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INVESTMENT
FUNDS

Sarasin Investment Funds Ltd.

Key Features and Scheme Particulars of:

Alpha Common Investment Fund for Endowments

Registered Charity Number: 1025527

Alpha Common Investment Fund for Income & Reserves

Registered Charity Number: 1110710

For registered charities only as at 6 October 2008



SARASIN

Alpha Common Investment Funds

Key Features and Scheme Particulars

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This document is important and a participating charity should read all the information contained in it carefully. The Key Features and Scheme Particulars in relation to the Funds are intended for registered charities only and are not directed at other investors. Accordingly, the contents of this document may only be acted upon by this type of investor. Also, investors should note that the Funds are not authorised or recognised by the Financial Services Authority ("FSA") and as such are classed as unregulated Collective Investment Schemes for the purposes of the Financial Services and Markets Act 2000 ("FSMA") in the United Kingdom. There are strict controls on the promotion of these types of funds in the UK which derive from FSMA 2000 (Financial Promotion) Order ("FPO"), FSMA 2000 (promotion of Collective Investment Schemes) Order 2001 ("CPO") and certain rules of the FSA's conduct of business sourcebook ("FSA rules"). In the UK these scheme particulars are directed only at those classes of investor to whom it may lawfully be directed under the legislation and FSA rules mentioned above. These classes of investor include (but are not limited to) investment professionals, high net worth companies and unincorporated associations and sophisticated investors (in accordance with and subject to the requirements of the FPO, CPO and FSA rules as applicable). Units in the Funds are only available to such investors and other persons should not rely or act upon these scheme particulars. There are systems and procedures in place to prevent any person investing in the Funds who is not permitted to do so under the relevant legislation and FSA rules.



Alpha Common Investment Funds

Key Features and Scheme Particulars

INVESTMENT OBJECTIVES OF THE FUNDS

Alpha Common Investment Fund for Endowments

The investment objective of the Fund is to achieve long term capital and income growth. It is intended that this will be achieved by investment in a broadly diversified global portfolio covering the world's principal stock, bond and currency markets, together with investments in "alternative" assets such as property related securities and units in hedge funds. The equity content will be diversified both by geography and by major investment themes. The Fund may hold cash deposits from time to time where it would be in the interests of efficient management of the Fund's assets. It is anticipated that this strategy will provide a conservative investment vehicle with potential for achieving attractive long-term total returns.

Alpha Common Investment Fund for Income & Reserves

The investment objective of the Fund is to achieve a consistently attractive level of income coupled with the potential for long term capital appreciation, whilst aiming to preserve the value of capital over the shorter term. The portfolio will be fixed interest orientated with the remainder in a mix of global equities, convertible bonds and cash.

YOUR INVESTMENT

The minimum initial investment is £1,000. The minimum additional investments are also subject to a minimum of £1,000. You can instruct us to sell units at any time. There is no minimum investment period, however we would recommend that you view your investment as a medium to long term one.

RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

Past performance is not a guide to the future. The value of units and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.

In certain circumstances, in order to reduce or eliminate risk arising from fluctuations in interest or exchange rates and in the price of investments, the Fund Manager may enter into transactions in futures and options. The value of these investments may fluctuate significantly. By holding these futures and options there is a risk of capital depreciation of certain assets, but also the potential for their capital appreciation.

The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances.

Cancellation rights will not apply to any person who invests in the Funds. By investing in the Funds investors are representing and warranting to the Manager that they are doing so as part of their business (i.e. the business of being a charity or on behalf of a charity) and not in their personal capacity.

Please note that for the Alpha Common Investment Fund for Endowments 70% of charges and other expenses are deducted from the fund's capital whilst for the Alpha Common Investment Fund for Income & Reserves 80% of charges and other expenses are deducted from the fund's capital, which may constrain future growth.

PRIVATE CUSTOMERS

If, in accordance with FSA Rules applicable to the Manager in the context of the Funds, you are classified or reclassified by the Manager as a private customer, you should be aware that notwithstanding such classification, your investment in the Fund (which is not a fund itself authorised by the Financial Services Authority) will not attract the full protections afforded to private customers under FSMA. In particular, in terms of the investment

management of the Funds, the Manager is not under a regulatory obligation to ensure best execution nor is the Manager required to complete the allocation of an aggregated transaction order within one business day of the transaction.

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DESCRIPTION OF THE INVESTMENT

Q. What are the product characteristics?

A. The Funds are common investment funds. The Funds are collective investment schemes that allow investors to pool their contributions with those of other like-minded people, to create a portfolio of assets.

Q. How do I invest?

- To invest, complete and return the application form together with a cheque or bankers draft made payable to 'Sarasin Investment Funds Limited' to Sarasin Investment Funds Ltd. at 50 Bank Street, Canary Wharf, London E14 5NT.
- Alternatively you may place instructions by phone before the Dealing Cut Off Point on any Dealing Day on 0870 870 8430. The Dealing Cut off Point is 12 noon on every business day. Telephone instructions must be confirmed by delivering duly completed registration details to the ACD at the above address.
- The valuation point for each Fund is 12pm, midday and applications or telephone instructions must be received by 12pm each dealing day. Instructions received after the Dealing Cut Off Point will be placed for the valuation point on the following day.
- You may also invest using a Telegraphic Transfer, details of which may be obtained from Sarasin Investment Funds Limited at the above address.

Q. When is the price at which units are bought or sold determined?

A. Prices of units are calculated every Dealing Day at 12noon midday (the valuation point). The Funds value daily and adopts a forward pricing policy, which means that the price at which units are bought or sold are determined at the 'valuation point' after your deal is placed.

Q. How are the prices calculated?

A. A unit has a single middle market price. This is calculated by taking the proportion of the value of the scheme property that is attributable, including cash and debtors, deducting the amount of any liabilities and dividing by the number of units in issue.

An initial charge of up to 1% may be added to the purchase price with a contract note.

While the units, in the Funds have a single price based on the mid market value of its underlying assets, it should be noted that the actual cost of purchasing or selling assets and investments for the portfolios of those funds may deviate from this mid-market value, due to dealing charges, taxes and any spread between buying and selling prices of the investments. These costs may have an adverse effect on the value of the Funds, known as "dilution". In certain circumstances a dilution levy may be applied (at the discretion of the Manager) to purchases or sales of units in the Funds. This charge is added to the funds to offset the effects of trading on a single, mid price basis and to safeguard the long term interests of existing unitholders. This amount is not retained by the Manager but is paid

into the Funds. Full details on this policy are available in the Scheme Particulars at the back of this document.

Q. Will I be issued with a certificate?

A. The Manager is not obliged to issue certificates for units. For uncertificated holdings, title to the units will be recorded in the Register of Holders. All subscriptions and redemptions are acknowledged with a contract note.

Q. Do I have an opportunity to change my mind after investing?

A. The Funds are not available for investment by persons investing in their personal capacity – only as part of their business, trade or profession. Therefore, cancellation rights will not apply to any person who invests in the Funds. By investing in the Fund you are representing and warranting to us that you are doing so as part of your business or profession (i.e. the business of being a charity or acting on behalf of a charity) and not in your personal capacity.

Q. Can I choose to reinvest income?

A. The Funds have two types of unit. If you wish the income to be retained within the Funds, you should purchase accumulation units. Alternatively if you would like to receive income from the Funds you should purchase income units.

Q. How will I be paid my income?

A. The Alpha Common Investment Fund for Endowments and the Alpha Common Investment Fund for Income & Reserves pay dividends four times a year. Such dividends are normally paid in February, May, August and November.

Income is paid gross in one of two ways:

1. Directly to your bank or building society
- or
2. By cheque to the address specified on the application form when the original investment was made.

Q. How do I follow the progress of my investment?

A. The latest price and yield are published daily in the Financial Times under the Managed Funds Service section or on the Manager's website www.sarasin.co.uk

If you are a direct holder in the Funds you will receive the annual and interim report and accounts, along with a statement of your holdings. If however, you subscribe in a nominee name, the designated nominee will receive such information, however, a holder can request this information.

