

The Central Finance Board of the Methodist Church

Rules for the administration, valuation and investment of the Funds established under the Methodist Church Funds Act 1960

Approved at the meeting of members of the
Central Finance Board Council on 11th July 2018

As amended 27th May 2019, 4th September 2019, 5 September 2020 , 23rd February 2021, 9th
February 2022

1. Introduction – The Central Finance Board

The Central Finance Board of the Methodist Church (CFB) was established by the Methodist Church Funds Act 1960 (the Act). It is a statutory body with no shareholders. The governing body of the CFB is its Board whose membership consists of ex-officio appointments from the leadership of the Methodist Church, representatives of each District in Methodism and others appointed by the Methodist Conference. The principle role of the Board is to approve the annual report and accounts and appoint the Council of the CFB. The Council has oversight of the day to day activities of the CFB, it consists of up to 12 members and currently meets 6 times a year.

The Act empowers the CFB to create and manage “investment funds” at its discretion and without limitation. The CFB is also authorised to create and manage a “deposit fund”.

The following “Fund Rules” detail how the CFB will manage the Funds within the rules established by the Act and in accordance with common market practice in the UK Fund industry. These Rules, as amended from time to time, have been approved by the Council of the CFB.

The CFB is not regulated by the Financial Conduct Authority and its investors do not have recourse to the Financial Ombudsman service or to the Financial Services Compensation Scheme.

2. Key Parties

The Investment Manager & Administrator

The Investment Manager, Registrar and Administrator of the Funds is:

The Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

Tel: 020 7496 3600

Custodian

The assets of the Funds are held by the following custodian and depository:

HSBC Bank Plc
 8 Canada Square
 London
 E14 5HQ

Auditors

The auditors of the CFB and of the Funds are:

Buzzacott LLP
 St Peters House
 130 Wood Street
 London
 EC2V 6DL

3. Who is eligible to use the CFB?

The Act states that the following may be engaged by the CFB:

- The Funds of the Methodist Church in Great Britain, the Channel Islands and the Isle of Man. This explicitly includes any funds held upon a model trust deed
- The funds of any charity controlled by the Methodist Conference. The test for this is whether the charity is administered by a body the majority of whose members are appointed by the Methodist Conference
- Legal opinion has been received that “charity” for these purposes includes the management of any pension schemes which are ancillary to the main purpose of the Church and its charities
- The overseas mission funds

4. The CFB Funds

The CFB currently offers twelve Fund choices to eligible investors:

Fixed Interest Funds	Equity Funds	Managed Funds	Property Fund
Gilt Fund	UK Equity	Fixed Interest	Property
Short Fixed Interest	Overseas Equity	Equity	
Corporate Bond		Mixed	Cash Fund
		Methodist Council Medium Term	Deposit
		Methodist Council Long Term	

Additional Funds may be created by creating a new book of records in the accounts of the CFB. There is no limit to the minimum or maximum value of any such funds or the number of unit holders but the Council will take a view as to the viability of any Fund given its external costs, the complexity of the investment arrangements and the operational requirements of the Fund.

There is no separate legal entity for each fund, therefore if a liability arises in one fund the responsibility for it could be shared by all of the CFB Funds. Therefore to reduce this “contagion risk”

in determining the investment policy of each fund the Council will not permit any of the following activities:

- borrowing (outside of the management of day to day settlement flows)
- any other form of leverage
- shorting of positions (i.e. selling a security that a Fund does not own)
- stock lending (lending the Fund's securities to external investors)
- the writing of uncovered options or futures
- entering into swaps (where financial instruments are exchanged through a derivative contract)
- writing insurance
- entering into unlimited partnerships

The above restrictions over-ride the standard investment restrictions noted in section 6 below.

5. The Investment Objectives and Parameters of the Funds

All Funds of the CFB are invested in accordance with the ethical policy of the Methodist Church. Position and Policy papers on the teachings of the Church and their practical implications for investment can be found at www.CFBMethodistChurch.org.uk. Where appropriate the CFB may use benchmarks to assist in the asset allocation, stock selection and performance reporting of Funds. Any benchmarks that the CFB uses will be appropriate to the investment objectives of the relevant Fund and the Fund's potential stock universe given the extent of ethical exclusions that may apply.

