

LF Canada Life Investments Authorised Contractual Scheme

VCN: 2776



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- Umbrella authorised contractual scheme in co-ownership form
- Alternative investment fund (AIF)
- Non-UCITS Retail Scheme (NURS)

WARNING: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT A PROFESSIONAL ADVISER.

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Glossary

“**ACS**” LF Canada Life Investments Authorised Contractual Scheme, constituted as a Co-Ownership Scheme;

“**ACS Deed**” the deed constituting the ACS as amended from time to time in accordance with the COLL Sourcebook;

“**ACS Manager**” Link Fund Solutions Limited, the authorised contractual scheme manager and AIFM of the ACS and its successors as ACS manager;

“**ACS Manager’s Group**” the group of companies consisting of the ultimate holding company of the ACS Manager and each of the subsidiaries of that holding company;

“**Administrator**” State Street Bank & Trust Company, London Branch or such other entity as is appointed to act as the administrator to the ACS from time to time;

“**AIF**” an alternative investment fund, as that term is defined in Regulation 3 of the AIFM Regulation;

“**AIFM**” ‘Alternative Investment Fund Manager’ as that term is understood in the AIFMD and the Regulations;

“**AIFM Regulation**” the Alternative Investment Fund Managers Regulations 2013 (as amended from time to time);

“**AIFMD**” the Alternative Investment Fund Managers Directive (2011/61/EU);

“**Approved Bank**” one of certain approved banks as defined in the glossary of definitions to the FCA Handbook;

“**Associate**” any member of the ACS Manager’s Group or any other person whose business or domestic relationship with the ACS Manager or the ACS Manager’s associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties;

“**Auditor**” Ernst & Young LLP, or such other entity as is appointed to act as auditor to the ACS from time to time;

“**Authorised Contract**” a contract which the ACS Manager is authorised to enter into on behalf of the Unitholders for the purposes of and in connection with, the acquisition, management and/or disposal of any Scheme Property (but does not include a contract by which a person becomes a Unitholder);

“**Base Currency**” the currency in which the accounts of the ACS are to be prepared as stated in paragraph 2.1.2. Where the context requires, reference to “base currency” shall be to the reference currency to be used for a particular Sub-fund or Class or payments in relation to either of them;

“**Business Day**” a day which is not a Saturday or a Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange plc are not open for normal business in the UK. In addition, the ACS Manager may also elect to treat certain days as non-business days. Where possible, Unitholders will be notified in advance of such cases;

“**Certificate of Eligibility**” the certificate in the form set out in Appendix VII, or as may be amended by the ACS Manager from time to time, to be provided by each Unitholder and prospective Unitholder confirming that they are an Eligible Investor as required under section 3;

“Class” in relation to Units and according to the context, a particular class of Units related to a single Sub-fund or all of the Units related to a single Sub-fund, where there is only one class of Units in that Sub-fund;

“COLL” refers to the appropriate chapter or rule in the COLL Sourcebook;

“COLL Sourcebook” the Collective Investment Schemes Sourcebook published by the FCA and forming part of the FCA Handbook;

“Commitment Approach” the standard methodology used to calculate global exposure arising from the use of derivatives by the Sub-fund. When using the commitment approach, the ACS Manager may take account of netting and hedging arrangements when calculating global exposure of the Sub-fund, where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure;

“Contractual Scheme Rules” the rules in the COLL Sourcebook made by the FCA under Section 2611 of FSMA in relation to:

- (a) the constitution, management and operation of authorised contractual schemes;
- (b) the powers, duties, rights, and liabilities of the ACS manager and depositary of any such scheme;
- (c) the rights and duties of the unitholders in any such scheme; and
- (d) the winding up of any such scheme;

“Conversion” the conversion of Units in one Class in a Sub-fund to Units of another Class in the same Sub-fund and “Convert” shall be construed accordingly;

“Co-Ownership Scheme” a collective investment scheme which satisfies the conditions in Section 235A(3) of FSMA, as amended, and which is authorised for the purposes of FSMA by the FCA;

“Dealing Day” in respect of the Sub-fund and each Class, the days specified in Appendix I;

“Depositary” State Street Trustees Limited, or such other person as is appointed to act as depositary of the ACS from time to time;

“Depositary Services Agreement” the agreement between the ACS Manager and the Depositary, under which the Depositary agrees to act as the depositary of the ACS and to provide, among others, safekeeping services in relation to the Scheme Property as more particularly described in paragraph 6.3 of this Prospectus;

“EEA State” a member state of the European Union and any other state which is within the European Economic Area;

“Efficient Portfolio Management” or “EPM” for the purposes of this Prospectus, techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;

(ii) reduction of cost; or

(iii) generation of additional capital or income for the Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in the COLL Sourcebook as more fully described in Appendix III;

“Eligible Institution” one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;

“Eligible Investor” or “Eligible Investors” all or any one of the following:

(a) a Professional ACS Investor;

(b) a Large ACS Investor; or

(c) a person who already properly holds Units in the ACS;

“EU Regulation” the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;

“FCA” the Financial Conduct Authority, which expression shall include any replacement or successor regulatory body;

“FCA Handbook” the handbook of rules and guidance made under FSMA and published by the FCA as amended or replaced from time to time;

“FCA Rules” the rules contained in the COLL Sourcebook and the FUND Sourcebook, as amended or replaced from time to time, which shall, for the avoidance of doubt, not include guidance or evidential provisions contained in such Sourcebooks;

“FSMA” the Financial Services and Markets Act 2000, as amended or replaced from time to time;

“FUND” refers to the appropriate chapter or rule in the FUND Sourcebook;

“FUND Sourcebook” the Investment Funds Sourcebook published by the FCA and forming part of the FCA Handbook;

“HMRC” Her Majesty’s Revenue & Customs;

“Investment Management Agreement” the investment management agreement between the Investment Manager and the ACS Manager under which the Investment Manager agrees to provide, among others, investment and portfolio management functions as more particularly described in paragraph 6.4 of this Prospectus;