Q. Can I switch my investment between Funds?

A. Switches between the Sarasin Funds do not incur a charge and can be arranged upon written request to Sarasin Investment Funds Ltd at Juxon House, 100 St Paul's Churchyard, London EC4V 8BU. Where a switch instruction is sent by fax the original must follow promptly by mail. Investors are reminded that if they choose to send switch

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instructions by fax they must bear their own risk of such instructions not being received.

Q. How do I redeem my investment?

- A. Any investment within the Funds may be redeemed at any time by written request. You may redeem part of a holding or the entire holding. The units will be sold on the next dealing day and proceeds will usually be paid after 4 working days providing all the necessary documents have been received. The proceeds will be paid as advised to the Manager in writing with the signature of all the Holders.

Where a redemption is sent by fax the original must follow promptly by mail. Investors are reminded that if they choose to send redemptions by fax they must bear their own risk of such redemptions not being received.

Please note, if you request redemption proceeds to be paid to you by bank transfer, there may be a charge deducted.

Where a redemption request represents 5% of the property of a Fund or more, the Manager at its discretion may elect that the unitholder will not receive the redemption price of the units but instead shall receive a transfer of the Fund's underlying assets (property) to the value of the redemption request – this is referred to as an “in-specie redemption”.

Where the Manager serves this notice, unitholders may serve a further notice on the Manager arranging for a sale of that property and the payment of the net proceeds of that sale. The selection of scheme property to be transferred (or sold) is made by the Manager in consultation with the Trustee, with the aim of achieving no more advantage or disadvantage to the unitholder requesting redemption than to continuing unitholders.

Further information is contained in the Scheme Particulars.

Q. What happens to uninvested money?

All subscription monies are paid to the Fund directly.

Where we are awaiting the appropriate renunciation documents for redemptions, the redemption proceeds are held in an account with the Royal Bank of Scotland until the necessary documentation is received. In both cases the monies will not receive interest.

Q. How will personal information about me be treated?

- A. Sarasin is committed to maintain your personal data in accordance with the requirements of data protection/data privacy legislation and

will take all reasonable steps to ensure that your personal data is kept secure against any unauthorised user. All information obtained from or about you will be processed by Sarasin, its associated companies and, if applicable, to your designated financial adviser. As a consequence such data may be held outside the United Kingdom. It should be noted that in most cases this data will be held by the Manager in the United Kingdom and/or its ultimate parent company Bank Sarasin & Co. in Switzerland.

This transfer is necessary to allow us to administer the service for which you have applied or may apply for in the future. Your data may be held on computer or in any other secured filing method and it may be transferred by electronic media including the internet. Your information will be held in confidence and not passed to any company, other than those already indicated, without your permission or unless required by law. We may also use the information held about you, to tell you about our other products and services that may be of interest to you, by mail.

However, if you do not wish to receive such information at the time, you will have the opportunity to opt out from receiving such information when you complete our application form. Under the terms of the Act, you have the right to obtain a copy of the information we hold about you.

Q. Who do I complain to if I am not satisfied with the service I receive?

- A. You can write to the Compliance Officer at the correspondence address, who will deal with your complaint via their internal complaints procedure or you can email your complaint to compliance@sarasin.co.uk

Complaints by eligible complainants which we cannot settle, may be referred to the Financial Ombudsman Service. More details about the Sarasin complaint handling procedures can be obtained from Sarasin.

This document has been approved in the English language and we will continue to communicate with you in the English language. Your dealings with Sarasin both before and after you have made an investment with us, shall be construed and governed in accordance with English law.

Q. Where can I find out the latest prices for units in the Fund?

- A. The latest prices are available from the Financial Times under the Managed Funds Service Section or on the Manager's website www.sarasin.co.uk

FURTHER INFORMATION

Q. How much will any advice cost?

- A. If you have an Independent Financial Adviser they will give details about the cost of their advice. The amount they charge is likely to depend on the size and frequency of your investment and may be paid from the initial charge.

Q. Who is the Fund Manager?

- A. Sarasin Investment Funds Limited, the Manager, is authorised and regulated by the Financial Services Authority as a manager of unregulated funds such as the Funds. The company is a member

of the Bank Sarasin Group. The Manager's registered office is at Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU.

Q. Who is the Trustee?

- A. The Trustee is The Royal Bank of Scotland plc.

Q. Who is the Investment Adviser?

- A. Sarasin & Partners LLP, a company authorised and regulated by the Financial Services Authority is the investment adviser to the Manager in respect of the Funds.

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Q. Who are the Auditors?

A. Ernst & Young, Ten George Street, Edinburgh, EH2 2DZ.

Q. What are my tax liabilities?

A. These will depend on your individual circumstances and unitholders must consult their own tax advisers. However, generally, for charity participators distributions of income to unitholders will be treated in the same way as annual payments but will be payable gross. In terms of capital gains, any gain made by a unitholder on a disposal of units in the Funds will be subject to the usual exemption for chargeable gains of charities.

There is no stamp duty or stamp duty reserve tax payable on the issue or redemption of Units in the Fund.

Q. Where can I obtain further information about my selected Fund?

A. You can request a copy of the Scheme Particulars, annual or interim reports and, to the extent applicable, fact sheets from Sarasin Investment Funds Ltd at Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU., **Tel:** 020 7038 7102, **Fax:** 020 7038 6851, **Email:** fundservices@sarasin.co.uk.

Q. Who are Sarasin?

A. Bank Sarasin, established in 1841 in Basel, is one of the oldest and most respected private banks in Switzerland. Sarasin Investment Management Limited, established in the City of London in 1983, provides investment management services to most of the Bank's English speaking clientele. It has also led the Bank in the development of global investment funds held by discerning investors looking for long term, secure growth throughout the world.

HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?

Your investment will bear an initial charge of up to 1% on the purchase of units. In addition, at the end of each month an amount equal to 1/12 of the Management Fee will be deducted from the Fund as payment of the Manager's periodic fee. The Management Fee in respect of both Funds is currently 0.75%. The Funds will also bear "other expenses" such as a tiered administration fee, Trustee's Fees, Custodian Fees, Registrar's fees and Audit fees, which shall be deducted when due.

Please note that for the Alpha Common Investment Fund for Endowments 70% of charges and other expenses are deducted from the fund's capital whilst for the Alpha Common Investment Fund for Income & Reserves, 80% of charges and other expenses are deducted from the fund's capital, which may constrain future growth.

The effect of charges and expenses on an investment of £1,000 assuming capital growth of 6% a year for both Funds is set out overleaf. Please note that this rate is not guaranteed but is used purely for the purposes of demonstrating the effect of charges and expenses on an investment of £1,000.

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The following tables are for illustrative purposes only.

The figures shown are not minimum or maximum amounts. What you will get back depends on how your investment grows. You could get back more or less than this. The figures shown do not allow for any discount that you may receive. For the purposes of the tables the income is based on the yield at the time this document was produced. All investment managers use the same rates of growth for illustrations but their charges may vary.

If you subscribe in a currency other than Sterling, the investment return could be affected by fluctuations in exchange rates. You should bear in mind that inflation would reduce what can be bought in the future with the amounts shown.

Given this, we would recommend that you also consider the past performance record of the Fund. Although it is not necessarily a guide to future performance, it may help you to make your investment decision.

All data for these tables taken on 31 December 2006.