The investment objectives and parameters for each Fund are detailed in Appendix One.

6. Investment restrictions

The CFB Funds will not breach any of the investment restrictions set out by the FCA's Handbook for Non-UCITS Retail Scheme (NURS). The key restrictions on NURS Funds are set out below. Some or all of these may be appropriate for each CFB Fund:

Issue	Limit
Approved transferable securities (including investment trusts)	Up to 100%
Unapproved transferable securities	Up to 20% <i>(in combination with unapproved collective investment schemes)</i>
Approved collective investment schemes (open-ended)	Up to 100%
Maximum in any single collective investment scheme	Up to 35%
Unapproved collective investment schemes (other than the Funds of the United Methodist Church which have no limit)	Up to 20% <i>(in combination with unapproved transferable securities)</i>
Warrants (in the absence of specific risk warnings)	Up to 5%
Deposits (with any single institution)	Up to 20%
Cash and near cash	Permitted for liquidity and other ancillary purposes
Derivatives	Permitted for efficient management and investment purposes
Real property	Up to 100%
Commodities	Up to 10% in gold only
Borrowing	Up to 10% Only to be used for management of day to day settlement flows

7. Excluded securities

No securities, debt issues or deposits will be held in companies or other borrowers that infringe the recommended exclusions of the Joint Committee of the Ethics of Investment of the Methodist Church (JACEI). A full list of excluded companies is available at www.CFBMethodistChurch.org.uk. These exclusions are made on the grounds that the activities or behaviours of the Company are in conflict with our Christian ethics.

8. Permitted Exchanges

The stock exchanges that the CFB Funds may use are listed in Appendix 3. In addition to these exchanges, where appropriate to meet a Fund's objectives, the CFB may purchase fixed interest securities, money market instruments, limited liability partnerships and collective investment schemes that are not quoted on a permitted exchange.

CFB Funds may invest in exchange traded funds but not exchange traded products due to their use of derivatives and leverage.

9. Investments in related Funds

Several of the CFB Funds invest wholly or partially into the Epworth Investment Funds for Charities (The Fund). This is a Charity Authorised Investment Fund managed by Epworth Investment Management Limited, a wholly owned subsidiary of the CFB, authorised and regulated by the FCA. The Fund will not invest in equities or bonds that are excluded by ethical screening based on Christian principles. Further information can be found at www.epworthinvestment.co.uk. In these cases the investment restriction detailed in section 6 in relation to the maximum investment in approved collective investment schemes will not apply. The Funds concerned are:

UK Equity Fund

The UK Equity Fund invests significantly in units of the Epworth UK Equity Fund for Charities. The benchmark for this Fund is the FTSE All Share Index.

Global Equity Fund

The Global Equity Fund invests significantly in units of the Epworth Global Equity Fund for Charities.. The benchmark for this Fund is the FTSE All World (£) Index.

Gilt Fund

The Gilt Fund invests solely in units of the Epworth Investment Funds for Charities - Sterling Sovereign Bond Fund. The benchmark for this Fund is the iBoxx Gilt Index.

Corporate Bond Fund

The Corporate Bond Fund invests solely in units of the Epworth Investment Funds for Charities - Corporate Bond Fund. The benchmark for this Fund is the iBoxx Corporate Bond Index.

Other Fund investment:

Deposit Fund

The Deposit Fund places deposits with the Epworth Cash Plus Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited (Epworth) or such other loans, bonds or deposits as the Council of the CFB may approve from time to time

Property Fund

The Property Fund invests solely in the units of the Property Income Trust for Charities (PITCH), an exempt unauthorised unit trust managed by Mayfair Capital Investment Management Limited (Mayfair). The CFB receives a share of the management fee from Mayfair but has no other legal relationship. Mayfair is authorised and regulated by the Financial Conduct Authority. Further information can be found at www.mayfaircapital.co.uk

In addition to the above any of the CFB Funds may place deposits with the CFB Deposit Fund to meet their liquidity management needs or cash targets within the permitted parameters.

