15 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and anticipated to be received.
 - 6.4.16 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 Participating Charities or potential Participating Charities.
- 6.5 **Suspension of valuation and dealing of Units**

The issue and redemption of Units and/or the valuation of the property of the Fund may be delayed or suspended by the Manager, with the prior agreement of the Trustee, at any time if the Manager is of the opinion that there is a good and sufficient reason to do so having regard to the interests of Participating Charities or potential Participating Charities.

7. Dealing in Units

7.1 Application for Units

Applications may be made to subscribe and redeem Units of each type on each Dealing Day.

7.2 Minimum subscription value

- 7.2.1 Each Participating Charity must purchase Units to an initial value of not less than £500. The minimum value of any subsequent purchase of Units is £100.

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- 7.2.2 If any redemption transaction would reduce the value of a Participating Charity's holding to less than the minimum initial investment value, the Participating Charity consents to the Manager at its discretion redeeming its entire holding.
- 7.2.3 These limits may be altered by notice to Participating Charities or waived generally or in respect of specific transactions at the Manager's discretion.
- 7.3 Subscribing for Units**
- 7.3.1 All applications to subscribe for Units in the Fund may be made in writing or by telephoning 0844 892 0906. The dealing office of the Administrator is normally open from 9 am to 5 pm (London time) on each Business Day to receive requests for the purchase of Units. Participating Charities who wish to subscribe for Units should complete the Application Form which should be sent to the address on that Application Form. The Manager, in certain exceptional circumstances, may instruct the Administrator to agree to vary these conditions.
- 7.3.2 The Manager may impose a charge on the purchase of Units in the Fund. The current initial charge is 1% of the amount invested by a potential Participating Charity. The Manager may waive or discount the initial charge at its discretion.
- 7.3.3 Subscription monies received by the Administrator will be held in a segregated client money account until settlement following the relevant Dealing Day. Interest will not be paid on subscription monies.
- 7.3.4 Following acceptance of a valid application (satisfying the conditions of the Application Form) by the Administrator, Units will be issued on the next available Dealing Day (unless otherwise agreed in advance with the Manager).
- 7.3.5 The Manager reserves the right to reject or cancel any application for Units in whole or in part (including as a result of a failure by a Participating Charity to confirm its charitable status or to provide payment for its subscription prior to the relevant Dealing Day) in which case subscription monies or any balance of monies will be returned at the risk of the applicant (and without interest).
- 7.3.6 Purchases may only be for monetary amounts. In-specie transfers are not accepted.
- 7.3.7 Where Units have been issued to a Participating Charity which then defaults in payment of any subscription monies for those Units, the Trustee will be entitled to cancel any rights of the Participating Charity in the Units and the Participating Charity shall be liable for any loss arising from such cancellation.
- 7.3.8 Unit amounts will be issued to three decimal places only with any rounding retained in the Fund.
- 7.3.9 The Manager may close the Fund to new subscriptions from time to time if this is considered appropriate by the Manager.
- 7.4 Redeeming Units**
- 7.4.1 All applications to redeem Units in the Fund must be made in writing or by telephoning 0844 892 0906 (between the hours of 9am and 5pm on each Business Day). Participating Charities who wish to redeem Units should complete and sign a redemption notice and return it to the Administrator. Redemption notices should be sent to Ruffer AIFM Limited, PO Box 12053, Brentwood, CM14 9LT. The Manager will only accept redemptions in Unit amounts and they

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must be equivalent to a minimum of £500 based on the last known dealing price for Units of the relevant type.