The Alpha Common Investment Fund for Endowments- Growth Rate 6%

Initial Spread 1.00%, Annual and Administration Charges 1.19%, Gross Income Yield 2.67%							
The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £379 for income units and £379 for accumulation units. Putting it another way this would have the same effect as reducing the investment growth from 6% a year down to 4.63% for income units and 4.64% for accumulation units.			INCOME UNITS			ACCUMULATION UNITS	
	At End of Year	Investment to Date	Effect of Deductions to date	Income to Date	What you might get back 6%	Effect of Deductions to date	What you might get back 6%
		£	£	£	£	£	£
	1	1,000	72	(27)	1,009	72	1,037
	3		122	(84)	1,049	122	1,138
	5		181	(143)	1,090	181	1,248
10		379	(300)	1,200	379	1,574	

The Alpha Common Investment Fund for Income & Reserves - Growth Rate 6%

Initial Spread 1.00%, Annual and Administration Charges 1.07%, Gross Income Yield 4.85%							
The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £379 for income units and £379 for accumulation units. Putting it another way this would have the same effect as reducing the investment growth from 6% a year down to 4.74% for income units and 4.77% for accumulation units.			INCOME UNITS			ACCUMULATION UNITS	
	At End of Year	Investment to Date	Effect of Deductions to date	Income to Date	What you might get back 6%	Effect of Deductions to date	What you might get back 6%
		£	£	£	£	£	£
	1	1,000	72	(50)	998	72	1,038
	3		122	(149)	984	122	1,142
	5		181	(247)	980	181	1,256
10		379	(492)	970	379	1,593	

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SCHEME PARTICULARS OF THE ALPHA COMMON INVESTMENT FUNDS (THE 'FUNDS')

Scheme Particulars of The Alpha Common Investment Fund for Endowments and The Alpha Common Investment Fund for Income & Reserves (the "Funds")

This document is dated: 6th October 2008

1. Introduction

Each Fund is a common investment fund established by The Charity Commissioners for England and Wales (the "Commissioners") under section 24 of the Charities Act 1993. Each Fund is administered for the benefit of participating charities.

The Alpha Common Investment Fund for Endowments (previously called the Alpha Charity Fund) is registered under the number 1025527. It is regulated by a Scheme of the Commissioners of 23rd October 2006.

The Alpha Common Investment Fund for Income and Reserves is registered under the number 1110710. It is regulated by a Scheme of the Commissioners of 3rd August 2005.

In these scheme particulars, references to the "Funds" or the "Fund" shall mean The Alpha Common Investment Fund for Endowments and The Alpha Common Investment Fund for Income and Reserves or any one of them as the context requires. Also, in these scheme particulars, references to the "Schemes" or the "Scheme" shall mean the schemes of the Charity Commissioners pursuant to which the Funds were established or any one of them as the context requires.

These Scheme Particulars for the Funds have been approved, pursuant to the Schemes, by the Charity Commissioners on 23rd October 2006 and adopted and issued by the Manager on 23rd October 2006. Where the provisions of the Scheme and the Scheme Particulars are in conflict, the provisions of the relevant Scheme shall prevail.

2. The Funds

The Funds will generally avoid investment in companies with more than 10% of their turnover in:

- Alcohol Manufacture
- Armaments
- Gambling
- Pornography
- Tobacco

In addition, the Manager will publish a "Sustainable Audit" that will screen investments for a range of environmental and social impacts across the entire life cycles of their products and services. The sustainability concept draws together a variety of ethical and socially responsible criteria. The Manager's view is that this overall ethical / social responsible policy will have no material negative effect on the Funds' investment performance and that this policy will be reviewed regularly.

The Alpha Common Investment Fund for Endowments

The Alpha Common Investment Fund for Endowments was previously called the Alpha Charity Fund. It was originally formed in June 1993 and adopted a new name and scheme in April 2000. Its charity registration number is 1025527.

The investment objective of the Fund is to achieve long term capital and income growth. It is intended that this will be achieved by investment in a broadly diversified global portfolio covering the world's principal stock, bond and currency markets, together with investments in "alternative" assets such as property related securities and units in hedge funds. The equity content will be diversified both by geography and by major investment themes. The Fund may hold cash deposits from time to time where it would be in the interests of efficient management of the Fund's assets. It is anticipated that this strategy will provide a conservative investment vehicle with potential for achieving attractive long-term total returns.

The benchmark for the Fund will be a composition of the FTSE UK Gilts All Stocks Index, the FTSE All Share Index (5% Cap), the FTSE World Ex-UK Index, the JP Morgan World Bonds Ex-UK Index, Cash LIBOR/LIBID, UK Property: IPD Monthly, Global Property: EPRANAREIT.

The Alpha Common Investment Fund for Income & Reserves

The investment objective of the Fund is to achieve a consistently attractive level of income coupled with the potential for long term capital appreciation, whilst aiming to preserve the value of capital over the shorter term. The portfolio will be fixed interest orientated with the remainder in a mix of global equities, convertible bonds and cash.

The Fund seeks capital preservation over a rolling twelve-month period in most "normal" stock market conditions and a comparatively expected initial income yield of around 4.25%. The benchmark for this Fund will be FTSE UK Gilts All Stocks Index, FTSE All Share Index (5% Cap), FTSE World Ex-UK Index, JP Morgan World Bonds Ex-UK Index, Cash LIBOR/LIBID.

3. The Manager

The Manager of both Funds is Sarasin Investment Funds Limited, whose registered office is Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU (the "Manager"). The Manager is a private limited company incorporated in England on 10th November 1987 under the Companies Act 1985. The registered and head office of the Manager is at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU. The amount of the Manager's issued share capital is £50,000 represented by 50,000 ordinary shares of £1 each fully paid. The ultimate holding company of the Manager is Bank Sarasin and Co, which is incorporated in Basel, Switzerland.

The Manager is authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS ("the FSA"), and is authorised by the FSA to carry on investment business in the United Kingdom.

The Manager may provide investment services to other clients and funds and to companies in which the Funds may invest.

When managing investments of the Funds, the Manager will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the Manager but properly does not come to the notice of an individual managing the assets of the Funds.

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In accordance with both Schemes, the selection of the investments of the Funds is the sole responsibility of the Manager, and is subject to the Funds' investment objectives, investment policy and the terms of the Schemes.

The directors of the Manager are as follows:-

R Wittendorfer (Chairman)
T N M Service
G V Matthews
N Ossenbrink

Thomas Service is also a director of Acorn Alternative Strategies (Overseas) Limited.

4. The Investment Manager

The Manager has appointed Sarasin & Partners LLP whose registered office is at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU as the investment manager to the Funds (the "Investment Manager") and is in the same group of companies as the Manager. The Investment Manager is authorised and regulated by the Financial Services Authority. The Investment Manager is a member of the Bank Sarasin Group. Its principal activity is as an investment manager. Pursuant to an agreement between the Investment Manager and the Manager, the Investment Manager provides general discretionary investment dealing services together with related research and valuation facilities in a wide range of investments. The Investment Manager has the authority to make decisions on behalf of the Manager subject always to the provisions of the Scheme, the Scheme Particulars, the investment policy and the objectives of the Funds. This arrangement may be terminated by either party giving the other no less than three months written notice.

5. The Trustee

The Trustee of the Funds is The Royal Bank of Scotland plc. The Royal Bank of Scotland plc (the "Trustee"), is a public limited company incorporated on 31st October 1984 in Scotland and its principal business activity is banking. The ultimate holding company of the Trustee is The Royal Bank of Scotland Group plc, a public limited company incorporated in Scotland. The registered office of the Trustee is at 36 Andrew's Square, Edinburgh, EH2 2YB and its head office is at Gogarburn, PO Box 100, Edinburgh, EH12 1HQ. The Trustee is regulated by the Financial Services Authority and is authorised to carry on investment business in the United Kingdom.

6. The Board

It is a requirement under both of the Schemes that a Board is appointed to each Fund to safeguard and represent the interests of the charity participants.

In safeguarding the interests of unitholders, the Board has a number of responsibilities which include setting the investment policy and objectives of the Funds, monitoring performance, the appointment and discharge of the Manager, appointing the Auditor to the Funds, and agreeing the fees charged by the Trustee, the Manager and the Auditor and making representations to the Trustee in connection with the winding up of the Funds. The Board is not, and is not required to be regulated by the FSA in respect of its duties under the terms of each Scheme.

7. The Registrar

The Trustee has appointed Northern Trust International Fund Administration Services (UK) Ltd as the Registrar of the Funds. The register is maintained by the Registrar whose registered office is at 50 Bank Street, Canary Wharf, London, E14 5NT where the register can be inspected free of charge during normal office hours.