The Managed Funds of the CFB will only invest in other CFB Funds or Funds managed by Epworth Investment Management Limited.

10. Procedures for Investment & Redemption

Other than for the Deposit Fund, instructions for creations and redemptions must be received by the CFB before 5.00pm one business day prior to a dealing day. The dates of dealing days are set out in section 19 below.

For the Deposit Fund instructions must be received by 10:30AM for same day value.

Investors using the Trustees for Methodist Church Purposes (TMCP) should ensure that any dealing instructions are with TMCP in the prescribed form in good time for TMCP to submit the orders to the CFB before the above cut-off times. Where units in the Funds are held through a managed portfolio, investment and withdrawal requests should be sent to the Head of Client Relations at the CFB.

Other investments into the CFB Deposit Fund require the completion of an application form that is available on www.cfbmethodistchurch.org.uk/depositfund. The application form should be countersigned by a Methodist minister or, in the case of an eligible charity, by an authorised Trustee.

Redemption instructions should be made in writing to the CFB.

There is no minimum investment amount in CFB Funds and no minimum holding amount.

Confirmation of the allocation or redemption of units will be sent to the investing entity within two working days after the dealing day.

Units are uncertificated and therefore no certificates are issued. All units in issue at present are 'income' units.

11. In Specie transfers

At the discretion of the CFB, investments into the Funds may be made by the transfer of quoted market securities rather than cash. Where accepted, such securities will be valued at the mid-market price at the valuation point of the relevant Fund. The normal dealing surcharges (see Appendix 2) may be waived at the discretion of the CFB. The CFB will only accept in specie transfers where they do not breach the ethical exclusions of the CFB and meet the investment objectives and parameters of the relevant Fund. The CFB further reserves the right to reject an in specie transfer on investment grounds.

Where there is a substantial redemption of more than 10% in a Fund the CFB reserves the right to transfer securities from the Fund to the investor rather than make cash payment. The securities will

be valued at mid-market price at the valuation point of the relevant Fund. The CFB will select assets for the in specie transfer so as to ensure that there is no advantage or disadvantage for the unitholder over the continuing unitholders. Where an investor is considering making a substantial redemption in a Fund we encourage early communication with the CFB so that any required sales within the Fund can be managed so as to not to penalise the remaining unit-holders. If an in specie transfer is likely to be necessary this will also ensure that appropriate custody accounts and instructions have been established.

12. Recognition of Income

In the Equity Funds, dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend.

In the Fixed Interest Funds, interest on Government stocks, debentures, eurobonds and other fixed interest stocks is accrued on a day-to-day basis. Amortisation of the purchase premium or discount is set off against income over the remaining life of the security, with the exception of the Inflation Linked Fund where the CFB policy is to protect the capital value of the unitholders investment.

The price used for creations/redemptions includes accrued interest. The amount of accrued interest for each creation/redemption is calculated and transferred between the income and capital account. This will mean a credit to income for creations and debit for redemptions.

13. Distribution policy

All net income of the Funds is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units. There is no distribution reserve; all distributions are made to two decimal places.

Our Custodian will reclaim foreign with-holding tax on overseas dividends where applicable.

Distributions on the funds are declared quarterly on 28 February, 31 May, 31 August and 30 November. They are payable on 20 April, 20 July, 20 October and 20 January.

Letters will be sent to all unitholders and depositors confirming the income distribution on the payment date.

Investors can request that dividends are re-invested into the Fund that declared them by writing to the CFB.

Additional provisions relating to the Deposit Fund

Interest on bank and building society deposits is accrued on a daily basis. Premiums and discounts arising on the purchase of short dated investments are amortised on a straight line basis from the date of purchase to maturity. This amortisation is taken to the Income account.