“Investment Manager” Canada Life Asset Management Limited, the investment manager appointed by the ACS Manager with respect to the ACS;

“Large ACS Investor” a person who, in exchange for Units, makes a payment of not less than £1 million or contributes property with a value of not less than £1 million;

“Member State” a member state of the European Union;

“**Net Asset Value**” or “**NAV**” the value of the Scheme Property of the Sub-fund (or, as the context requires, and in the event that additional Sub-funds are created, of all existing Sub-funds of the ACS) less all the liabilities of that Sub-fund (or, if applicable, of all existing Sub-funds of the ACS) determined in accordance with the ACS Deed;

“**NAV per Unit**” as determined in accordance with the Regulations, the ACS Deed and this Prospectus;

“**NURS**” a non-UCITS retail scheme, being a type of scheme referred to in the COLL Sourcebook;

“**OTC**” over-the-counter derivative: a derivative transaction which is not traded on an investment exchange;

“**Professional ACS Investor**” a person who is a “professional client” for the purposes of the Markets in Financial Instruments Directive;

“**Prospectus**” the prospectus for the time being current in relation to the ACS and published by the ACS Manager pursuant to Chapter 4 of the COLL Sourcebook;

“**Register**” the register of Unitholders;

“**Registrar**” Link Fund Administrators Limited, or such other entity as is appointed to act as registrar to the ACS from time to time;

“**Regulations**” the EU Regulation, the AIFM Regulation, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (SI 2013/1388) and the FCA Handbook (including the COLL Sourcebook, FUND Sourcebook and the Contractual Scheme Rules) and any other applicable rules made under FSMA from time to time in force. This does not include guidance or evidential requirements contained in the FCA Handbook;

“**Rome I**” Regulation (EC) 593/2008;

“**Scheme Property**” the scheme property of the Sub-fund or the ACS (as appropriate);

“**SDLT**” stamp duty land tax (or, when and where applicable, the Scottish Land and Buildings Transaction Tax (“LBTT”) and Welsh land tax);

“**SDRT**” stamp duty reserve tax;

“**Standing Independent Valuer**” the following entities:

- Cushman & Wakefield Debenham Tie Leung Limited; and
- BNP Paribas Real Estate Advisory & Property Management UK Ltd,

or such others appointed to act as standing independent valuer to the ACS from time to time;

“**Sub-fund**” or “**Sub-funds**” a sub-fund of the ACS (being Scheme Property which is pooled separately) to which specific assets and liabilities of the ACS may be allocated and which is invested in accordance with the investment objective applicable to such Sub-fund, currently being the LF Canlife UK Property ACS;

“**Switch**” the switch, where available and permissible and in the event that additional Sub-funds are created, of Units of one Sub-fund for Units of another Sub-fund and “Switching” shall be construed accordingly;

“**Taxation**” all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes (including taxes required to be deducted or withheld from or accounted for in respect of any payment), duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them;

“**UK**” or “**United Kingdom**” the United Kingdom of Great Britain and Northern Ireland;

“**Unit**” or “**Units**” a unit or units representing the rights and interests of the Unitholders in a Class or Sub-fund;

“**Unitholder(s)**” in relation to a Class or Sub-fund, means every person who is a unitholder in that Class or Sub-fund at that time and in relation to the ACS means all unitholders in the ACS at that time;

“**US Persons**” any person resident in the United States of America or any other person specified in Regulation S under the United States Securities Act 1933, as amended from time to time and as may be further supplemented by the ACS Manager;

“**Valuation Point**” the point on a Dealing Day, whether on a periodic basis or for a particular valuation, at which the ACS Manager carries out a valuation of the Scheme Property for the ACS or a Sub-fund (as the case may be) to determine the price at which Units of a Class may be issued, cancelled or redeemed. The valuation point is on each Dealing Day with the exception of the last working day before Christmas and the last working day before New Year or on a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACS Manager and the Depositary.

The current Valuation Point is set out in Part I of Appendix I for each Sub-fund. The regular Valuation Point may be changed on reasonable notice being given to Unitholders; and

“**VAT**” value added tax under the UK Value Added Tax Act 1994.

Directory

**ACS MANAGER AND AUTHORISED FUND
MANAGER (AFM) AND ALTERNATIVE
INVESTMENT FUND MANAGER (AIFM):**

Link Fund Solutions Limited
6th Floor
65 Gresham Street
London
EC2V 7NQ

DEPOSITARY:

State Street Trustees Limited
20 Churchill Place
London
E14 5HJ

INVESTMENT MANAGER:

Canada Life Asset Management Limited
Canada Life Place
High Street
Potters Bar
Hertfordshire
EN6 5BA

ADMINISTRATOR:

State Street Bank & Trust Company, London Branch
20 Churchill Place
London
E14 5HJ

REGISTRAR:

Link Fund Administrators Limited
Arlington Business Centre
Millshaw Park Lane
Leeds
LS11 0PA

STANDING INDEPENDENT VALUERS:

Cushman & Wakefield Debenham Tie Leung Limited
125 Old Broad Street
London
EC2N 1AR

BNP Paribas Real Estate Advisory & Property
Management UK Ltd
5 Aldermanbury Square
London
EC2V 7BP

LEGAL ADVISERS:

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

AUDITORS:

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

1. About this document

Link Fund Solutions Limited is responsible for the information contained in this Prospectus.

To the best of the knowledge and belief of the ACS Manager (having taken all reasonable care to ensure that such is the case), the information contained herein does not contain any untrue or misleading statement or omit any matters required by the rules contained in the Regulations to be included in it. It accepts responsibility accordingly.

A copy of this Prospectus has been sent to the FCA and the Depositary.