The register shall record the number and type of units from time to time allocated to each participating charity. The Trustee is not obliged to issue any document of title as to the ownership of units, but may issue unit certificates to all participating charities in respect of their holdings of units and shall, at the request of any participating charity, certify the number and type of units so allocated.

8. The Register and qualification to participate

Any charity applying to participate in either Fund must provide the following details, which will be recorded in the Register:

- Name of the charity
- The charity's registration number with the Commissioners
- Confirmation from the Inland Revenue of charitable status
- Declaration of the charity's eligibility to participate in the Funds
- An indemnity against liabilities arising out of the charity's ineligibility.

Each Participating Charity is required to notify the Manager and the Inland Revenue immediately in the following circumstances:

- If the charitable status of the Participating Charity is withdrawn
- If the Participating Charity is no longer eligible to participate in the Funds
- If the charitable status or eligibility of the Participating Charity is in any way questionable.

If any investor in the Funds ceases to be a charity or otherwise ceases to be eligible to participate in the Funds in accordance with the relevant Scheme, the provisions of the Scheme will have effect as if such institution:

- (a) continued to be a charity so qualified;
- (b) elected to realise all those units held by such participator with effect from the next following valuation date; and
- (c) indemnified the Funds against any liability arising upon such institution ceasing to be a charity so qualified.

Under section 24(7) of the Charities Act 1993, the powers of investment of every charity established in England and Wales include the power to invest in the Funds, unless this is expressly excluded by the trusts of that charity.

Under section 23 of the Charities Act 2006 that was brought into force from 27 February 2007, Common Investment Funds (CIFs) are allowed to accept investments from charities in Scotland and Northern Ireland.

9. Mandatory Redemption

In addition to such situations where the participating charity loses its charitable status (referred to above) there may be other occasions where the Manager may give notice to a unitholder to redeem all units held by

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them. The Manager may give such notice if it reasonably believes that units are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other units are acquired or held in like circumstances) result in the relevant Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register any securities or investment laws or similar laws or governmental regulation of any country or territory).

10. The Auditors

In accordance with the terms of the relevant Scheme, the Board appoints Ernst & Young, Ten George Street, Edinburgh as the auditors of the Funds.

11. Administration

The Manager has appointed Northern Trust Fund Administration Services (UK) Limited, whose registered office is 50 Bank Street, Canary Wharf, London, E14 5NT to provide certain administration and dealing services to them in connection with the operation of the Funds.

In addition, associated companies of the Manager will provide the Manager, by secondment on a full or part time basis, with the services of employees and the provision of certain services.

12. Custody

The safe custody of all documents of title relating to the property of the Funds are held by The Northern Trust Company, 50 Bank Street, London E14 5NT.

13. Borrowing Powers

For the Alpha Common Investment Funds for Endowments:

- (1) The Manager may borrow temporarily for the purpose of meeting payments to be made out of the Fund (other than for any of the purposes specified in sub-clause (2) of this clause) on terms that the borrowing is to be repaid out of the property of the Fund if the Manager considers this to be in the best interests of the Fund, provided that the borrowing under this sub-clause shall not exceed 10% of the net asset value of the property of the Fund as at the date of the borrowing without the prior written consent of the Commissioners.
- (2) The Manager may use the powers of land acquisition and management in the Trusts of Land and Appointment of Trustees Act 1996, but where those powers are used to borrow in connection with the acquisition or management (including improvement) of any land:
 - (a) if any such borrowing would not cause the total outstanding borrowings under the authority of those powers to exceed 25% of the net asset value of the property of the Fund as at the date of the borrowing, the prior written consent of the Board shall be obtained; and otherwise
 - (b) the prior written consent of the Board and the Commissioners shall be obtained.

- (3) The prior consent of the Board may be given in relation to a specific borrowing proposed by the Manager or may be given more generally to the Manager (but subject to the terms and conditions, if any, as the Board may determine) to enable the Manager to borrow within all or any of the categories described in sub-clause (2) of this clause; provided always that any more general consent shall in any event include a direction requiring the Manager to keep the Board sufficiently informed as soon as possible about any borrowings made in conformity with such consent.

For the Alpha Common Investment Funds for Income & Reserves:

- (1) The Manager may borrow money temporarily for the use of the Fund on terms that the borrowing is to be repaid out of the property of the Fund if the Manager considers this to be in the best interests of the Fund, subject to the following provisions of this clause.
- (2) The Manager may borrow money temporarily for the purpose of meeting payments to be made out of the Fund (other than for any of the purposes specified in sub-clause (3) of this clause), provided that the borrowing shall not exceed 10% of the value of the property of the Fund on any business day.
- (3) With the prior written consent of the Board, the Manager may borrow :-
 - (a) in the course of the reinvestment of any property comprised in the Fund;
 - (b) for the purpose of the management or improvement of any property comprised in the Fund;
 - (c) for the purpose of investment in land;
 - (d) for the purpose of discharging any liability properly payable out of the Fund, provided that the aggregate borrowing under sub-clause (2) and sub-clause (3) shall not exceed 10% of the value of the Fund on any business day.
- (4) With prior written consent of the Commissioners, the Manager may borrow for any of the purposes set out in sub-clause (2) or sub-clause (3) notwithstanding the limits set out therein.
- (5) The prior written consent of the Board may be given in relation to a specific borrowing proposed by the Manager or may be given more generally to the Manager (but subject to the terms and conditions, if any, as the Board may determine) to enable the Manager to borrow within all or any of the categories described in paragraphs (a) to (d) inclusive of sub-clause (3) of this clause, provided always that any more general consent shall in any event include a direction requiring the Manager to keep the Board sufficiently informed about any borrowings made in conformity with such consent.

14. Investment Powers

Any property of the Funds being available for investment must be invested in the name of the Trustee or under the custody or control of the Trustee or of the custodian in accordance with the provisions of the Schemes.

Alpha Common Investment Funds

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Subject to any restrictions in the Scheme and the Scheme Particulars in respect of each Fund as set out in further detail in section 15 below, the Manager may invest the property of the Funds at its discretion in any kind of investment which it could make if it were absolutely entitled to the property of the Funds.

In exercising its discretion to invest, the Manager must consider the need for diversification of investments, insofar as is appropriate to the circumstances of the Funds; and the suitability to the Funds of investments of the description of investment proposed.

The Manager must keep the investments of the Funds under review and may at any time in its discretion realise, exchange or otherwise dispose of any investment either to raise cash or for investment in accordance with the terms of the relevant Scheme.

In accordance with each of the Schemes, the Manager must not engage in the business of underwriting or sub-underwriting any new issue of shares, stocks or other securities without the prior written approval of the Commissioners.

15. Investment Limitations and Restrictions

Transferable Securities

Up to 100% of the property of each of the Funds may be invested in transferable securities which are admitted to or dealt in on an eligible market as listed in the Appendix to these Scheme Particulars ("approved securities").

Not more than 20% of the value of the property of the Funds may be invested in transferable securities which are not approved securities.

Up to 10% in value of the property of the Funds may consist of transferable securities or money market instruments issued by a single body. This restriction does not apply to transferable securities which are government and public securities "GAPS", such as those issued or guaranteed by or on behalf of:-

- a) the Government of the United Kingdom, of Northern Ireland, or of a European Union Member State other than the United Kingdom;
- b) a local authority in the United Kingdom or in any other Member State;
- c) the Government of Australia, Austria, Canada, Finland, Japan, New Zealand, Norway, Sweden, Switzerland or the United States of America; or
- d) an international organisation of which the United Kingdom or other Member State is a member.

The property of the Funds may consist of GAPS provided no more than 35% of the property of the Funds may be invested in GAPS issued by any one issuer.

Collective Investment schemes

Up to 100% of the property of the Funds may consist of units or shares in collective investment schemes provided that not more than 35% in the value of the property of the Fund may consist of units or shares in any one collective investment scheme.