- 7.4.2 Following acceptance of an application, Units will be redeemed on the next available Dealing Day. Redemption proceeds will be made by electronic transfer to the redeeming Participating Charity.
- 7.4.3 The Manager does not levy a redemption charge in respect of the redemption of Units. However, in some circumstances a dilution levy may apply, please see section 7.5 for further details.
- 7.4.4 Instructions for redemption are irrevocable, unless otherwise determined by the Manager at its sole discretion.
- 7.4.5 The Manager reserves the right at any time to
- (a) Suspend dealing in the Fund (see section 6.5).
 - (b) Make in specie redemptions. If the Manager considers the redemption request substantial in relation to the total size of the Fund, it may arrange for the Fund to redeem the Units and transfer an appropriate amount of the property of the Fund to the Participating Charity instead of paying the redemption price of the Units in cash. A request involving Units representing 5% or more in value of the Fund will normally be considered substantial, although the Manager may in its discretion agree an in specie redemption with a Participating Charity whose Units represent less than 5% in value of the Fund. Before the proceeds of redemption of the Units are paid, the Manager will give written notice to the Participating Charity that property of the Fund will be transferred to that Participating Charity. The Manager will select the property to be transferred in consultation with the Trustee. The Fund will retain from that property the value (or amount) of any costs or expenses incurred in giving effect to the redemption.

7.5 Dilution levy

- 7.5.1 The actual cost of purchasing, selling or switching the underlying investments in the Fund may be higher or lower than the values of investments used in calculating the Net Asset Value (as set out under section 6.3 above) because of dealing charges, taxes and any spread between buying and selling prices of the Fund's underlying investments. This may have an adverse effect on the interests of Participating Charities in the Fund. In order to seek to mitigate this effect, called 'dilution', the Manager has the power to charge on behalf of the Fund a 'dilution levy' on the subscription and/or redemption of Units. If charged, the dilution levy will be paid into the Fund and will become part of the property of the Fund, thus protecting the value of remaining Participating Charities' interests.
- 7.5.2 The dilution levy will be calculated by reference to the actual or anticipated costs of dealing in the underlying property of the Fund, including dealing spreads, commissions, redemption fees, expenses, taxes and other liabilities. The charging of a dilution levy will effectively reduce the redemption price or increase the purchase price of Units.
- 7.5.3 The need to charge a dilution levy will depend on the volume of subscriptions and redemptions. The Manager may charge a discretionary dilution levy on the subscription and redemption of Units if, in its opinion, the existing Participating Charities (for subscriptions)

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or remaining Participating Charities (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where

- (a) the Fund is suffering a large number of redemptions relative to its size
- (b) the Fund is experiencing high levels of net subscriptions relative to its size
- (c) the Fund receives large redemption or subscription requests or
- (d) in any other case where the Manager is of the opinion that the interests of Participating Charities requires the imposition of a dilution levy.

7.5.4 The Manager will only charge a dilution levy in a manner that is, so far as is practicable in the circumstances, fair to all Participating Charities and potential Participating Charities. The dilution levy may be charged on a particular Dealing Day on both issues and redemptions of Units. The Manager reserves the right to charge a dilution levy not exceeding 0.75% of the value of the transaction.

8. Risk warnings

These Scheme Particulars do not constitute investment, legal or tax advice. Potential investors should seek advice as appropriate, including in particular bearing in mind the duties of charity Trustees under the Trustee Act 2000. The Scheme is an unregulated collective investment scheme available only to qualifying charity investors in England, Wales, Scotland and Northern Ireland.

There are risks associated with an investment in the Fund. Investment in the Fund may not be suitable for all charities. In particular applicants should consider the following risk warnings before investing in the Fund.

8.1 General

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Fund. There is no certainty that the investment objectives of the Fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Fund may be subject to fluctuations and is not guaranteed.

8.2 Suspension of dealings in Units

Investors are reminded that in certain circumstances their right to redeem Units may be suspended.

8.3 Currency exchange rates

Currency fluctuations may adversely affect the value of the Fund's investments and the Fund's income in respect of such investments.

8.4 Borrowings and Leverage

The Manager may use borrowings and other forms of leverage for the account of the Fund for the purposes of making investments. The use of borrowings and leverage creates special risks

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and may significantly increase the Fund's investment risk. Borrowings and other forms of leverage create opportunities for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings or leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Units to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Units may decrease more rapidly than would otherwise be the case.