The Deposit Fund may operate an income reserve which is accumulated out of income and held on trust for depositors for the time being. The income reserve is maintained to ensure payment of interest to depositors each month even though a proportion of the income earned by the Fund will not be received until maturity of individual deposits. The reserve is also available to augment the Fund's deposit rate and to provide against potential default of counterparties.

All income of the Fund, after deduction of management and other expenses, and transfers to/from the income reserve, is distributed to account holders.

Fund distribution payments are usually made to the clients CFB Deposit Fund account or the client's nominated bank account as advised and verified on set up. This verification to include a voided cheque or paying in slip in the name of the client. For security purposes the CFB may telephone the client to verify updated information before amending any bank details.

14. Voting Policy

All direct shareholdings (in practice those in the CFB UK Equity & CFB Global Equity Fund) are voted in line with the voting policy of the CFB. If any conflicts arise between the voting policy and the best interests of the Fund they will be scrutinised on a case by case basis by the Investment team of the CFB.

15. Fees and other charges

The CFB charges fees to each fund to cover all administrative expenses in relation to the management of the Funds. These are recovered by deduction from the capital of the relevant Fund on a monthly basis. . No other management charges are levied. The CFB is a not for profit organisation and the Council assesses the revenue that it needs to collect from the Funds in order to meet the running costs of the organisation. The Council apportions these costs across the funds in an equitable manner to reflect fees on different asset classes in equivalent third party funds. One of the key objectives of the CFB's mission statement is to be a low cost provider to Methodism and the Council therefore endeavours to manage our cost base and the allocation of fees to each Fund to deliver fund charges that are significantly lower than equivalent external funds.

Full details on the standard fees and other charges to each CFB Fund can be found in Appendix Two. There are exceptions to these standard fee rates:

- Two substantial pension schemes linked to the Methodist Church invest in the CFB Funds. They have agreed an alternative fee scale reflective of the value of their holdings.
- The Trustees for Methodist Church Purposes (TMCP) consolidates Methodist trust deposits in their records and makes one deposit into the CFB Deposit Fund. These consolidated deposits pay a reduced fee to the standard rate.

To avoid double charging no additional Fees are levied on the CFB Managed Funds. The exception here is that the CFB Managed Mixed Fund is wholly invested into the Epworth Multi Asset Fund nil fee share class. Fees are levied at CFB fund level for this fund.

16. Changes to client data and instructions

Changes to the unit-holders address, correspondent's details and registered bank details must be received in writing from an authorised officer or Trustee of the unit holder at the CFB.

Any change of unitholder is confirmed in writing to the new and old unitholder. Similarly a change of address is confirmed to the old and new address. Changes to bank details must be supported by a

blank paying in slip or voided cheque. The CFB may not make any requested change to bank account details until a security telephone call has been completed.

17. Accounting Policies

The accounts have been prepared under the historic cost convention, as modified by the revaluation of investments, and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice issued by the Investment Management Association in 2014, and the requirements of the Methodist Church Funds Act 1960

18. Basis of Valuation

Listed Investments

Listed investments are valued at mid market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued.

Unitised funds

Single priced funds are valued at the single price quoted. Funds with a bid and offer spread will be valued at their mid-price.

Non-Sterling balances and transactions

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates

Other assets & liabilities

Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value.

Fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used

19. Unit pricing, valuation points and dealing days

The units, which are single priced, are priced on a forward basis. With the exception of the Deposit Fund and Property Fund, the CFB Funds are valued and dealt 3 times a month on the following dates:

Valuation and dealing points: 10th, 20th, last working day of the month

If the valuation point is a non working day, the preceding working day is used. If the dealing day is a non working day, the following working day is used.

At each valuation point the unit price is calculated by dividing the total assets of the fund by the number of units in issue. Pricing is to four significant figures.

If, subsequent to publication, the unit price calculation is found to be incorrect by more than 0.5% due to either one incorrectly priced asset or an accumulation of incorrectly priced assets, the creations and cancellations will be corrected, new confirmations sent to the unit holders and compensation paid to sellers where appropriate.

If the unit price is incorrect by less than 0.5% no further action will be taken.