No person has been authorised by the ACS Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus or any key features or key investor information document prepared by the ACS Manager and, if given or made, such information or representations must not be relied upon as having been made by the ACS Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the ACS have not changed since the date hereof.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such a solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units in the ACS or the Sub-fund to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective Unitholders should inform themselves as to the legal requirements of applying for Units and any applicable exchange control regulations and tax treatment of their investment in the ACS or the Sub-fund in the countries of their respective citizenship, residence, domicile or incorporation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units and the tax treatment of their investment in the ACS.

The provisions of the ACS Deed are binding on the Depositary, the ACS Manager and each of the Unitholders (who are deemed to have notice of them) and a copy of the ACS Deed is available on request from Link Fund Solutions Limited. All Unitholders are entitled to the benefit of the provisions of the ACS Deed. This Prospectus has been issued for the purpose of Section 21 of FSMA by Link Fund Solutions Limited.

US Persons are not permitted to subscribe for Units. The Units have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act 1933, the United States Investment Company Act 1940 and similar requirements of such state securities law.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. This Prospectus may at any time be replaced by a new Prospectus issued by the ACS Manager; investors should therefore check with the ACS Manager that this is the most recently published Prospectus issued by the ACS Manager. The ACS Manager cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Link Fund Solutions Limited that this is the most recently published Prospectus.

Important: if you are in any doubt about the contents of this Prospectus, you should consult your professional adviser.

2. About the ACS and its structure

2.1 General Information

2.1.1 General

LF Canada Life Investments Authorised Contractual Scheme is an authorised contractual scheme in the form of a Co-Ownership Scheme authorised by the FCA with effect from 27 September 2017. Its FCA product reference number is 745360.

The ACS has an unlimited duration.

As a consequence of being constituted as a Co-Ownership Scheme, the Sub-fund may be treated as tax transparent for the purposes of income and/or gains by relevant taxing jurisdictions where Unitholders are subject to taxation and/or from which any underlying income or gains arising to the Sub-fund are derived. Depending on the jurisdictions concerned, this treatment may apply notwithstanding that the income and the gains of the Sub-fund may not be distributed to Unitholders but instead accumulated. Such tax transparency cannot, however, be guaranteed.

Where the Sub-fund is regarded as tax transparent in relevant taxing jurisdictions, each Unitholder should be entitled to claim the benefits of any applicable double taxation treaty between that Unitholder's jurisdiction of residence and the jurisdiction in which any underlying income or gains arise. Each Unitholder should take appropriate advice as to the tax treatment of their investment in the Sub-fund.

In order for such treaty benefits to be available in relation to any underlying income and gains, it will generally be necessary that both the Unitholder's jurisdiction of tax residence and the jurisdiction having primary taxing rights over such income and gains recognise the tax transparency of the Sub-fund. In cases where one or other competent authority does not recognise the tax transparency of the Sub-fund, withholding tax or other taxes may arise which would not have arisen had the Unitholder directly owned the underlying investments. In other words, that Unitholder would not obtain the benefits of tax transparency. For further information regarding the tax status of the ACS, please see section 9 of this Prospectus.

It will be the responsibility of the Depositary to make the necessary filings for reclaims of any tax withheld in cases where such reclaims are available, or to protect against amounts being withheld in the first place, as the case may be. Any economic benefit from such claims will be attributed to the appropriate Class in the Sub-fund, in order that only the Unitholders entitled to relevant treaty benefits should benefit from the amounts reclaimed.

To this end, Unitholders will be required to provide the ACS Manager with evidence of their tax residence and of their particular tax status for treaty benefit purposes within that jurisdiction. It will be the responsibility of the Unitholder to notify the ACS Manager promptly should there be a change in such status.

Currently the ACS has one Sub-fund, LF Canlife UK Property ACS.

Unitholders are not liable for the debts of the Sub-fund. Unitholders are not liable to make any further payment to the Sub-fund after they have paid the purchase price of their Units.

2.1.2 Base currency

The base currency of the ACS and the reference currency of the Sub-fund is pounds sterling.

2.2 The structure of the ACS

2.2.1 The Sub-funds

The ACS is structured as an umbrella authorised contractual scheme in that different Sub-funds may be established from time to time by the ACS Manager with the approval of the FCA. On the introduction of any new Sub-fund, a revised prospectus will be prepared setting out the relevant details of each Sub-fund.

The ACS is a non-UCITS retail scheme.

The assets of each Sub-fund are beneficially owned by the Unitholders in that Sub-fund as tenants in common and must not be used to discharge any liabilities of, or meet any claims against, any person other than the Unitholders in that Sub-fund.

Consequently, the assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the ACS attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Units of those Classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACS Manager to the Sub-funds in a manner which it believes is fair to the Unitholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

Please also see paragraph 5.9 below.

The eligible securities markets and eligible derivatives markets in which the Sub-fund may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of the Sub-fund is set out in Appendix III.

2.2.2 Units

2.2.2.1 Eligible investors

Units may not be issued to a person other than an Eligible Investor.

In addition to the Certificate of Eligibility in the form set out in Appendix VII, investors will be required to provide the ACS Manager with such information and documents as it may require regarding the investor and its tax status to enable appropriate tax treatment and benefits to be available.

In addition, investors must also meet any other investment criteria for any Class in which they intend to invest.

In the event that the ACS Manager becomes aware that the Units are vested in a person other than an Eligible Investor the ACS Manager reserves the right to redeem or Convert such Units as soon as practicable. In these circumstances, the provisions of paragraph 3.9 and (where appropriate) paragraph 3.6 shall apply.

In such scenarios, the ACS Manager is not obliged to give the Unitholders prior notice of its actions and the Unitholder bears any consequent risks, including that of market movement.

In the event that a Unitholder becomes aware that it is not an Eligible Investor or that it beneficially owns Units which are inappropriate for its tax status, or for which it does not meet the other investment criteria as set out in this Prospectus and the appendices, then it will inform the ACS Manager as soon as possible and, in any event, within five days of first becoming aware, and the ACS Manager will take action in accordance with the above provisions.