8.5 Derivatives

- 8.5.1 The Manager may employ derivatives for the purposes of hedging with the aim of reducing the risk profile of the Fund, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management.
- 8.5.2 To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.
- 8.5.3 In certain circumstances, for hedging purposes to reduce or to eliminate risk arising from fluctuations in interest or exchange rates and the price of investments, the Manager may enter into certain derivatives transactions, including, without limitations, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to the Fund. There is also the potential for capital appreciation of such assets.
- 8.5.4 The Manager may enter into over the counter (OTC) derivative transactions on behalf of the Fund.
- 8.5.5 The Fund may also invest in collective investment schemes offering exposure to derivatives traded for investment purposes.

8.6 Counterparty risk in over-the-counter markets

The Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Fund may enter into agreements or use other derivative techniques, each of which exposes the Fund to the risk that the counterparty may default in its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

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8.7 **Credit and fixed interest securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

8.8 **Smaller companies**

Investment in smaller companies can be higher risk than investment in well established blue chip companies. Should the Fund invest significantly in smaller companies it could be subject to more volatility due to the limited marketability of the underlying asset.

8.9 **Custody**

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

8.10 **Liquidity**

Depending on the types of assets the Fund invests in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

8.11 **Counterparty and settlement**

The Fund will be exposed to a credit risk on parties with whom they trade and will also bear the risk of settlement default.

8.12 **Tax**

Tax laws currently in place may change in the future and this could affect the value of a Participating Charity's investments.

8.13 **Emerging markets**

8.13.1 Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems, and accounting standards and disclosure standards may be less stringent than those of developed markets.

8.13.2 The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

8.14 **Professional liability risk**

The Manager will cover at all times the risks of loss or damage caused by any relevant person through the negligent performance of activities for which the Manager has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the AIFMD Rules.

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9. Register of holders

9.1 Register

- 9.1.1 Units in the Fund are in registered form. Certificates will not be issued to Participating Charities. The register shall be conclusive evidence as to the persons respectively entitled to the Units entered in the register, except in the case of any default in payment or transfer to the Fund of cash or other property due to the Fund.
- 9.1.2 No notice of any trust, express, implied or constructive shall be entered on the Register in respect of any Unit and the Manager and the Trustee shall not be bound by any such notice.
- 9.1.3 The Register is available for inspection free of charge at the Administrator's office at 1 Canada Square, London, E14 5AL during normal business hours on any Business Day.

9.2 Depositary

- 9.2.1 The duties and powers of the Trustee in its role as depositary within the meaning of the AIFMD Rules include the following:
- (a) general oversight responsibilities including the provision of information to the Manager, preparation and delivery of the annual report to Participating Charities;
 - (b) safekeeping of the Fund property, including the safekeeping of financial instruments and other assets; and
 - (c) asset monitoring and verification responsibilities including cash flow monitoring, asset verification and obligations relating to the prevention of anti-money laundering.
- 9.2.2 The Trustee may appoint agents or delegates (**Correspondents**) to hold the assets of the Fund, subject to and in accordance with the AIFMD Rules.
- 9.2.3 The Trustee and/or a Correspondent will maintain all financial instruments that can be held in custody in a segregated client account and such assets will be clearly identified at all times as being Fund property, subject to and in accordance with the AIFMD Rules.
- 9.2.4 The Trustee may, and must ensure that any Correspondents may, not make use of or re-use the Fund property without the prior express and specific consent of the Manager.
- 9.2.5 The Trustee has appointed the Global Sub-Custodian as a Correspondent to provide safe custody and other related services to the Fund. The Trustee and the Global Sub-Custodian are affiliates of The Bank of New York Mellon Corporation.
- 9.2.6 The Trustee, in its role as depositary within the meaning of the AIFMD Rules, shall not be liable for a loss of a financial instrument held in custody if the loss has arisen as a result of an external event beyond the reasonable control of the Trustee (or, as the case may be, of a Correspondent or of any sub-delegate of a Correspondent) the consequences of which would have been unavoidable despite all reasonable efforts to the contrary, in accordance with the meaning given to these terms in the AIFMD Rules. Except where liability has been transferred and discharged in accordance with the AIFMD Rules, the liability of the Trustee shall not be affected by the appointment of any Correspondent(s).