The CFB can instruct an additional valuation if it thinks that would be desirable and can use the price at that additional valuation as the price for that Dealing Day.

Deposit Fund

The CFB Deposit Fund deals on a daily basis.

Property Fund

The CFB Property Fund values and deals on a monthly basis on the first business day of each month for new investments. Instructions to invest must be received by 10:00 AM on the previous working day. For redemptions at least eight weeks notice prior to the next Quarter Day (meaning 31 March, 30 June, 30 September and 31 December) must be given to the CFB.

20. The CFB's right to defer sales

The CFB may defer a Unitholder's request to sell their Units at a Valuation Point to the next Valuation Point if the total requests for redemptions represent a value exceeding 10% of the Sub-fund's value. Where the deferred sale policy is in effect, the CFB will defer all Unitholder sales requests for a particular Valuation Point to the next Valuation Point. Requests to sell Units can continue to be deferred in this way over multiple Valuation Points. The CFB will ensure that all requests to sell Units relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

21. Suspension of dealing

The CFB may temporarily suspend the issue, cancellation, sale and purchase of Units in any or all of the Funds where, due to exceptional circumstances, it is in the interests of all the Unitholders in the relevant Fund or Funds.

The suspension will only continue for as long as is justified having regard to the interests of Unitholders.

The CFB will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. The CFB may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

22. Risk Warnings

There are a number of market, investment, liquidity and other risks associated with investing in the CFB Funds. Some of these risks are listed in Appendix Four. This is not an exhaustive list and if any investor has concerns about the risks of investing in any Fund we urge you to contact the CFB.

23. Taxation

The CFB Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

The CFB UK Equity Fund and CFB Overseas Equity Fund are exempt funds for the purposes of Stamp Duty Reserve Tax.

24. Complaints

All complaints should be addressed to the Compliance Officer of the CFB by letter at the above address.

We will endeavour to reply to your complaint within 7 working days.

25. Regulatory status

All investors are reminded that the Funds of the CFB are not regulated by the FCA and that investors are not entitled to take a complaint to the Financial Ombudsman service. The Funds do not participate in the protection of the Financial Services Compensation Scheme.

Appendix One

Fund Objectives & Investment Parameters

Gilt Fund

Objective	Parameters		
Over rolling five year periods, to achieve mainly through a portfolio of UK Government securities with an income yield close to the redemption yield prevailing on UK Government securities, a total return equal to or in excess of the UK Government fixed interest market	<i>Benchmark of iBoxx Gilt Fund</i>		
		Min%	Max%
	Government Securities	95 - 100	
	Cash	0 - 5	

Short Fixed Interest Fund

Objective	Parameters		
Over rolling five year periods, to achieve mainly through a portfolio of short-dated sterling denominated fixed interest securities with an income yield close to the redemption yield prevailing on short-dated UK Government securities, a total return equal to or in excess of the short-dated UK Government fixed interest market	<i>Modified duration of 50% FTSE up to 5 years Gilt Index and 50% FTSE 5-10 years Gilt Index +/- 1.5 years</i>		
		Min%	Max%
	Government Securities	40 - 80	
	Sub-sovereign & agency bonds	10 - 30	
	Debentures & Unsecured Loans	10 - 30	
	Cash	0 - 5	

Corporate Bond Fund

Objective	Parameters		
Over rolling five year periods, to achieve mainly through a portfolio of sterling denominated corporate and sub sovereign fixed interest securities, a total return equal to or in excess of the UK corporate bond market	<i>Benchmark of iBoxx Corporate Bond Index</i>		
		Min%	Max%
	Credit rating AAA and AA	55 - 85	
	Other investment grade or secured issues	15 - 45	
	Cash and bonds under 1 year to maturity	0 - 5	

UK Equity Fund

Objective	Parameters		
Over rolling five year periods, to achieve mainly through a portfolio of UK equities, a total return equal to or in excess of the UK equity market.		Min%	Max%
	UK Equities	95 - 100	
	Cash	0 - 5	