2.2.2.2 Classes of Unit within the Sub-fund

The ACS may issue Units of different Classes as set out in Appendix I. Units may be available as gross income, gross accumulation, net income and net accumulation Units. Further details of the Units presently available for the Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

Units have no par value and, within each Class in the Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the termination of the Sub-fund or winding up of the ACS. Units do not carry preferential or pre-emptive rights to acquire further Units.

Further Classes of Unit may be established from time to time by the ACS Manager with the agreement of the Depositary and in accordance with the ACS Deed and the Regulations. On the introduction of any new Class, a revised prospectus will be prepared, setting out the details of each Class.

The currency in which each new Class will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class.

The Sub-fund has different Classes. Each Class of Units in a Sub-fund, where relevant, may attract different rates of non-United Kingdom withholding or other taxes, as well as charges, and so monies may be received or deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within the Sub-fund will be adjusted accordingly.

If a Unitholder's tax status changes for whatever reason (for example, where its withholding tax rate or tax reclaim rate diverges from that of the other Unitholders in a Class due to changes in taxation treaties or domestic exemptions affecting the Unitholder), or where the Unitholder has failed to provide in a timely fashion such documentation as the ACS Manager may require in order to establish the Unitholder's tax status, or where the Unitholder fails to meet any other investment criteria for the Sub-fund or Class, the ACS Manager may in its sole discretion redeem that Unitholder's Units or may Convert their Units into an appropriate Class as referred to in the paragraph headed "Eligible investors" above, if an appropriate Class is available.

In such scenarios, the ACS Manager is not obliged to give the Unitholder prior notice of its actions and the Unitholder bears any consequent risks, including that of market movement.

The net proceeds from subscriptions to the Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. As and when additional Sub-funds are created, the ACS Manager will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the Unitholders in the relevant Sub-fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACS Manager will allocate such Scheme Property, assets, costs, charges or expenses in a manner which is fair to all Unitholders of the ACS.

Holders of accumulation Units are not entitled to be paid the income attributed to those Units, but rather that income is automatically transferred to (and retained as part of) the capital assets of the Sub-fund on each interim income allocation date (if any), as well as on each interim accounting date (if any) and each annual accounting date. This income will be reflected in the price of an accumulation Unit. The classes of gross accumulation Units and net accumulation Units available at the date of this Prospectus have interim income allocation dates on a quarterly basis as set out in Appendix I.

Holders of income Units will be entitled to be paid the distributable income attributed to those Units. Any income distribution will be made on the relevant allocation date for the Sub-fund to those Unitholders who are entitled to the allocation by evidence of their holding on the Register at the previous accounting date. If an income allocation date is not a Business Day, the allocation will be made on the next Business Day. The classes of gross income Units available at the date of this Prospectus have interim income allocation dates on a quarterly basis as set out in Appendix I.

Unitholders are entitled (subject to certain restrictions, in particular as regards meeting the eligibility criteria) to Convert all or part of their Units in a Class in the Sub-fund for Units of another Class within the same Sub-fund, where available, or, as and when additional Sub-funds are created, to Switch them for Units of any Class within a different Sub-fund of the ACS. Details of these Conversion and Switching facilities and the restrictions are set out in paragraph 3.5 for Switching and paragraph 3.6 in the case of Conversions.

3. Buying, redeeming, converting and switching Units

3.1 The dealing office

The dealing office of the ACS Manager is normally open from 8.30 a.m. to 5.30 p.m. (UK time) on each Dealing Day in respect of the Sub-fund to receive requests for the purchase, sale, transfer, Conversion and Switching of Units. The ACS Manager may vary these times at its discretion.

Subsequent requests to deal in Units may also be made by telephone on each Business Day between 8.30 a.m. and 5.30 p.m. (UK time) directly to the dealing office of the ACS Manager (telephone: 0345 606 6180 or such other number as is published from time to time).

Currently, transfers of title to Units may not be effected on the authority of an electronic communication. Telephone calls will be recorded.

In its dealings in Units of the Sub-fund, the ACS Manager is dealing as principal. The ACS Manager does not actively seek to make a profit from dealing in Units as principal but rather deals in order to facilitate the efficient management of the ACS. The ACS Manager is not accountable to Unitholders for any profit it makes from dealing in Units as principal.

3.2 Money laundering

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, tax laws and regulatory requirements, Unitholders may be required to provide additional documentation to confirm their identity, or provide relevant information pursuant to such laws and regulations, as may be required from time to time. Further subscriptions may be restricted by the ACS Manager until the requested information is provided. Any information provided by Unitholders will be used for the purposes of compliance with these requirements and any documentation submitted in original format with a request to return the same will be duly returned to the relevant Unitholder to the address given by that Unitholder. Until the ACS Manager receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the ACS Manager reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received.

3.3 Buying Units

3.3.1 Procedure

Units may be bought directly from the ACS Manager. For details of dealing charges see paragraph 3.7 below. Application forms may be obtained from the ACS Manager.

An application to subscribe for Units for the first time must be made in writing to the ACS Manager. Subsequent requests to purchase Units by existing Unitholders may also be made by fax, in writing, by telephone or by such forms of electronic communication as may be approved by the ACS Manager or any other method otherwise approved by the ACS Manager. Where the details of any existing Unitholder relevant to effecting a subsequent purchase of Units have changed, an original signed instruction must be provided.

Each initial request to purchase Units in the Sub-fund must be accompanied by each of the following documents:

- (a) an application form;
- (b) a Certificate of Eligibility in the form set out in Appendix VII of this Prospectus; and
- (c) such other documents and information as the ACS Manager may require regarding the investor, and in particular in relation to such investor's tax status to enable appropriate tax treaty benefits to be available.

The ACS Manager may request such other information as may be appropriate to comply with any applicable law or regulation or to comply with any anti-money laundering requirements.