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9.2.7 Any changes to the liability of the Trustee in its role as depositary of the Fund will be disclosed to investors in accordance with the AIFMD Rules and will be made available on www.ruffier.co.uk/aifmdcat.

10. Charges and expenses

10.1 The Trustee

10.1.1 The Trustee is entitled to receive by way of remuneration a periodic charge which will be taken out of the property of the Fund. The rate of the Trustee's periodic charge is to be agreed with the Manager from time to time.

10.1.2 The rate currently agreed in respect of the Fund is calculated at 0.045% per annum on the first £70 million of assets in the Fund; 0.035% per annum on assets in the Fund between £70 million and £100 million; 0.025% per annum on assets in the Fund between £100 million and £150 million; and 0.015% per annum on assets in the Fund exceeding £150 million. This rate is subject to a minimum charge of £12,500 per annum (plus VAT).

10.1.3 This periodic charge will be calculated and shall accrue daily in arrears by reference to the Net Asset Value and shall be payable monthly and deducted from the property of the Fund as soon as practicable after the end of each month. Any increase from the current level agreed by the Manager is subject to:

- (a) the Trustee giving notice in writing of that increase and the date of its commencement to all Participating Charities;
- (b) the Charity Commission's prior written approval, revision of the Scheme Particulars to reflect the revised periodic charge and the date of its commencement; and
- (c) the elapse of 90 days since the revised Scheme Particulars became available.

10.2 The Manager

10.2.1 The Manager's periodic management charge shall be at a rate of 1.0% per annum (plus VAT if applicable). The management charge accrues daily in arrears by reference to the Net Asset Value and shall be deducted in arrears on the last Dealing Day of each month out of the property of the Fund. Any increase from the current level is subject to:

- (a) the Manager giving notice in writing of that increase and the date of its commencement to all Participating Charities;
- (b) the Charity Commission's prior written approval, revision of the Scheme Particulars to reflect the revised periodic charge and the date of its commencement; and
- (c) the elapse of 90 days since the revised scheme particulars become available.

10.3 Other expenses

10.3.1 In addition to management charges and the remuneration of the Trustee and any applicable VAT, the following expenses shall be payable out of the property of the Fund (unless stated otherwise in the Scheme Particulars).

Any reasonable costs or expenses incurred by it in the operation, administration or winding up of the Fund including, but not restricted to

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- (a) brokers' commission, fiscal charges and other disbursements which are
 - (i) necessarily incurred in effecting transactions for the Fund and
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate
- (b) interest on borrowings permitted under the Fund and charges incurred in effecting or terminating or in negotiating or varying the terms of such borrowings
- (c) taxation and duties payable in respect of the property or the Scheme of the Fund or the issue of Units in the Fund
- (d) the audit fees and any proper expenses of the auditors (plus VAT if applicable)
- (e) any costs incurred in amending the Scheme Particulars and/or the Scheme
- (f) the fees and any proper expenses of any professional advisers (including legal and accounting advisers) retained by the Manager or by the Trustee in relation to the Fund
- (g) the costs of publication of Unit prices in the Financial Times and in other relevant publications (including websites)
- (h) the costs of producing, printing and distributing annual and half-yearly reports, fact sheets and any other reports or information provided for Participating Charities
- (i) the recovery of VAT by the Fund's appointed agent
- (j) any reasonable costs or expenses incurred by the Manager and/or the Trustee in discharging their respective functions
- (k) charges in respect of investment transactions and depositary charges
 - (i) the charges in respect of investment transactions vary, inter alia, according to the countries in which dealing takes place, and the services rendered. The rate of these charges will be agreed with the Manager from time to time
 - (ii) the Trustee is the depositary of the Fund within the meaning of the AIFMD Rules and is entitled to receive reimbursement of its fees as an expense of the Fund
 - (iii) the Trustee's remuneration for the provision of depositary services ranges from 0.0005% per annum to 0.0225% per annum of the value of assets of the Fund (plus VAT, if applicable), calculated as an ad valorem rate determined by the country in which the Fund's assets are held. In addition, the Trustee imposes various transaction charges. These charges range from £5.00 to £15.00 depending on the type of transaction and jurisdiction where it is carried out
 - (iv) other additional depositary fees may include the cost, inter alia, of derivative transactions, US dollar wires, cheques and transfer processing. The full tariff is available on request from the Manager.