The Funds may not invest in units or shares of a collective investment scheme (the "Second Scheme") unless the second scheme falls within one of the following categories:

- a) a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
- b) a scheme which is recognised under the provisions of section 270 of the FSMA (schemes authorised in designated countries or territories);
- c) a scheme which is authorised as a non-UCITS retail scheme (as defined in the FSA Rules);
- d) a scheme which is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
- e) a scheme which is a common investment fund; or
- f) a scheme not falling within (a) to (e) above and in respect of which no more than 20% in value of the property of the relevant Fund (including any transferable securities which are not approved securities) is invested.

The second scheme must also operate on the principle of prudent spread of risk, it should be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes and the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the net value of the property to which the units relate and which are determined in accordance with the scheme.

Subject to the restrictions above, the property of the Funds may therefore be invested in hedge funds and other types of collective investment schemes.

Warrants

The Alpha Common Investment Fund for Income and Reserves may consist of warrants (rights to subscribe for securities).

Cash and near Cash

The property of the Funds may include cash and near cash where this may reasonably be regarded as necessary in order to facilitate the cancellation of units, or to further the efficient management of the Funds or otherwise to enable the Manager to discharge its functions under each respective Scheme. Up to 50% of the property of the Alpha Common Investment Fund for Income and Reserves may include cash and near cash for investment purposes in accordance with that Fund's investment objective.

Cash which forms part of the property of the Funds may be placed in any current or deposit account with the Trustee, the Manager or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Funds as would be the case for any comparable arrangement effected on normal commercial terms negotiated at arms length between two independent parties.

Money Market Instruments

The property of the Funds may consist of money market instruments which are admitted to or dealt in on an eligible market listed in Appendix 1. Subject to a limit of 20% in value of the relevant Fund, such Fund may consist of money market instruments which are liquid and have a value which can be determined accurately at any time.

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Derivatives

The property of the Funds may consist of derivatives or it may enter into forward transactions for the purposes of hedging (as discussed above). Derivatives transactions must either be in approved derivatives (being a derivative which is dealt in on an eligible derivatives market as set out in Appendix 1) or an over the counter derivative with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission or whose home state authorisation permits it to enter into such transactions as principal of exchange.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following: transferable securities; money market instruments; deposits; derivatives; collective investment schemes; financial indices; interest rates; foreign exchange rates and currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives.

Any forwards transaction must be made with an eligible institution or approved bank.

Deposits

Up to 20% of the property of each Fund may consist of deposits but only if it:

- (a) is with an approved bank;
- (b) is repayable on demand or has the right to be withdrawn; and
- (c) matures in no more than 12 months.

Immoveable and moveable property

It is not intended that the Funds should have any interest in any immoveable property or tangible moveable property.

Spread – General

In applying any of the restrictions above:

- (a) not more than 20% in value of the Funds' property may consist of deposits with any single body;
- (b) not more than 10% in value of the Funds' property is to consist of transferable securities or money market instruments issued by any single body;
- (c) not more than 35% in value of the Funds is to consist of units in any one collective investment scheme.

Nil and partly paid securities

The Funds may only invest in nil and partly paid securities if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund at the time the payment is required without contravening the terms of the relevant scheme.

Stock lending

The Funds may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Funds are in a form which is acceptable to the Trustee and are in accordance with good market practice;
- (b) the counterparty is an authorised person or a person authorised by a home state regulator; and
- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above.

16. Associated Investments

The Manager may not, in relation to the Funds, invest in a collective investment scheme which is managed or operated by itself or by any of its associates or where the scheme is a company, of which the Manager or any of its associates is the Authorised Corporate Director or an associate of the Authorised Corporate Director except to the extent permitted and in accordance with the terms of the relevant Scheme. In such circumstances the Manager is required to pay into the property of the relevant Fund any charge which is made by the issuer of units in the second scheme or, if the Manager pays more for the units in the second scheme than the prevailing issue price, the Manager shall pay to the relevant Fund the full amount of the difference.

17. Use of Market Makers

The Manager is not able to act as market maker in the investments of the Funds. Also, associates of the Manager are not able to act as market makers in relation to the Funds unless the Trustee has given prior written approval to the Manager that it is in the interests of the Fund to use particular associated market makers in accordance with the terms of the relevant Scheme.

18. Soft Commission

The Manager may from time to time make arrangements with other persons under which those persons arrange for the provision to them of investment related services or other benefits the receipt of which is intended to assist them in the provision of Investment Management Services and be of benefit to the Fund. The Manager does not always make direct payment for such services but instead may place Fund business with those or other persons.

19. Units in the Fund

Under the terms of the Schemes, the Funds may consist of both income units (in which the income is allocated periodically to unitholders); and accumulation units (in which the income is credited periodically to capital on behalf of the unitholders).

A unitholder's right in respect of the Funds is that of a beneficial interest under a Trust as represented by its units each of which represents an undivided share in the property of the relevant fund. The re-investment of income in respect of accumulation unitholders is accounted for by increasing the number of undivided shares, on behalf of accumulation unitholders which together with the accumulation units issued constitute the accumulation units then in issue. A factor is created

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between the income and accumulation units and separate prices are quoted for each type of unit.

All units are registered units and are denominated in pence sterling. Each holder of a unit in the Fund is entitled to participate in the property of the Fund and the income thereof. Unitholders shall not be liable for the debts of the Funds.

20. Issue and Redemption of Units

The units in the Funds will be issued by means of the Manager selling units on a forward basis as principal. Units in each Fund will be redeemed by the Manager buying units on a forward basis as principal.

The Manager shall determine the prices of income units and accumulation units at the time of issue and redemption of units respectively in accordance with these Scheme Particulars.

20.1 Buying Units

Instructions for buying units may be placed directly with the Manager on any business day during the hours of 9.30 a.m. and 5 p.m. Requests to buy units may be made to the Manager in writing at Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU (correspondence address) or by telephone (at the Manager's discretion). The Manager is not obliged to issue units on application without receipt of payment. Units will be issued as at the next valuation point following receipt of the subscription monies. If this is not a normal business day, then applications will be dealt with on the next business day. A contract note will be sent within 24 hours of the valuation point to confirm the transaction.

Each applicant for units is required to demonstrate to the Manager proof of its charitable status and provide a declaration of indemnity within the application form. In addition they are also required to complete the form of indemnity. The Manager as operator of the Funds is subject to rules set out in the FSA's Sourcebook relating to Money Laundering, The Money Laundering Regulations 2003 (2003 SI No. 3075), the Guidance Notes for the Financial Sector published by the Joint Money Laundering Steering Group (and all directives, regulations and guidance notes issued in substitution thereof or in amendment or addition thereto), and any other requirements imposed on it by statute or the regulators. The Manager will therefore require verification of identity and address from any person applying for shares (the "Applicant") including, without limitation, any Applicant who:

- a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- b) appears to the Manager to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

The initial investment into the Funds and subsequent additional transactions are subject to a minimum of £1,000.

The Trustee is not obliged to issue certificates for units. For uncertificated holdings, title to the units will be recorded in the Register of unitholders and such registration shall be evidence of title of such units. All subscriptions and redemptions are acknowledged with a contract note.

20.2 Selling Units

Instructions for sale to the Manager may be given in writing or may be telephoned (at the Managers discretion) on working days between the hours of 9.30 a.m. and 5 p.m. The units will be sold at the next valuation point following receipt of instructions. If this is not a normal business day, then redemptions will be dealt with on the next business day. A contract note will then be issued within 24 hours to confirm the transaction. Payment is normally made within 4 working days of the Manager receiving properly completed documentation and all additional requests (where made) for additional verification documentation have been provided

In the case of a sale, the contract note and evidence of purchase in the Manager's books shall be sufficient proof of ownership if a unit certificate has not been sent to the unitholder.

There is no minimum number of units which may be the subject of any one act of sale, subject to the value of the units remaining in the fund being £1,000.