Global Equity Fund

Objective	Parameters	
Over rolling five year periods, to achieve mainly through a portfolio of international equities, a total return equal to or in excess of the global equity markets		Min% Max%
	International Equities	95 - 100
	Cash	0 - 5
	<i>Regional exposure to be no more than plus or minus 5% of equivalent weighting in FTSE All World</i>	

Property Fund

Objective	Parameters
To provide capital growth linked to the value of commercial property and to provide a high and growing yield	<i>To invest wholly in the Property Income Fund for Charities managed by Mayfair Capital</i>

Deposit Fund

Objective	Parameters
To obtain the higher rates of interest usually available in the London Money Market whilst maintaining the ability to make withdrawals at short notice and with minimal risk of capital loss	<i>To invest mainly in the Epworth Cash Plus Fund for Charities managed by Epworth Investment Management. No more than 5% of the Fund may be lent to the Methodist Council, subject to approval of terms by the CFB Council</i>

Managed Fixed Fund

Objective
Over rolling five year periods, to achieve through holdings in the CFB Gilt, Corporate Bond and Short Fixed Interest Funds, a total return equal to or in excess of the UK Government fixed interest market.

Managed Equity Fund

Objective
Over rolling five year periods, to achieve through holdings in the CFB UK Equity and Overseas Funds, a total return equal to or in excess of the composite index measuring the constituent asset classes.

Managed Mixed Fund

Objective
<i>Over the long term, to provide a good level of income, with capital growing in line with inflation</i>

Managed Methodist Council Medium Term Fund

Objective	Parameters		
Over the medium term, to provide income and to preserve nominal capital value with some prospect of capital growth	<i>Equities 30 - 50%</i>		
		Min%	Max%
	CFB UK Equity Fund	15 - 25	
	CFB Global Equity Fund	15 - 25	
	<i>Long Fixed Interest Securities 15 – 25%</i>		
	CFB Gilt Fund	0 - 25	
	CFB Corporate Bond Fund	0 - 25	
	<i>Other Asset Classes</i>		
	CFB Short Fixed Interest Fund	25 - 35	
	CFB Property Fund	5 - 15	
	CFB Deposit Fund	0 - 5	

Managed Methodist Council Long Term Fund

Objective	Parameters		
Over the long term, to preserve real capital value with an expectation of income growth.	<i>Equities 60 - 80%</i>		
		Min%	Max%
	CFB UK Equity Fund	30 - 40	
	CFB Global Equity Fund	30 - 40	
	<i>Long Fixed Interest Securities 5 – 25%</i>		
	CFB Gilt Fund	0 - 15	
	CFB Corporate Bond Fund	0 - 15	
	<i>Other Asset Classes</i>		
	CFB Property Fund	10 - 20	
	CFB Deposit Fund	0 - 5	

Appendix Two Fees & Charges

The following are the standard management fees, charges and dealing surcharges currently raised to each fund.

Fund	CFB Fees	Other Fees	Dealing surcharges
Gilt	0.20	0.00	0.05%
Short Fixed Interest	0.15	0.00	0.13%
Corporate Bond	0.30	0.08	0.51%
UK Equity	0.44	0.00	0.17%
Global Equity	0.52	0.58	0.05%
Property	0.00	0.65	0.00%
CFB Deposit	0.21	0.03	0.00%
Managed Mixed Fund	0.48	0.30	0.00%

CFB Fees

These fees cover all administrative expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges. They are recovered by deduction from the capital account of the relevant Fund. No other management charges are levied.

The CFB Fees are charged to the funds monthly based on the net assets of each Fund at the month end. Fees are not charged on undistributed income.

The Managed Mixed fund participates in a zero fee share class of the Epworth Investment Funds for Charities – Multi Asset Fund. All other CFB Managed Funds have holdings in fee bearing CFB unit classes and therefore no fee at the Managed fund level is appropriate.

Other fees

The following are descriptions of the other fees reported above. We will calculate and report Total Expense ratios (TERs) where any CFB Fund holds third party funds. These TERs will show the impact of both the CFB's fees and such third party fees. For the Managed Mixed Fund the other fees reflects third party fees that the Epworth Investment Funds for Charities – Multi Asset Fund is incurring.