And, such other reasonable costs or expenses may be deducted from the Fund as and when they occur and

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- (l) the fees and expenses in respect of
 - (i) the preparation of financial statements for the Fund
 - (ii) valuing the Fund's assets and the calculation of the Net Asset Value
 - (iii) preparation of tax returns
 - (iv) reconciliation of cash and trade positions between the Custodian and the Manager
 - (v) any expenses incurred in connection with the maintenance of the Fund's accounting and other books and records
 - (vi) registrar services and
 - (vii) administration services.

10.3.2 The Manager has appointed the Administrator to provide fund accounting, valuation and various administration services as set out in (l)(i) to (vii) above to the Fund. The Administrator's remuneration for the provision of these services shall be borne directly by the Manager.

10.3.3 The maximum amounts of the fees, charges and expenses borne (directly or indirectly) by Participating Charities will depend on a number of factors including, but not limited to, portfolio turnover and level of borrowings.

10.4 Allocation of charges and expenses to capital and/or income

10.4.1 The Manager's fees, the Trustee's fees, depositary charges, transaction charges will be charged to the Fund's capital.

10.4.2 All other expenses, such as audit fees and the fees of other professional advisors will be charged to the Fund's income.

11. Conflicts of interest

11.1 The Manager, the Trustee, the Global Sub-Custodian, the Administrator, the Registrar, and any companies within their groups, may be involved in other financial, investment or other professional activities which may give rise to conflicts of interest with the Fund. In particular, such parties may provide services similar to those provided to the Fund to other entities and shall not be liable to account for any profit earned from any such services. In such circumstances each such party will have regard to its obligations to the Fund and, in particular, to its requirement to act in the best interests of the Fund so far as practicable, having regard to its obligations to its other clients. When in the course of undertaking any investment business such a conflict arises, all parties will endeavour to ensure that it is resolved fairly.

11.2 A conflict of interest may exist where the Manager has appointed The Bank of New York Mellon (International) Limited or another entity within the same corporate group as the Trustee to provide certain administrative services to the Fund or where the Trustee has delegated, or where any Global Sub-Custodian has sub-delegated the safekeeping of the assets of the Fund to an entity within the same corporate group as the Trustee. The Trustee shall

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ensure that policies and procedures are in place to identify all conflicts of interests and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, each of the parties will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Fund.

- 11.3 Each of the above parties will, to the extent of their ability and in compliance with the FCA Handbook and the AIFMD Rules, ensure that their performance of their duties in relation to the Fund will not be impaired by involvement in such activities.

12. Taxation

12.1 General

- 12.1.1 The Units in the Fund are offered solely to bodies of persons that qualify as charities in order that the Fund maintains its status as a Common Investment Fund (CIF). Provided this status is maintained, the Fund will be eligible for the same exemptions from tax as a charity.

12.2 United Kingdom

The following is intended to be a general summary of the expected UK tax treatment of participation by eligible charities and is based on UK law and practice in force at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

12.3 Charities: income and gains

- 12.3.1 Charities (which for this purpose includes a CIF such as the Fund) are exempt from UK income tax in respect of income consisting of dividends or other distributions of companies not resident in the UK insofar as such income is applicable for charitable purposes only.
- 12.3.2 Charities (which for this purpose includes a CIF such as the Fund) are exempt from the taxation of capital gains in relation to any gains insofar as the proceeds of the disposal are applicable and applied for charitable purposes.

12.4 Stamp duty and Stamp Duty Reserve Tax (SDRT)

No stamp duty or SDRT will be payable on the issue, transfer or surrender of Units in the Fund due to its status as a CIF. It is not envisaged that the Fund will directly incur stamp duty or SDRT in respect of its investments.

13. General information

13.1 Reports

- 13.1.1 The annual report will be prepared, and the relevant financial information therein audited, in accordance with the AIFMD Rules.
- 13.1.2 Annual and half-yearly reports will be forwarded to Participating Charities each year. The annual report will be issued before 28 February each year and a half-yearly report will be issued before 30 June in each year.
- 13.1.3 The latest such annual report will be available to prospective investors on request from the Manager.