The ACS Manager may, at its discretion, also require investors to provide any additional documents it considers necessary and appropriate on subsequent purchases of Units.

The ACS Manager, at its discretion, has the right to request, and be in receipt of cleared funds, before processing an application or other instruction to purchase Units.

Settlement is due within four Business Days of the Valuation Point for applications to purchase Units. An application to purchase Units for the first time will only be deemed to have been accepted by the ACS Manager once it is in receipt of a valid application form, Certificate of Eligibility, and such other

documents as the ACS Manager may require regarding the investor and in particular its tax status and to enable appropriate tax treaty benefits to be available and, if required by the ACS Manager, cleared funds for the application. Any subsequent application to purchase Units will only be deemed to have been accepted once any additional documents requested by the ACS Manager have been received by the ACS Manager.

Settlement must be made by electronic bank transfer to the bank account detailed on the application form.

The ACS Manager, at its discretion, has the right to cancel a purchase deal if settlement is overdue (being more than five Business Days from receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACS Manager is not obliged to issue Units unless it has received cleared funds from an investor.

The ACS Manager reserves the right to charge interest at 4 per cent. above the prevailing Bank of England base rate on the value of any settlement received later than the fourth Business Day following the applicable Valuation Point. No interest will be paid on funds held prior to investment.

A purchase of Units in writing or by fax, telephone or any approved electronic or other means made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. Applications for subsequent purchases received by fax, telephone or electronic instructions are legally binding without the receipt of any original signed applications. However, subject to its obligations under the Regulations, the ACS Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the ACS Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Units have been issued will not be returned to the applicant. Instead, fractions of Units will be issued. Units are recorded on the Register to three decimal places.

3.3.2 Documents the buyer will receive

A contract note giving details of the number and price of Units bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined. Where a subscription request is made in writing or by fax or telephone, the contract note will be sent to the applicant at their registered postal address or, if they choose, by email. Where a subscription request is made by an approved form of electronic communication, the contract note will be sent to the applicant by electronic communication. The contract note will show the price of the relevant Units (per Unit and the total cost), shown to at least four significant figures.

Registration of Units can only be completed by the ACS Manager upon receipt of any required registration details. These details may be supplied in writing to the ACS Manager or by returning to the ACS Manager the properly completed registration form and copy of the confirmation.

Share certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Register. It is not possible to issue bearer units in an authorised contractual scheme. Income information provided in respect of periodic distributions on Units will show the number of Units held by the recipient at the end of the period.

3.3.3 Minimum subscriptions and holdings

The details of the Classes currently available, along with the minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class in the Sub-fund are set out in Appendix I.

The ACS Manager may, at its sole discretion but subject to the Regulations, accept subscriptions and/or holdings lower than the minimum amount(s).

In the event that the ACS Manager introduces further Classes or establishes new Sub-fund(s), then, if following a redemption, Conversion, Switch or transfer, a holding in any Class should fall below the minimum holding for that Class, the ACS Manager has the discretion to effect a redemption of that Unitholder's entire holding in that Class. The ACS Manager may use this discretion at any time. Failure to exercise such discretion immediately after such redemption, Conversion, Switch or transfer does not remove this right.

Please also see paragraph 2.2.2.

3.4 Selling Units

3.4.1 Procedure

Subject to paragraph 3.15, every Unitholder is entitled on any Dealing Day to sell its Units, which shall be purchased by the ACS Manager who will be dealing as principal.

If a Unitholder requests the cancellation of Units, the ACS Manager will arrange that the appropriate Units are cancelled in this way by the Depositary.

Redeeming Unitholders must complete a redemption request by fax, by telephone, in writing, by such forms of electronic communication as may be approved by the ACS Manager, or any other method otherwise approved by the ACS Manager.

In order to preserve the liquidity of the Sub-fund, limited redemption arrangements are applicable in respect of the Sub-fund. Please see paragraph 3.15 for more details.

Valid instructions to the ACS Manager to sell Units will be processed at the Unit price calculated, based on the NAV per Unit, at the next applicable Valuation Point following receipt of the instruction, except in the case where dealing in the Sub-fund has been suspended as set out in paragraph 3.12. In the case where limited redemption arrangements apply, the applicable Valuation Point may be 185 days after the date on which the request for redemption is received. Please see paragraph 3.15 for more details.

A redemption instruction in respect of Units in writing or by fax, telephone or any approved electronic or other means is a legally binding contract. Applications received by fax, telephone or electronic communication are legally binding without the receipt of any original signed applications. However, an instruction to the ACS Manager to sell Units, although irrevocable, may not be settled by either the ACS or the ACS Manager if the sale represents Units where the money due on the earlier purchase of those Units has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACS Manager.

For details of dealing charges see paragraph 3.7 below.

3.4.2 Documents a redeeming Unitholder will receive

A contract note giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first named Unitholder, in the case of joint Unitholders) no later than the end of the Business Day following the Valuation Point by reference to which the price is determined. Where a redemption request is made in writing or by fax or telephone, the contract note will be sent to the Unitholder at their registered postal address or, if they choose, by email. Where a redemption request is made by an approved form of electronic communication, the contract note will be sent to the Unitholder by electronic communication.

Payment of redemption proceeds will normally be made via electronic transfer in accordance with any instruction received (the ACS Manager may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of (a) receipt by the ACS Manager of the redemption instruction along with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point by reference to which the price is determined.

No interest will be paid on funds held whilst the ACS Manager awaits receipt of all relevant documentation necessary to complete a redemption. Units that have not been paid for cannot be redeemed.

3.4.3 Minimum redemption

Part of a Unitholder's holding may be redeemed but the ACS Manager reserves the right to refuse a redemption request if the value of the Units to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund (see Part B of Appendix I).

