

SCOTTISH EPISCOPAL CHURCH

RULES ADOPTED BY THE ADMINISTRATION BOARD FOR THE OPERATION OF THE UNIT TRUST POOL

(Adopted 17 September 1997, Revised 7 September 2006)

The following Rules, which may be varied at any time by the Provincial Investment Committee, apply to the operation of the Unit Trust Pool. Those considering an investment in the Unit Trust Pool are reminded that under the Charities and Trustee Investment (Scotland) Act 2005 a charity trustee must consider whether appropriate advice should be obtained about the way in which any power of investment should be exercised. 'Proper advice' means the advice of a person who is 'reasonably believed by the trustees to be qualified by the person's ability and practical experience of financial and other matters relating to the proposed investment'.

1. Valuations of the investments of the Pool will be made on the last day of each month.
2. Purchases and Sales of units take place on the first day of each month using the previous month end valuation.
3. The minimum capital sum to be retained on any one account is £500.
4. The Minimum capital sum which may be added to or withdrawn from any account is £100.
5. Contributions are accepted at any time for purchase of units. Please note that interest is not receivable on contributions received prior to the purchase date.
6. An administration fee of 0.25% will be charged on acquisitions and disposals from the Pool. (This fee will not be levied on Funds managed on behalf of the Boards and Committees of the General Synod). In addition, quarterly management fees are charged to the Pool by the fund managers. The General Synod charges a small fee to the Pool in respect of general costs associated with the administration of the Pool.
7. A separate application form is required for each designated fund. If it is intended to contribute further assets in respect of a fund which already has units in the Pool, the full account number of the fund in question must be inserted in Section **I** of the application form.
8. The Provincial Investment Committee is prepared to re-invest dividends. Contributors who wish to take advantage of this facility must complete Section **IV** of the application form.
9. Funds which can be invested in the Unit Trust Pool are as follows:-
 - a) The central funds of the General Synod.
 - b) The central funds of any Diocesan Authority.
 - c) The funds of any Church Educational Endowment.
 - d) Funds in the hands of Vestries of individual Charges and Independent Missions.

- e) Any funds held for the time being by the General Synod or a Diocesan Authority or any other person or body upon any trust for objects which are connected with the work of the Scottish Episcopal Church and which are exclusively charitable objects.
- 10. The General Form of Certificate must be signed and completed by each Contributor.
- 11. Once the unit price has been issued (usually 15 working days after the month end), the General Synod Office cashier will notify the relevant party of the number of units purchased or sold.
- 12. Units in the Unit Trust Pool are non-certificated. A statement of the number of units held and the current market value is given on each distribution advice note.
- 13. Half-yearly distributions are made from the Unit Trust Pool. The due dates are 31 December and 30 June with pay dates of 23 February and 23 August (or nearest working day) respectively.
- 14. Information regarding current holdings and latest unit prices is available from the General Synod Office Cashier. (Unit Price information can also be found at www.scotland.anglican.org/utp)

Statement of Ethical Investment Policy

The Provincial Investment Committee recognises its responsibilities optimising investment returns for the SEC Unit Trust Pool whilst striving to meet reasonable ethical investment expectations.

The Provincial Investment Committee aims to invest in companies that will not only successfully develop their business financially in the interests of shareholders, but also

- (i) demonstrate responsible employment and good corporate governance practices;
- (ii) are conscientious regarding environmental performance and human rights; and
- (iii) act with sensitivity to the communities in which they operate.

The Provincial Investment Committee has also adopted strict “negative” criteria as a significant element of the Ethical Investment Policy. No direct investment will be made in companies whose main business is in any of the following *restricted categories*:

Armaments, Gambling, Tobacco, Pornography

It is recognised that many companies will be involved, to some extent, in businesses in these *restricted categories*. Investment in such companies is deemed inappropriate where in excess of 15% of a company's turnover is derived from businesses in the *restricted categories*.

The Provincial Investment Committee will exercise its discretion regarding exclusion from direct investment any company where it has material concerns regarding the ethical acceptability of the company's business model or operational activities.

In achieving these aims the Committee is dependent on its Fund Managers, and in particular the Managers' active engagement with company management, both directly and via company AGMs, to influence the corporate governance and ethical practices in the companies in which the UTP invests.

June 2013

APPLICATION TO PURCHASE UNITS

I Name of Contributing Fund _____

Names and addresses of at least two Trustees or other Authorised Officers (state if *ex officio*)

1. Name _____

Office held _____

Address _____

Signature _____

2. Name _____

Office held _____

Address _____

Signature _____

3. Name _____

Office held _____

Address _____

Signature _____

II Investment

Amount to be invested £ _____

III Distribution

(a) Name, address and email address of party to whom remittance advice should be sent.

Name _____

Address _____

email _____

(b) Bank Details Sort Code _____

Bank _____

Branch _____

A/C Name _____

A/C No. _____

IV Re-invest

Number of units to be re-invested _____
*(In the case of an existing account,
please state reference number.)* _____

V Details of Restrictions.

Please detail below any restrictions on the use of the Capital and Income of the fund. (Note: It is the investor’s responsibility to ensure that any restrictions are adhered to.)

Please note all cheques should be made payable to “SEC Unit Trust Pool”

GENERAL FORM OF CERTIFICATE

I/We _____

On behalf of _____

Address _____

Tax Reference Number _____
(if known)

HEREBY CERTIFY that the fund, in respect of which this application is made, is a fund the income of which is applied for charitable purposes only and is entitled to receive dividends gross (i.e. no UK Income Tax deducted).

Signed _____

APPLICATION TO SELL UNITS

I Fund under which Units are held

UTP reference number _____

Name and address of fund _____

II Instructions to Sell

Cash to be realised £ _____

OR

Number of units to be sold _____ Units

III Payment details

Sales proceeds will be remitted by BACS transfer unless cheque payment specifically requested. Please provide bank account details:

Bank Details Sort Code _____

Bank _____

Branch _____

A/C Name _____

A/C No. _____

IV Signatures Authorising Sale

(of at least two Trustees or other
Authorised Officers)

Date