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13.2 **Accounting periods**

The annual accounting period of the Fund ends each year on 15 October (the accounting reference date) and the interim accounting period ends on 15 April.

13.3 **Meetings of Participating Charities**

13.3.1 The Fund will not hold an annual general meeting but the Trustee may convene a meeting of Participating Charities at such time as the Trustee may think fit.

13.3.2 The Trustee will at the request of the Manager convene a meeting of Participating Charities as soon as reasonably practicable and at such place as the Trustee may think fit.

13.3.3 The Trustee shall on request in writing of Participating Charities registered as holding not less than one-tenth in value of the Units in issue, convene a meeting of Participating Charities at such time and place as the Trustee may think fit.

13.3.4 The following types of business may be conducted at meetings of Participating Charities

- (a) confirmation of any amendment, modification, alteration, addition or replacement to the Scheme or the Scheme Particulars which, in the Trustee's opinion, would be substantially detrimental to Participating Charities and
- (b) discussion of the performance of the Fund and
- (c) the proposing of a resolution to wind-up the Fund (subject to the consent of the Trustee).

13.3.5 Any general meeting may be called on not less than 14 days' notice in writing to all Participating Charities on the Register at a date not exceeding seven days before the date of the notice, such notice to specify the date and place of the meeting and the resolutions proposed. The Manager shall be entitled to receive notice of and attend a meeting of Participating Charities but, save in a capacity as a proxy, shall not be entitled to vote or to be included in the quorum. The accidental omission to give notice to or the non-receipt of notice by any Participating Charity shall not invalidate the proceedings at any General Meeting.

13.3.6 The Trustee shall nominate a person who shall preside as Chairman.

13.3.7 The quorum shall be two or more holders of Units present in person or by proxy. No business (other than the appointment of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to another day and time which must not be less than 15 days thereafter. Notice of the adjourned meeting shall be given in the same manner as for the original meeting. At any adjourned meeting, the Participating Charity or the only Participating Charity present in person or by proxy shall constitute a quorum.

13.3.8 The Manager, Trustee and any professional advisers to the Fund and/or to the Trustee shall be entitled to attend and be heard at such meeting.

13.3.9 Any resolution will be carried if the votes cast in favour represent 50% or more (or such higher percentage as the Trustee may determine) of the total votes cast.

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- 13.3.10 At any meeting of Participating Charities of the Fund, any resolution put to the vote should 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, by the Trustee or by two or more Participating Charities present in person or by proxy. On a show of hands every Participating Charity who is present by its representative properly authorised in that regard shall have one vote. On a poll every Participating Charity who is present in person or by proxy shall have one vote for every complete undivided share in the property of the Fund and a further part of one vote proportionate to any fraction of such an undivided share of which he is the Participating Charity. On a poll votes may be given either personally or by proxy.
- 13.3.11 A body corporate being a Participating Charity may authorise such person as it thinks fit to act as its representative at any meeting of Participating Charities and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Participating Charity.
- 13.3.12 In the case of joint Participating Charities the vote of the first mentioned in the register whether in person or by proxy shall be accepted to the exclusion of the other joint Participating Charities.
- 13.3.13 An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a body corporate, either under the common seal or under the hand of an officer or attorney so authorised. A person appointed to act as a proxy need not be a Participating Charity.
- 13.3.14 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Manager not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting (or in the case of a poll before the time appointed for the taking of a poll) and in default the instrument or proxy shall not be treated as valid.
- 13.3.15 A vote given in accordance with the terms of an instrument or proxy shall be valid notwithstanding the previous revocation of the instrument or the transfer of Units in respect of which the proxy was given provided no written notification was received at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 13.3.16 Minutes of all resolutions and proceedings at every meeting shall be made and shall be conclusive evidence of the matters conducted within the meeting. A written resolution which has been approved in writing by all Participating Charities entitled to receive notice of and attend and vote at a General Meeting shall be as valid and effective as if duly carried at a General Meeting.
- 13.4 **Fair treatment of Participating Charities**
- 13.4.1 Under the Scheme the Trustee and the Manager owe certain duties to Participating Charities, which require them to, among other things, act in good faith, in what they consider to be in the best interests of the Fund. Both the Trustee and the Manager, in exercising their discretion under the Scheme, will act in accordance with such duties and shall ensure that they at all times act fairly between Participating Charities.