3.5 Switching

As and when further Sub-funds are created, subject to any restrictions on the eligibility of investors for a particular Class, a Unitholder in a Sub-fund may at any time Switch all or some of his Units of one Sub-fund ("Original Units") for Units of another Sub-fund ("New Units") in the ACS, subject to the transferor Sub-fund having an appropriate Class for the transferring Unitholder. The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable at the time the Original Units are redeemed and the New Units are issued.

When additional Sub-funds are launched, and Switches are possible, Unitholders are required to provide written instructions to the ACS Manager (which, in the case of joint Unitholders, must be signed by all the joint Unitholders) before any Switching is effected.

Unitholders wishing to Switch will be required to provide to the ACS Manager a Certificate of Eligibility for the Class to be switched into together with such other documents and information as the ACS Manager may require regarding the investor to comply with applicable law or regulation or otherwise including, without limitation, the investor's ability to meet the investment criteria and in particular in relation to such investor's tax status and to enable appropriate tax treaty benefits to be available.

Valid applications to Switch Units received before the Valuation Point will be executed at the Unit price, based on the NAV per Unit, at the Valuation Point on the same Dealing Day except where dealing in the relevant Sub-fund has been suspended as set out in paragraph 3.12. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-funds or at such other Valuation Point as the ACS Manager at the request of the Unitholder giving the relevant instruction may agree.

The ACS Manager may at its discretion make a charge on the Switching of Units between Sub-funds. Any such charge on Switching does not constitute a separate charge payable by a Unitholder, but is rather the application of any redemption charge on the Original Units and any initial charge on the New Units, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 3.7.4. The ACS Manager may adjust the number of New Units to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Units or redemption of the Original Units as may be permitted pursuant to the COLL Sourcebook.

If a partial Switch would result in the Unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding in the Class concerned, the ACS Manager may, if it thinks fit, Switch the whole of the applicant's holding of Original Units to New Units (and make a charge on such Switching) or refuse to effect any Switch of the Original Units. Save as otherwise specifically set out in this paragraph, the general provisions on procedures relating to redemption will apply equally to a Switch.

Please note that under UK tax law a Switch of Units in one Sub-fund for Units in any other Sub-fund is treated as a redemption of the Original Units and a purchase of New Units and will, for persons subject to taxation, be a realisation of the Original Units for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Unitholder's circumstances.

There is no right by law to withdraw or cancel a Switch transaction.

3.6 Conversions

Subject to any eligibility criteria in relation to a Unit Class, Unitholders are permitted to Convert their Units in one Class in the Sub-fund for Units of another Class (if any) in the same Sub-fund.

Conversions will be effected by the ACS Manager recording a change of Class on the Register.

Investors should note that whilst Conversions are permitted, as Classes are designed for specific tax purposes related to the investors in those Classes, opportunities for Conversions are limited.

If a Unitholder should wish to Convert Units it should apply to the ACS Manager. The ACS Manager may require such documentation and other information regarding the investor as it considers appropriate to comply with applicable law or regulation or otherwise, and in particular the investor's tax status and to enable appropriate tax treaty benefits to be available. Unitholders should note that because of these requirements, Conversions may not be possible.

Where Conversions are possible, the ACS Manager will carry out instructions to Convert Units as soon as possible but this may not be at the next Valuation Point and instructions may be held over and processed with Conversion instructions given by other Unitholders and in some cases may not be effected until the end of the relevant accounting period. Unitholders should contact the ACS Manager for further information on when a Conversion may be effected.

The number of Units to be issued in the new Class will be calculated relative to the last known price of the Units being Converted and the Units being issued.

Where a Conversion of Units would, if effected in accordance with the terms of any conversion notice, result in a Unitholder holding less than the permitted minimum holding (by number or value) of Units in either Class as set out in the Prospectus from time to time, then the ACS Manager may (at their discretion) decide either to:

- a) treat the Unitholder in question as having served a conversion notice in respect of their entire holding of Units; or
- b) refuse to give effect to the conversion notice in question.

For the avoidance of doubt, each conversion notice shall relate only to the Conversion of Units of a single Class.

The ACS Manager may at its discretion make a charge on the Conversion of Units between Classes in the Sub-fund. For details of the charges on Conversion currently payable, please see paragraph 3.7.4.

Conversions will not be treated as a disposal for capital gains tax purposes.

3.7 Dealing charges

The price per Unit at which Units are bought, redeemed or switched is the NAV per Unit. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.7.1 Initial charge

The ACS Manager may impose a charge on the purchase of Units in each Class. Currently, there are no initial charges in respect of the Sub-fund, as set out in Appendix I. Any initial charge imposed would be calculated as a percentage of the amount invested in respect of the Sub-fund. The ACS Manager may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable (where applicable) by the Unitholder to the ACS Manager.

An initial charge of a Class may be made or any existing initial charge of a Class may be increased only in accordance with the Regulations.

3.7.2 Redemption charge

The ACS Manager may make a charge on the redemption of Units in each Class. At present, no redemption charge is levied.

The ACS Manager may only make a redemption charge in accordance with the Regulations. Also, if such a charge is made at a future date, it would not apply to Units issued before that date (i.e. those not previously subject to a redemption charge).

3.7.3 Dilution adjustment

The actual cost of purchasing or selling assets and investments in the Sub-fund may vary due to dealing charges, taxes, and any spread between buying and selling prices of the underlying investments of the Sub-fund. These costs could have an adverse effect on the value of the Sub-fund, known as "dilution". In order to mitigate the effects of dilution the ACS Manager may at its discretion

adjust the sale and purchase price of Units to take into account the possible effects of dilution to arrive at the price of the Units. This practice is known as making a “dilution adjustment”. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Sub-fund. If the price of Units does contain a dilution adjustment, such dilution adjustment will be paid into the Sub-fund and will become part of the property of the Sub-fund thus mitigating the effects of dilution that would otherwise constrain the future growth of the Sub-fund. Details on the application of a dilution adjustment are set out in paragraph 4.3.