The Manager may, with the prior agreement of the Trustee, or shall if the Trustee so requires, at any time, for a period not exceeding 28 days, suspend the issue and redemption of units if it, or the Trustee in the case of a requirement by it, is of the opinion that there is good and sufficient reason to do so having regard to the interest of participants or potential participants in the Funds.

20.3 In specie issues

The Manager may, by special arrangement and at its discretion, agree to arrange for the issue of units in exchange for assets other than cash but only if the Trustee is satisfied that acquisition of the assets in exchange for the units to be issued is not likely to result in any material prejudice to the interests of unitholders or potential unitholders of the relevant Fund.

Where a unitholder requests redemption of a number of units, the Manager at its discretion may, by serving a notice of election on the unitholder not later than the close of business on the second business day following the date of receipt of such request, elect that the unitholder shall not be paid the redemption price of their units but instead there shall be transferred to that unitholder property of the relevant Fund having the appropriate value. Where such a notice is served on the unitholder, the unitholder may serve a further notice on the Manager not later than the close of business on the fourth business day following the date of receipt by the unitholder of the first mentioned notice requiring the Manager, instead of arranging for the transfer of property, to arrange for a sale of that property and the payment to the unitholder of the net proceeds of such sale. The selection of scheme property to be transferred (or sold) shall be made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the unitholder requesting redemption of his shares than to continuing unitholders.

20.4 Calculation of prices at which units are bought and sold

Units in the Funds are "single priced". Therefore, subject to the dilution levy referred to below and the initial charge, the price of a unit at a particular valuation point for both buying and selling purposes will be the same and will be valued in accordance with the rules of the FSA as they apply to non-UCITS retail schemes and the terms of the relevant Scheme. The price of a unit is calculated (to four significant figures) by:

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- taking the value of the relevant Fund on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund; and
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

The property of the Funds will normally be valued daily. The Manager reserves the right to revalue the Funds at any other time. An accrual is made for all liabilities payable by the Fund out of its property.

The prices of units in each Fund are published daily in the *Financial Times under the Managed Funds Service Section* or on the Manager's website www.sarasin.co.uk. The Manager is not responsible for any errors in that publication or for non-publication. The Manager issues and redeems shares on a forward pricing basis, not on the basis of the published prices.

The Manager will carry out a valuation of the property of each Fund on the date of each balance sheet and interim balance sheet for the purpose of the Charities (Accounts & Reports) Regulations 2005. If the date of the balance sheet or interim balance sheet is not a business day, the valuation shall be carried out on the nearest business day.

Dilution Levy

Where the Manager buys or sells underlying investments in response to a request for the issue or redemption of units, it will generally incur a cost, made up of dealing costs and any spread between the buying and selling prices of the investments concerned, which is not reflected in the price paid by or to the unitholder. This effect is referred to as "dilution". With a view to reducing this cost (which, if it is material, disadvantages continuing unitholders) the Manager is entitled to require payment of a "dilution levy", to be added to the price paid by investors or deducted from the redemption price received by investors when selling their units. This levy is paid directly into the relevant Fund. The Manager would normally charge a dilution levy of up to 1 per cent of the price of a share in respect of either of the Funds where:

- the underlying transaction was a "large deal"; or
- where a series of unrelated or related transactions together amount to a "large deal"

for these purposes a "large deal" is a sale or purchase of units with a gross value in excess of 3% of the total fund value.

This amount is not retained by the Manager, but is paid into the relevant Fund. On those occasions where the dilution levy is not applied there may be an adverse impact on the total assets of the relevant Fund.

As dilution is directly related to the inflows and outflows of monies from the relevant Fund it is not possible to accurately predict whether dilution will occur at any point in time in the future. Consequently, it is also not possible to accurately predict how frequently the Manager will need to make such a dilution levy.

21. Manager's Initial and Periodic Charges

Having obtained the prior written agreement of the Board in accordance with the terms of the relevant Scheme, the Manager shall be paid remuneration as represented by the initial charge.

The initial charge is an amount which is included in the buying price of units not exceeding 1 per cent of the price of issue of a unit (excluding the amount of that initial charge).

In addition, the Manager shall retain an annual charge, currently 0.75% per cent per annum (+VAT) of the total value of the property of each Fund calculated on the net asset value of the property of the Fund (out of which the Manager's expenses are met) which is calculated and accrues daily and is payable out of the Fund's assets monthly on or as soon as practicable after the last day of the calendar month in which it accrues. The charge will be calculated as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund on each day. All non-business accruals are calculated by reference to the business day immediately preceding the relevant non-business day in question. For the Alpha Common Investment Fund for Endowments, please note that 70% of charges and other expenses are deducted from the Fund's capital. For the Alpha Common Investment Fund for Income & Reserves, 80% of charges and other expenses are deducted from the Fund's capital, which may constrain future growth. The Manager's annual charge may not exceed 1% per cent of the total value of the property of each Fund.

The Manager may increase the current initial charge or the current annual charge if:

- the Manager has given notice in writing to the Trustee and to the unitholders of its intention to introduce a redemption charge or increase the amount currently charged by way of initial charge or annual charge (as the case may be);
- the Scheme Particulars have been revised subject to the prior written approval of the Commissioners to reflect the proposed increase in that amount or the introduction of a charge;
- 90 days have elapsed since the revised Scheme Particulars became available; and
- the Board have given their prior written agreement.

22. Trustee's Fees and Disbursements

The remuneration of the Trustee is to be agreed between the Manager and Trustee with the prior written approval of the Board and is paid out of the property of each Fund. For the present accounting period, the Trustee, the Board and the Manager have agreed a fee of 0.05% per annum in relation to the net asset value of the property of each Fund, with a minimum fee set at £5,000 (+VAT). Subject to this £5,000 (+VAT), the maximum fee permitted is 0.15% per annum. The fee will accrue due and be calculated and paid on the same basis as the Manager's periodic charge.

The Trustee may increase its current fee if:-

- the Trustee has given notice in writing to the Manager and to the unitholders of its intention to increase the amount currently charged by way of a fee;
- the Scheme Particulars have been revised subject to the prior written

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approval of the Commissioners to reflect the proposed increase in that amount;

- (iii) 90 days have elapsed since the revised Scheme Particulars became available; and
- (iv) the Board have given their prior written agreement.

In addition, the Trustee will be paid out of the property of each Fund's expenses and disbursements properly incurred by it in performing duties imposed upon it under the relevant scheme or by general law. Such duties include but are not limited to the maintenance of the register delivery of stock to the custodian or the Trustee, custody of each Fund's assets, collection of income, submission of tax returns, handling tax claims, preparation of the Trustee's annual report and such other duties and functions as the Trustee is required by law to perform.

The total remuneration payable to the Trustee out of the property of each Fund for its services also includes transaction charges and custody charges. Transaction charges vary from country to country, dependent on the markets and the value of the stock involved and currently range from £10 to £550 per transaction and accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose. Custody charges again vary from country to country depending on the markets and the value of the stock involved and currently range from 0.0035% to 3 per cent and accrue quarterly and are payable within five business days after the end of the accrual period.

The Trustee shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Trustee and the Manager.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

23. Board's Expenses

The Board members shall be entitled to be paid out of the property of the Funds any reasonable costs or expenses incurred by them in carrying out their duties under the terms of the relevant Schemes including the cost of remunerating any secretary appointed by the Board in accordance with the relevant Scheme. Such reasonable and proper costs or expenses may be drawn from the property of each Fund by the Trustee as and when they occur.