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13.4.2 Under the AIFMD Rules, the Manager must treat all Participating Charities fairly. The Manager maintains a conflicts of interest policy which requires it to treat its clients fairly. The Manager's conflicts of interest policy establishes requirements for the Manager to have effective systems, controls and procedures to identify, prevent, manage, monitor and review conflicts of interest, including potential conflicts of interest that could arise between Participating Charities, in line with regulatory requirements.

13.4.3 As at the date of these Scheme Particulars the Manager has not granted preferential treatment or the right to obtain preferential treatment to any Participating Charity or potential Participating Charity. As such, Participating Charities will invest in the same manner and on the same terms.

13.5 Data protection

Participating Charities will have received from the Manager a Regulatory Notice concerning the General Data Protection Regulation. This explains in detail how the Manager processes and uses the personal data of Participating Charities and their representatives and advisors and additional copies are available on request.

13.6 Telephone recording

Please note that telephone calls made to the Trustee or Manager, or their delegates may be recorded.

13.7 Complaints and Compensation

If a Participating Charity has any complaint regarding the management of the Fund in the first instance please write to the Administrator at Ruffer AIFM Limited, PO Box 12053, Brentwood, CM14 9LT (marked for the attention of the Investor Services Manager). A copy of the Administrator's complaints handling policy is available on request from the Administrator. If you are an eligible complainant and you remain dissatisfied with the way the Administrator has dealt with your complaint then you may also complain directly in writing to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR, by telephone 020 7964 1000, or via the website at www.financial-ombudsman.org.uk.

On request the Manager will supply a statement describing a Participating Charity's right to compensation in the event of the inability of the Manager to meet any of its liabilities to the Fund or to Participating Charities.

13.8 Documents available for inspection

Copies of the Scheme and the current Scheme Particulars, together with the most recent annual and half-yearly reports of the Fund (when available) may be inspected and copies may be obtained during ordinary business hours on any Business Day at the registered and head office of the Manager. A copy of the Scheme is also available on request from the Manager.

13.9 Periodic and Regular Disclosure

13.9.1 The following information will be disclosed to Participating Charities in accordance with the AIFMD Rules and will be made available on www.ruffer.co.uk/aifmdcat:

Scheme Particulars

- (a) the percentage of the Fund's assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, suspension of the issue, cancellation, sale and redemption of units and deferrals on redemptions);
- (b) any new arrangements for managing the liquidity of the Fund including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Manager; provided that Participating Charities will be notified immediately where the issue, cancellation, sale and redemption of Units is suspended or where other similar special arrangements are activated;
- (c) the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks; and
- (d) the total amount of leverage employed by the Fund.

13.9.2 The following information will be provided by the Manager to Participating Charities in accordance with the AIFMD Rules:

- (a) any changes with respect to depositary liability;
- (b) any changes to the maximum level of leverage which the Manager may employ on behalf of the Fund; and
- (c) any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

13.10 Legal implications of investment in the Fund

13.10.1 The main legal implications of the relationship entered into for the purpose of investment in each of the Trusts are as follows:

- (a) By submitting an application for Units to the Administrator, the investor makes an offer for Units which, once it is accepted has the effect of a binding contract to subscribe for Units.
- (b) Upon the issue of Units, a Participating Charity becomes a deemed party to the Scheme. The Scheme is binding upon each Participating Charity as if he had been a party to it and Participating Charities are bound by its provisions. The Scheme authorises and requires the Trustee and the Manager to do the things required of them or permitted by its terms.
- (c) As a matter of trust law, the Scheme constitutes a trust arrangement between the Participating Charities, the Manager and the Trustee, pursuant to which the property of the Fund is held on trust by the Trustee for the benefit of Participating Charities and managed by the Manager.
- (d) The rights of Participating Charities against the Manager and the Trustee under the Scheme are in addition to their rights under general law.
- (e) The Scheme can be amended by agreement between the Trustee and the Manager and, where any such amendment would constitute an amendment to the remuneration provisions of the Scheme, the consent of the Charity Commission.