3.7.4 Charges on Conversions or Switches

On the Conversion or Switch of Units, the ACS Deed authorises the ACS Manager to impose a charge. If a redemption charge is payable in respect of the Original Units (as defined in paragraph 3.5 above), this may become payable instead of, or as well as, the then prevailing initial charge for the New Units. The charge on a Conversion or Switch is payable by the Unitholder to the ACS Manager.

There are currently no charges on the Conversion or Switch of Units. The ACS Manager reserves the right to impose a charge on Conversions or Switches in accordance with the COLL Sourcebook.

3.8 Transfers

Unitholders are entitled to transfer their Units in the Sub-fund to another person or body but only if the ACS Manager is satisfied that the other person or body is an Eligible Investor and is eligible to invest in the same Class as the transferring Unitholder.

All transfer applications must be in writing in the form of an instrument of transfer approved by the ACS Manager for this purpose. Where a transfer is permitted, instruments of transfer must be returned to the ACS Manager in order for the transfer to be registered by the ACS Manager. The transferee will be required to provide a Certificate of Eligibility in the form attached at Appendix VII to the effect that the transferee is an Eligible Investor and such other documents and information as the Manager may require to comply with applicable law or regulation, and to ensure that the proposed Unitholder is eligible to invest in the same Class as the transferring Unitholder and to enable the correct tax treatment to be obtained. The ACS Manager therefore needs to be informed as soon as practicable and, in any event, not less than five Business Days in advance of any potential transfer, at which time it will let both the transferee and transferor Unitholder know what is required. The ACS Manager will refuse to register a transfer unless this certificate and such other information as it requires is provided to it, and retains the discretion to refuse to register a transfer if it is not satisfied that any of the above eligibility, tax or other regulatory considerations are met.

No transfer will be processed if such transfer would result in the transferor or transferee holding fewer Units of the Class concerned than the minimum holding investment for such Class as set out in Appendix I. Please also see paragraph 3.3.3 above.

3.9 Restrictions and compulsory transfer and redemption

In addition to the eligibility criteria referred to in paragraph 3.3.1 above, the ACS Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in 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 which would result in the Sub-fund incurring any liability to taxation which it is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACS Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer, Conversion or Switch of Units. Please also see paragraph 2.2.2.

If it comes to the notice of the ACS Manager that any Units (“affected Units”):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory;
- (b) would result in the ACS incurring any liability to taxation which the ACS would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) (in addition to the Eligible Investor certification referred to in paragraph 3.1 and any other Class specific criteria) are held in any manner by virtue of which the Unitholder or Unitholders in question is or are not qualified to hold such Units or if it reasonably believes this to be the case,

the ACS Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of the affected Units to a person who is an Eligible Investor and qualified to hold them in accordance with this paragraph 3.9, or requiring the Unitholder to give a request in writing for the Conversion of the affected Units for Units of another Class in the Sub-fund, or, if there is, in the opinion of the ACS Manager, no suitable alternative Class, give a request in writing for the redemption or cancellation of such Units, in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Units to a person qualified to own them or submit such request for Conversion, redemption or cancellation, or establish to the satisfaction of the ACS Manager (whose judgement is final and binding) that he and any person on whose behalf he holds the affected Units are qualified and entitled to own the affected Units, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACS Manager) of all the affected Units.

A Unitholder who becomes aware that he is holding or owns affected Units shall immediately, unless he has already received a notice as set out above, either transfer all his affected Units to a person qualified to own them or submit a request in writing to the ACS Manager for the redemption of all his affected Units.

Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

3.10 Issue of Units in exchange for in specie assets

If an investor wishes to subscribe for Units in specie it must contact the ACS Manager as set out in paragraphs 3.1 and 3.3.1. The ACS Manager has the discretion whether or not to permit in specie subscriptions for Units in any particular case.

The ACS Manager will ensure that the beneficial interest in the assets is transferred to the ACS with effect from the issue of Units.

Where the ACS Manager considers a cash subscription to be substantial in relation to the total size of the Sub-fund, it may require the investor to contribute in specie.

The ACS Manager will not issue Units in the Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of the Sub-fund or where it or the Depositary determines that the Sub-fund's acquisition of those assets in exchange for the Units concerned would or would be likely to result in any material prejudice to the interests of Unitholders.

3.11 In specie redemptions

If a Unitholder wishes to redeem Units in specie it must contact the ACS Manager as set out in paragraphs 3.1 and 3.4.1. The ACS Manager has the discretion whether or not to permit in specie redemption of Units in any particular case. If a Unitholder requests the redemption of Units, the ACS Manager may, where it considers that deal to be substantial in relation to the total size of the Sub-fund or in some way detrimental to the Sub-fund, arrange for the Scheme Property having the appropriate value to be transferred to the Unitholder in place of payment for the Units in cash. Before the redemption is effected, the ACS Manager must give written notice to the Unitholder of the intention to make such an in specie transfer. The ACS Manager will select the property, properties or other assets to be transferred in consultation with the Depositary.

Where there is an in specie redemption, the Depositary will, in accordance with the rules of the COLL Sourcebook, cancel the Units and transfer a proportionate share of the assets of the Sub-fund or such selection from the property of the Sub-fund as the Depositary, after consultation with the ACS Manager, decides is reasonable to the Unitholder, in either case having regard to the need to be fair both to the Unitholder taking the in specie redemption and to continuing Unitholders.

In the event of an in specie redemption, the ACS Manager and Depositary must ensure that the selection of assets is made with a view to achieving no more advantage or disadvantage to the Unitholder requesting the redemption than to the continuing Unitholders.

3.12 Suspension of dealings in the ACS

The ACS Manager may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Units in the Sub-fund where due to exceptional circumstances it is in the interests of all the Unitholders.

The ACS Manager and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Unitholders.

The ACS Manager or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA State where the ACS is offered for sale.

The ACS Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension. In addition, the notification will set out investors the options that are available and how they may cancel any submitted redemption requests and whether they should seek professional advice.