24. Expenses and payments payable out of the Fund's assets

In addition to the Manager's initial and periodic charges and the Trustee's fees and disbursements, the Schemes allow for other reasonable costs or expenses incurred in respect of each Fund in administering or winding up the Funds to be paid directly from the property of the Funds. These include (without limitation):

- a) brokers' commission, fiscal charges and other disbursements which are:
 - (i) necessary to be incurred in effecting transactions for the relevant Fund, and
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- b) interest on borrowings permitted under the Schemes and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- c) taxation and duties payable in respect of the property of the Schemes or the issue of units;
- d) any costs incurred in modifying the relevant Scheme including the removal of obsolete provisions;
- e) any costs incurred in respect of meetings of holders;
- f) the audit fee properly payable to the auditor and value added tax thereon and any proper expenses of the auditor;
- g) any costs incurred in the production and printing of the Fund's annual and interim report and financial statements, Scheme Particulars and Key Features;
- h) the cost of listing the pricing of the Funds in publications and information services selected by the Manager including the Financial Times; and
- i) 25% of valuation and pricing fees of a Fund until such time as the relevant Fund value reaches £40m. Thereafter, the relevant Fund will meet 50% of such costs, with effect from the 1st Dec 2008 100% of valuation and pricing fees will be met by the relevant Fund
- j) the fees and costs of professional advisers in connection with the Funds;
- k) the costs of establishing the Funds.

25. Determination and Distribution of Income

The Alpha Common Investment Fund for Endowments and the Alpha Common Investment Fund for Income & Reserves pay distributions quarterly. The annual accounting period begins on 1 January in each year and ends on 31 December ("the accounting reference date" for the purposes of the Rules) and comprises four accounting periods, the interim periods ending 31 March, 30 June and 30 September and the final accounting period ending 31 December. Such distributions are normally paid in February, May, August and November.

Normally on 28 February, 31 May, 31 August and 30 November in each year ("the annual income allocation date" and "the interim income allocation date" respectively), an amount, as determined by the Manager under the terms of the scheme, is paid to holders of income units by way of a distribution and re-invested into the Fund in respect of accumulation unitholders. Units go "ex-distribution" approximately eight weeks before the distribution dates.

26. Equalisation

Grouping of units for equalisation is permitted by each Scheme. This means that units purchased during an accounting period (group 2 units; units purchased during a previous period are group 1 units) contain in their purchase price an amount called equalisation which represents a proportion of the net income of the relevant Fund already accrued up to the date of purchase. This is refunded to holders of group 2 units as part of their first distribution but for tax purposes is treated as a return of capital.

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The Manager may, at its discretion, dispense with income equalisation in the future.

27. Method of Distribution

Any moneys payable by the Trustee to a Participating Charity in respect of any income unit may be paid by crossed cheque, warrant or payment by bank transfer for the amount of the gross distribution must, where applicable, be made payable to the account of that charity or of the trustees of that charity.

The trustees of a Participating Charity may authorise the Trustee to make a payment by any other means.

28. Meeting of Unitholders

All General Meetings ("meetings") are called and conducted for such purposes as the Trustee sees fit in accordance with the terms of the relevant Scheme. Unitholder meetings may be held less frequently for the Funds than would be the case for a fund regulated by the Financial Services Authority however, under the terms of each Scheme the Board is specifically appointed to represent and protect the interests of unitholders.

What follows is a brief summary of proceedings, relevant to meetings if and when required. Further information is available upon request from the offices of the Manager. Meetings may be convened at any time by the Trustee or at the request of unitholders holding not less than one tenth in value of the units in issue (in this last instance the Trustee would convene the meeting on the unitholders behalf). The Manager is entitled to receive notice of and attend any meeting of unitholders but is not entitled to vote or be counted in the quorum. Other attendees who have the right to attend are the Trustee (and its solicitors), the Funds' solicitor and any person appointed as proxies by registered unitholders. Meetings shall be held at such time and place (subject as hereinafter provided) as may be thought fit. Any such meeting shall be held either in London or at such other place as the Trustee may determine or approve.

Unitholders would be given notice to attend a meeting for their agreement to the following to approve or sanction any act or thing required to be approved or sanctioned by the Holders in General Meeting under these Scheme Particulars.

Fourteen days' notice at the least of every meeting shall be given to unitholders (this includes the day on which the notice is received and the day on which the notice was posted). Notice is considered given on the second day follow posting. The accidental omission to give notice or the non-receipt by any unitholder(s) does not invalidate a meeting. The notice includes information on the time, date and place of the meeting and the resolutions proposed.

A chairperson, who does not have to be a unitholder and who is nominated in writing by the Trustee, conducts the meeting. If no such person is nominated or, if at any meeting the person nominated is not present within fifteen minutes of the appointed time of the meeting, the unitholder present can select someone else to be chairperson.

The quorum shall be two or more unitholders 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 half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to another day and time. This must be not less than fifteen days thereafter. At any adjourned meeting, the unitholders or the only unitholder present in person or by proxy thereafter shall be a quorum.

At a meeting of unitholders every unitholder who (being a charity) is present by one of its officers as its proxy or by postal proxy shall on a show of hands have one vote. A charity being a unitholder may authorise such person as it thinks fit to act as its representative at any meeting of unitholders.

On a poll every charity who is present by one of its officers as its proxy or by postal proxy shall have one vote for every complete undivided share in the property of the Funds and a further part of one vote proportionate to any fraction of such an undivided share of which they are a holder and a holder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

Minutes of all resolutions and proceedings at every meeting shall be made and shall be conclusive evidence of the matters conducted within the meeting.

For the purpose of these Scheme Particulars, an "Extraordinary Resolution" means a resolution which is proposed and passed by a majority consisting of seventy-five per cent or more of the total number of votes cast for and against such resolution at a meeting.

29. Winding Up

If the Trustee is of the opinion that it is expedient in the interests of the Participating Charities to wind up the Fund, it shall serve on the Board a notice of the Trustee's intention to wind up the Fund. The Board shall submit its representations (if any) to the Trustee within one calendar month from the date of the notice from the Trustee.

If, upon consideration of the Board's representations (if any), the Trustee remains of the opinion that a winding up of the Fund is expedient in the interests of the Participating Charities, the Trustee may execute a written declaration that the Funds are to be wound up, and if it does so, it will:

- (a) Send a copy of the declaration to the Commissioners, the Manager and to the Board and publish it as the Commissioners direct;
- (b) Inform the Participating Charities in writing that the Funds are to be wound up; and
- (c) As soon as practicable after the Funds fall to be wound up, realise the property of the Funds. After paying out of the Funds for all liabilities properly payable out of the Funds, and the costs of winding up, the Trustee will distribute that part of the proceeds of the realisation represented by income units to the Participating Charities holding income units immediately before the date of the declaration pro rata to such holdings, and that part of the proceeds of the realisation represented by accumulation units to the Participating Charities holding accumulation units immediately before that date pro rata to such holdings.

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30. Taxation Information

This information is based on the Manager's understanding of the current law and Inland Revenue practice, which can change. It is intended to be only a summary of the tax position and is not exhaustive. It does not take account of individual circumstances and unitholders must consult their own tax advisers in case of doubt.

Tax of the Funds

(a) Income

Each Fund is exempt from tax on its income from its investments in the same way as applies in the case of charities generally.

Dividends paid by UK companies no longer carry a tax credit.

(b) Chargeable gains

The gains of the Funds will not be chargeable to capital gains tax on gains, in the same way as applies in the case of charities generally.

Taxation of the Unitholder

a) Income

Distributions of income to Unitholders will be treated in the same way as annual payments but will be payable gross.

b) Capital Gains

Any gain made by a Unitholder on a disposal of Units in the Funds will be subject to the usual exemption for chargeable gains of charities.

c) Stamp Duty/Stamp Duty Reserve Tax

There is no stamp duty or stamp duty reserve tax payable on the issue or redemption of Units in the Funds.

31. Replacement of the Manager

Subject to the provisions of the Scheme, the Board may apply to the Charity Commissioners for an order to discharge the Manager. Under the terms of the Scheme the Board must use its best endeavours to replace the Manager with appropriately qualified replacements. The Manager may only be discharged by an order of the Charity Commissioners and any new Manager shall be appointed by an order of the Charity Commissioners.

32. Indemnity

For the protection of the Funds and their unitholders, every unitholder must indemnify the Funds against any income or capital gains tax to which the Funds may become liable as a result of that unitholder not being, or ceasing to be, eligible to participate in the Funds. When applying for units or when units are being transferred, every prospective unitholder must therefore complete and sign a form of indemnity.