Scheme Particulars

- (f) A Participating Charity’s liability to the Fund in relation to its investment will, subject to the terms of the Application Form and any other terms agreed separately, generally be limited to the value of that investment.
- (g) The investment contract will be governed by and construed in accordance with English law. Any legal action or proceedings arising out of or in connection with the investment contract must be brought exclusively in the English courts.
- (h) Judgments from overseas courts may be recognised and enforced by the Courts of England and Wales without re-examination of the merits where some form of reciprocal enforcement arrangement is in place. Instruments governing such reciprocal enforcement arrangements include the Brussels Regulation and the Brussels and Lugano Conventions in respect of judgments from the courts of EU member states, Iceland, Switzerland and Norway (the “Brussels regime”) and by the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 (covering most Commonwealth and some other countries – the “Statutory regime”). In other cases, under the English common law a final and conclusive foreign judgment given by a competent court potentially creates an obligation that is actionable in England and Wales through the institution of fresh legal proceedings, to which various defences are available to a defendant. There is also provision in England and Wales for the enforcement of European Enforcement Orders obtained under the European Enforcement Orders Regulation, European Orders for Payment, judgments obtained under the European Small Claims Procedure, Community judgments and judgments from other parts of the UK. Where a judgment falls within the scope of the Brussels regime, an application can be made to register it. A registration order must be made if the required formalities have been complied with. There are limited grounds of appeal against the making of the order. Where a judgment falls under the Statutory regime an application can be made to register it. There are various grounds for non-registration and on which registration will be set aside. Once registered under either regime, a judgment will be treated as if it was a judgment of the English court for enforcement purposes.

13.10.2 Absent a direct contractual relationship between a Participating Charity and the relevant service provider, Participating Charities generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Participating Charity may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund, by the relevant service provider is, prima facie, the Trustee or the Manager acting for the account of the Fund, as the case may be.

14. Termination and winding-up the Fund

14.1 Winding-up

The Fund will be wound up if the Trustee is of the view that winding up the Fund is in the interests of the Participating Charities. If the Trustee is of such a view it will

- 14.1.1 execute a written declaration that the Fund is to be wound up
- 14.1.2 send a copy of the written declaration to the Charity Commission and the Manager
- 14.1.3 send written notice to the Participating Charities that the Fund is to be wound up.

Scheme Particulars

14.2 Consequences of winding-up

Where the Fund is to be wound up as provided for in section 14.1, the following provisions apply

- 14.2.1 dealings in Units shall cease
- 14.2.2 the Trustee shall arrange for the realisation of the assets of the Fund as soon as practicable and in an orderly fashion
- 14.2.3 the Trustee shall pay (or retain adequate provision out of the proceeds of realisation) all liabilities properly payable by the Fund and the costs of the winding up of the Fund and
- 14.2.4 subject to the deductions, the Trustee shall distribute the proceeds of realisation to the Participating Charities in proportion to Participating Charities' interests in the Fund.

Scheme Particulars

ANNEXURE 1 – DIRECTORY

Manager

Ruffer AIFM Limited
80 Victoria Street
London
SW1E 5JL
www.ruffer.co.uk

Trustee

The Bank of New York Mellon
(International) Limited
1 Canada Square
London
E14 5AL
www.bnymellon.com

Administrator

The Bank of New York Mellon
(International) Limited
1 Canada Square
London
E14 5AL
www.bnymellon.com

Registrar

Ruffer AIFM Limited
80 Victoria Street
London
SW1E 5JL
www.ruffer.co.uk

Legal advisers

Simmons & Simmons LLP
Citypoint, One Ropemaker Street
London
EC2Y 9SS
www.simmons-simmons.com

Auditors

Ernst & Young
1 More London Place
London
SE1 2AF
www.ey.com