Corporate Bond Fund

These are third party costs charged to the Epworth Corporate Bond Fund for Charities.

Global Equity Fund

Other fees on the Global Equity Fund represent the management fees of the third party managers of the external funds in which this fund invests. These third party costs can vary considerably depending on the choice of external funds and any performance fees that may be due.

Property Fund

This Fund wholly invests in the Property Income Trust for Charities. Its manager, Mayfair Investment Capital Limited raises this external management fee. Of this management fee 0.20% is paid to the CFB.

Deposit Fund

These are third party costs charged to the Epworth Cash Plus t Fund

Dealing surcharges

The CFB Funds are priced at net asset value. However, the buying and selling of securities involves a “bid-offer” spread and other external costs (for example broker commission and stamp duty). Thus if a potential purchaser of a CFB Fund were to acquire it at Net Asset Value this would penalise existing unitholders who have to absorb these costs. To be equitable to all parties there is therefore a dealing surcharge applied to the unit value of each CFB fund for all transactions. This dealing surcharge is reviewed by the Council at least annually and from time to time.

The dealing surcharge for the Managed Funds is based upon the investments in the underlying funds. It is currently:

Fund	Dealing surcharge
Managed Equity	0.16%
Managed Fixed Interest	0.14%
Managed Mixed	0.30%
Managed MC Medium Term	0.30%
Managed MC Long Term	0.35%

Appendix Three Permitted Exchanges

AMERICAS	
BRAZIL	B3 (BM&Fbovespa)
CANADA	Toronto Stock Exchange
CHILE	Santiago Stock Exchange
COLOMBIA	Colombia Stock Exchange
MEXICO	Bolsa Mexicana de Valores, BIVA - Bolsa Instit. de Valores
PERU	Bolsa de Valores de Lima
USA	New York Stock Exchange, Nasdaq, American Stock Exchange
EUROPE	
AUSTRIA	Vienna Stock Exchange
BELGIUM	Brussels Stock Exchange
CYPRUS	Cyprus Stock Exchange
CZECH REPUBLIC	Prague Stock Exchange
DENMARK	Copenhagen Stock Exchange
EGYPT	Egyptian Exchange
ESTONIA	Tallinn Stock Exchange
FINLAND	Helsinki Stock Exchange
FRANCE	Euronext - Paris
GERMANY	Frankfurt Stock Exchange, Xetra
GREECE	Athens Stock Exchange
HUNGARY	Budapest Stock Exchange
IRELAND	Irish Stock Exchange
ICELAND	Iceland Stock Exchange
ITALY	Italian Stock Exchange
LATVIA	Riga Stock Exchange
LITHUANIA	Vilnius Stock Exchange
LUXEMBOURG	Luxembourg Stock Exchange
MALTA	Malta Stock Exchange
NETHERLANDS	Euronext - Amsterdam
NORWAY	Oslo Stock Exchange
POLAND	Warsaw Stock Exchange
PORTUGAL	Lisbon Stock Exchange
RUSSIA	Moscow Exchange
SPAIN	Bolsa de Madrid, Mercado Continuo
SWEDEN	Stockholm Stock Exchange
SWITZERLAND	Swiss, Zurich and Virt-X exchanges
TURKEY	Istanbul Stock Exchange
UNITED KINGDOM	London Stock Exchange
ASIA PACIFIC	
AUSTRALIA	Australian Stock Exchange
CHINA	Shanghai Stock Exchange, Shenzhen Stock Exchange
HONG KONG	Hong Kong Stock Exchange
INDIA	National Stock Exchange of India, Bombay Stock Exchange
INDONESIA	Jakarta Stock Exchange
JAPAN	Jasdaq, Tokyo, Osaka exchanges
KOREA	Korean Stock Exchange, Kosdaq
MALAYSIA	Kuala Lumpur Stock Exchange
NEW ZEALAND	New Zealand Stock Exchange
PAKISTAN	Pakistan Stock Exchange
PHILIPPINES	Philippine Stock Exchange
SINGAPORE	Singapore Stock Exchange
SRI LANKA	Colombo Stock Exchange
TAIWAN	Taiwan Stock Exchange
THAILAND	Stock Exchange of Thailand
VIETNAM	Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange
MIDDLE EAST AND AFRICA	
EGYPT	Egyptian Stock Exchange (
ISRAEL	Tel Aviv Stock Exchange
NIGERIA	Nigerian Stock Exchange
QATAR	Qatar Stock Exchange
SOUTH AFRICA	Johannesburg Stock Exchange
UNITED ARAB EMIRATES	Abu Dhabi Securities Exchange, Dubai Financial Market