33. Modifications

As the Schemes are established under Orders of the Charity Commissioners for England and Wales any proposed amendments or variations to the relevant Schemes requires a further Scheme(s) of the Commissioners.

These Scheme Particulars may be revised from time to time by the Manager. In certain circumstances such revisions require the prior

approval in writing of the Commissioners for example where such revision includes modifications to the remuneration of the Manager and/or the Trustee).

34. Accounts and report

For the purposes of Part VI of the Charities Act and of the Charities (Accounts and Reports) Regulations 2005 only, the Manager shall be considered the charity trustee of the Funds within the meaning of the Charities Act.

The Manager shall prepare and submit to the Commissioners in respect of each financial year of the Funds a statement of accounts and annual report complying with the requirements of the Charities Act and the Charities (Accounts and Reports) Regulations 2005, the value of assets and liabilities of the Funds being determined in accordance with the methods and principles set out in the Statement of Recommended Practice for Collective Investment Schemes issued by the Investment Management Association current at each financial year end. The Manager shall also prepare a half-yearly report and accounts for the Funds made up to the date of the interim balance sheet, a copy of which shall be supplied to the Commissioners.

The Manager shall cause the accounts in respect of each financial year to be audited by the auditor appointed by the Board;

- (a) in accordance with section 25 of the Companies Act 1989 (eligibility for appointment) eligible for appointment as company auditor; or
- (b) a member of a body for the time being specified in regulations under section 44 of the Charities Act and is under the rules of that body eligible for appointment as auditor of the fund.

35. General Information

These Funds are similar to a unit trust and should be regarded as a medium to long term investment. The Participating Charities are reminded that, as in unit trusts, the value of units and the income from them may go down as well as up. The value of units may be affected adversely by movements in exchange rates. On a re-purchase the Participating Charity may not get back the sum invested.

Complaints about the operation of the Funds may be made to the Manager or, for eligible complaints, directly to the Financial Ombudsman Service, Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800. More details about the Manager's complaints procedure and the Financial Ombudsman Service are available from the Manager.

The annual report for the Funds will be published and distributed to unitholders within 4 months of the Funds' annual accounting date. Interim reports will be published and distributed within 2 months of the interim accounting date.

The Manager is not required to provide its own accounts as Manager although Fund accounts will be provided in summary form. The Trustee is also required to report annually on the management of the Funds.

Copies of the Schemes, the Scheme Particulars and the most recent annual and half-yearly accounts and reports are kept and may be inspected at and obtained free of charge from Sarasin Investment Funds Limited, Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU.

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Copies of any amendments or variations to the Schemes and/or the Scheme Particulars must be sent to unitholders as soon as possible. Alternatively unitholders may be notified of these amendments or variations in such other manner as the Commissioners may approve in writing.

Telephone calls to the Manager and/or the Trustee may be recorded or monitored for the protection of the investor.

The Manager, the Investment Adviser and other companies within the Sarasin Group may from time to time act as investment managers or advisers to other funds which follow similar investment objectives to those of the Funds. It is, therefore, possible that the Manager and/or the Investment Manager may, in the course of their business, have potential conflicts of interest with a particular Fund.

For example, the Investment Manager may make investments for other clients or on its own behalf without making the same available to the Funds. Each of the Manager and the Investment Manager will, however, have regard in such circumstances to its obligations under the Investment Management Agreement and, in particular, to its obligation to act in the best interests of the Funds so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

Nothing shall prevent the Trustee from acting as trustee or depositary for any other person, company or collective investment scheme on such terms as it may agree therewith notwithstanding that it may have a potential or actual conflict of interest or duty.

The Trustee will not be liable to account to the Funds, the Charity Commissioners or the Manager for, or to disclose to the Funds, the Charity Commissioners or the Manager any profit or charges or other remuneration the Trustee makes or receives from or by reason of acting as trustee or depositary and shall not be deemed to be affected with notice of, or to be under any duty to disclose to the Funds, the Charity Commissioners or the Manager, any fact or thing which may come to its knowledge or that of any of its employees or agents in the course of so doing or in any manner other than in the course of carrying out its obligations as trustee to the Funds.

The Trustee may arrange for any transaction, function or any other duty that it may have to be effected with or through itself or any associate of the Trustee. The Trustee may make that decision (subject to the restrictions set out in the Scheme, Scheme Particulars and the general law) at its absolute discretion and without prior disclosure to the Fund, the Charity Commissioners or the Manager.

If the Trustee arranges for any transaction, function or any other duty that it may have referred to herein or under the general law to be effected with, or through itself or an associate of the Trustee neither the Trustee nor any such associate will be liable to account to the Funds, the Charity Commissioners or the Manager for, or to disclose to the Funds, the Charity Commissioners or the Manager any profit or charges or other remuneration the Trustee or any such associate makes or receives from or by reason of the transaction or any connected transaction.

36. Miscellaneous

The Trustee may decide conclusively any question arising under each Scheme as to:

- (a) the rights of Participating Charities;
- (b) whether any property of the Fund is income or capital;
- (c) the value of any property of the Fund; or
- (d) the time to which any incoming resource, liability or expense is to be attributed.

Appendix 1: Eligible Markets

The Fund may invest or deal through the following securities markets and exchanges, and derivatives markets (derivatives are used for Efficient Portfolio Management only see section 13):

- (i) A securities market established in an EC or EEA country on which transferable securities admitted to the official listing in that country are dealt in or traded: or
- (ii) Any of the following markets:-

Australia	The Australian Stock Exchange Limited
Canada	The Montreal Stock Exchange The Toronto Stock Exchange The TSX Ventures Exchange
Hong Kong	The Hong Kong Stock Exchange
Japan	The Tokyo Stock Exchange The Osaka Securities Exchange The Nagoya Stock Exchange The Sapporo Stock Exchange The OTC Market JASDAQ
Republic of Korea	The Korea Stock Exchange
Mexico	The Mexican Stock Exchange
New Zealand	The New Zealand Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Switzerland	The SWX Swiss Exchange
Thailand	Stock Exchange of Thailand
United Kingdom	'When Issued Trading'
United States	The American Stock Exchange The New York Stock Exchange The Pacific Stock Exchange The Philadelphia Stock Exchange The NASDAQ Stock Market The Boston Stock Exchange The Chicago Stock Exchange The National Stock Exchange
Others	The International Securities Market Association

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A securities market is also an approved securities market if it is:-

- a) the Alternative Investment Market of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;
- b) Virt-x;
- (iii) An "eligible derivatives market" is:-

Any of the following markets:-

Austria	Austria Stock Exchange
Belgium	Euronext Brussels
Denmark	FUTOP (Copenhagen Stock Exchange)
Finland	Helsinki Exchanges
France	Euronext Paris
Germany	Eurex
Ireland	Irish Stock Exchange
Italy	Italian Futures Market
Netherlands	Euronext Amsterdam
Spain	MEFF Renta Variable (Madrid Futures and Options Market)
	MEFF Renta Fija (Barcelona Futures and Options Market)
Sweden	Stockholmsborsen
United Kingdom	LIFFE
	OMLX
Australia	Sydney Futures Exchange
Canada	The Montreal Exchange
	Toronto Futures Exchange
Hong Kong	Hong Kong Exchanges
Japan	Tokyo Stock Exchange
	Tokyo International Financial Futures Exchange (TIFFE)
	Osaka Securities Exchange
New Zealand	New Zealand Futures Exchange
Singapore	Singapore Exchanges
South Africa	JSX Securities Exchange
	The South African Futures Exchange (SAFEX)
Switzerland	Eurex
United States	Chicago Board of Trade
	Chicago Board of Options Exchange (CBOE)
	Chicago Mercantile Exchange
	New York Futures Exchange
	New York Mercantile Exchange (NYMEX)
	Kansas City Board of Trade
	Pacific Stock Exchange
	Philadelphia Stock Exchange
	Philadelphia Board of Trade

