

## SCHEDULE 1

### PROVISIONS APPLICABLE TO EACH FUND

1.—(1) Each fund shall be treated as being divided into units, each of which shall represent an equal undivided part of the fund.

(2) The number of units into which each fund is to be treated as being divided at the commencement of this scheme shall be the same as the number of units in the fund of the same name established under the Common Investment Funds Scheme 1965(1) immediately before its revocation.

(3) If at any time the value of a unit appears to the Accountant General to be too high to admit of monies being conveniently invested in the fund, he may direct that each unit shall be divided in such manner as he may think fit.

2. No document of title shall be issued in respect of any unit.

3.—(1) The following provisions of this paragraph shall have effect for the purpose of regulating the allotment of units to, and their realisation by, the Accountant General.

(2) On such days as the investment manager may appoint, not being fewer than 24 in each calendar year during the whole of which the fund is operating, the fund shall be valued in accordance with the relevant provisions of this Schedule and the value of the fund and the buying and selling prices of units on each of those days shall be determined by the investment manager in accordance with those provisions.

(3) On a valuation day the Accountant General shall—

- (a) in the case of each account kept in pursuance of Funds Rules to the credit of which there stands money falling to be invested in the fund, estimate the number of units that can be purchased with that money and inform the investment manager of the aggregate number; and
- (b) in the case of each such account to the credit of which there stand units which he is under a duty to realise, estimate the number of units to be realised and inform the investment manager of the aggregate number.

(4) If, on a valuation day, the aggregate number of units of which the investment manager is informed in pursuance of sub-paragraph (3)(a) above differs from that of which he is informed in pursuance of sub-paragraph (3)(b), he shall—

- (a) estimate the cost attending the creation or realisation (according to which of those numbers exceeds the other) of units to a number equal to the difference;
- (b) apportion the said cost in such manner as he may think just between the aggregate number of units of which he is informed in pursuance of sub-paragraphs (3)(a) and (3)(b) respectively; and
- (c) inform the Accountant General of the buying and selling prices of units on that day ascertained in accordance with paragraph 5(2) of this Schedule.

(5) The Accountant General shall if necessary revise, in the light of the buying and selling prices of which he is informed in pursuance of sub-paragraph (4)(c) above, the number of units to be purchased and realised respectively and shall notify the investment manager accordingly.

(6) If, on a valuation day—

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(1) S.I.1965/1467, as amended by S.I. 1972/528.

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- (a) the number of units to be purchased exceeds the number to be realised, the number of units into which the fund is treated as being divided and the number deemed to be allotted to the Accountant General shall thereupon be increased by the difference;
  - (b) the number of units to be realised exceeds the number to be purchased, the number of units into which the fund is treated as being divided and the number deemed to be allotted to the Accountant General shall thereupon be reduced by the difference.
4. For the purpose of valuing the fund—
- (a) the value of any security quoted on a stock exchange shall be ascertained by reference to the published closing price on the previous day or, if there is no such price, by reference to the last published closing price; and the value of a security quoted on more than one stock exchange shall be ascertained by reference to the published closing price on the previous day on the exchange considered by the investment manager to be most appropriate;
  - (b) the value of assets, other than securities quoted on a stock exchange, shall be such as may be determined by the investment manager, who may, for the purpose of making such a determination, obtain and accept a valuation by a professional valuer, accountant, or other person considered by him to be duly qualified in that behalf.
- 5.—(1) The value of a unit on a valuation day shall be an amount equal to the quotient derived by dividing by the number of units into which the fund is treated as being divided on that day the value to the nearest pound of the fund on that day plus—
- (a) any income for the time being withheld by virtue of paragraph 8(2) of this Schedule; and
  - (b) any income accrued since the last accounting date;
- minus any accrued liabilities chargeable against the fund.
- (2) The buying or selling price of a unit on a valuation day shall be the value of the unit on that day increased or reduced, if necessary, by the proportion attributable to the unit in accordance with paragraph 3(4)(b) of this Schedule of the cost attending the creation or realisation of units to the number required by paragraph 3(4)(a) and rounded down to four significant figures.
6. As soon as may be after a valuation day the Accountant General and the investment manager shall strike a balance of the cost of purchase and proceeds of sale of units on that day, and the Accountant General shall pay to the investment manager or, as the case may be, the investment manager shall pay to the Accountant General, the amount found due from him.
7. On each accounting date the investment manager shall determine the amount to be distributed as income expressed in terms of dividend payable on each unit held at that date, and on the dividend date next following shall pay to the Accountant General the amount so determined.
- 8.—(1) The investment manager may determine, without regard to any rule of law applicable to trust funds, whether any special dividend, bonus issue of shares, cash or other property received by him in respect of property comprised in the fund shall be treated as income or as capital or shall be apportioned, and, if so, in what proportions, between income and capital.
- (2) The investment manager may withhold income of the fund from distribution with a view to avoiding fluctuations in the amounts distributed.