Appendix Four Risk Warnings

The following risks may apply to some or all of the Funds

Regulatory status

The CFB Funds are not regulated by the FCA or any other UK supervisory body. The Manager is therefore not subject to the level of external oversight of comparable regulated funds. No investor in CFB Funds has recourse to the Financial Ombudsman or to the Financial Services Compensation Scheme.

Market risk

The investments of the Trust 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 a Fund. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

Credit risk

The Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved list of brokers maintained by the Council.

The Deposit Fund invests in the Epworth Cash Plus Fund for Charities. This Fund's transactions exposes it to the risk that its counterparties will not repay the deposit on maturity. To minimise this risk, the Epworth Cash Plus Fund only gives deposits to banks and other institutions which meet rigorous criteria based on independent credit ratings and size, with a maximum average maturity date for the investments of no more than 180 days. Risk is further minimised by limiting the proportion of the Fund deposited with any single bank or other institution.

Liquidity risk

With the exception of the CFB Property Fund, the Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

The CFB UK Equity and Overseas Equity Funds may invest in the securities of companies with a relative small market capitalisation that are less liquid than the securities of larger companies. They may also be subject to more abrupt price movements than trading in the securities of larger companies.

To ensure that the Deposit Fund can meet obligations that may arise from depositors wishing to make withdrawals, the Manager of the Epworth Cash Plus Fund for Charities must maintain at all times a minimum of 10% of the Fund's assets in investments realisable within 5 working days.

CFB Property Fund units can only be realised at three monthly intervals. In extreme circumstances the illiquid nature of the underlying property assets of the fund may result in unit redemptions being suspended for unspecified periods.

Interest rate risk

The Fixed Interest Funds and the Epworth Cash Plus Fund for Charities in which the Deposit Fund invests may invest in fixed rate and floating rate deposits. Changes in the interest rates may result in income either increasing or decreasing. The income may be affected by the manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future

Inflation Risk

Inflation will over time, reduce the value of investments in real terms.

Currency risk

The Equity Funds may be exposed to currency risks as certain of their assets are denominated in currencies other than sterling. The CFB does not seek to avoid this exposure since it believes that, in the long term hedging is detrimental to total return.

Sub investment grade bonds

The CFB Corporate Bond Fund invests in the Epworth Corporate Bond Fund for Charities. This Fund may hold sub-investment grade bonds. These bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

Investing in other collective investment schemes – third party charges

Each Fund may invest in other regulated collective investment schemes. As an investor of another collective investment scheme, a Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Sub-fund bears directly with its own operations.

Exchange Traded Sub-funds (“ETFs”)

The CFB UK Equity and CFB Global Equity Funds may invest in exchange traded sub-funds. Exchange traded sub-funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

Suspension of dealings in Units and in specie transfers

Investors are reminded that in certain circumstances their right to sell units may be suspended or, upon a substantial redemption instruction, an in specie transfer may be made to them.

Risk of contagion

The CFB Funds are not separate legal entities. Therefore, all unitholders in all Funds are potentially responsible for liabilities arising in the CFB Funds. The CFB will not use any investment instruments or undertake any activity that could cause a Fund to have a negative asset value. Further, the CFB does not have any right of recourse to unit-holders in the Funds for additional investment. However, unit-holders should be aware that the value of the units in the Funds in which they invest could be detrimentally impacted by a negative net asset value in another Fund.