Where such suspension takes place, the ACS Manager will publish on its website or through other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACS Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACS Manager and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Unitholders.

The ACS Manager may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

3.13 Market timing

Market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses or dilution to the Sub-fund and may be detrimental to performance and to the interests of the long-term Unitholders. Accordingly the ACS Manager may in its absolute discretion reject any application for subscription, redemption or Switching of Units from applicants that it considers to be associated with market timing activities.

In general terms, market timing activities are strategies which may include frequent purchases and sales of Units with a view to profiting from anticipated changes in market prices between Valuation Points or arbitraging on the basis of market price changes subsequent to those used in the valuation of the Sub-fund.

3.14 Late trading

“Late Trading” is defined as the acceptance of a subscription, redemption, Conversion or Switch order received after the Sub-fund’s applicable Valuation Point for that Dealing Day. Late Trading is not permitted. A request for dealing in Units must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day or, where limited redemption arrangements apply, for the notice period to commence on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, or where limited redemption arrangements apply the notice period shall commence on the next Dealing Day. Late Trading will not include a situation in which the ACS Manager is satisfied that orders which are received after the Valuation Point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

3.15 Limited redemption arrangements

In order to protect the liquidity of the Sub-fund, requests for redemptions of all Units are subject to a notice period. Redemption requests received by the Valuation Point on a particular Dealing Day will be redeemed at the price calculated at the Valuation Point on the first Dealing Day after 185 days from the date of receipt of the redemption request.

The notice period will apply on a Class by Class basis for all Classes. At its absolute discretion, the ACS Manager may waive the relevant notice period (in whole or in part) for a particular Class provided that there is sufficient liquidity in the Sub-fund and provided that it ensures that all redemption requests within that Class are completed in the order in which they are received. In practice, this may result in the notice

period being waived for redemption requests in certain Classes and not others. The investors in some Classes may be members of the Canada Life group of companies (to which the Investment Manager also belongs) or funds managed by the ACS Manager or the Investment Manager. The ACS Manager will implement the limited redemption arrangements in a manner that is not unfairly prejudicial to any Unitholder.

Once a redemption request is submitted, it cannot be withdrawn or cancelled unless the ACS Manager agrees to such withdrawal or cancellation.

3.16 Governing law

All deals in Units are governed by the laws of England and Wales. The Prospectus may be enforced in the English courts in relation to claims made against parties domiciled in England or Wales or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No 44/2001.

Rome I must be applied in all Member States (other than Denmark). Accordingly, where a matter comes before the courts of a relevant Member State, the choice of governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the courts of Member States may apply any rule of that Member State's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that Member State. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.

Unitholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

4. Valuation of the ACS

4.1 General

The price of a Unit is calculated at a Valuation Point by reference to the Net Asset Value of the Sub-fund. The Valuation Point is set out in Appendix I.

The ACS Manager may at any time during a Dealing Day carry out an additional valuation if it considers it desirable to do so. The ACS Manager shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACS Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACS Manager will, upon completion of each valuation, notify the Depositary of the price of Units, of each Class of the Sub-fund.

4.2 Valuation of property and pricing

4.2.1 The ACS is single priced. There is a single price for Units in the Sub-fund. Valuations of the Scheme Property for the purpose of the calculation of issue and cancellation and sale and redemption prices will be carried out in accordance with the rules for single priced funds in the COLL Sourcebook.

4.2.2 Details of how the Scheme Property is valued for these purposes are set out at Appendix VI.

4.3 Dilution adjustment

4.3.1 The actual cost of purchasing or selling assets and investments in the Sub-fund may vary due to dealing charges, taxes, and any spread between buying and selling prices of the underlying investments of the Sub-fund. These costs could have an adverse effect on the value of the Sub-fund, known as “dilution”. In order to mitigate the effects of dilution the ACS Manager may at its discretion adjust the sale and purchase price of Units to take into account the possible effects of dilution to arrive at the price of the Units. This practice is known as making a “dilution adjustment”. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Sub-fund. If the price of Units does contain a dilution adjustment, such dilution adjustment will be paid into the Sub-fund and will become part of the property of the Sub-fund thus mitigating the effects of dilution that would otherwise constrain the future growth of the Sub-fund.

4.3.2 The ACS Manager reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Sub-fund’s underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

4.3.3 The amount of the dilution adjustment will depend on the volume of subscriptions or redemptions of Units and the ACS Manager is not currently able to predict the likely frequency of such events. The ACS Manager may in its discretion make a dilution adjustment if, in its opinion, the existing Unitholders, in the case of subscriptions, or remaining Unitholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Unitholders and potential Unitholders. In particular, the dilution adjustment may be made in relation to the Sub-fund in the following circumstances:

4.3.3.1 where the Sub-fund is expanding or contracting;

4.3.3.2 where the Sub-fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day;

4.3.3.3 on “large deals”, defined as a subscription or redemption or a series of subscriptions, redemptions, issues or cancellations by a single Unitholder or a single intermediary in respect of the same Valuation Point involving an addition to or a realisation from the Sub-fund of 1 per cent. of the NAV or more. The resultant dilution adjustment may be contrary to the trend of the Sub-fund and the dilution adjustment may return to dilution adjustment which is responsive to the observed trend of the Sub-fund (please see paragraph 4.3.4 below); or

4.3.3.4 in any other case where the ACS Manager is of the opinion that the interests of Unitholders require the imposition of a dilution adjustment.

4.3.4 The Sub-fund is regarded as expanding where, based on the daily movements in and out of the Sub-fund, the Sub-fund has experienced a net inflow of money over a period of time. The Sub-fund is regarded as contracting where, over a period of time, the Sub-fund has experienced a net outflow. The Sub-fund is regarded as level where it is considered to be neither expanding nor contracting based on the above criteria.

4.3.5 Where the Sub-fund is expanding, the ACS Manager may swing the price toward “offer” (i.e. increase the price as detailed above), however in the event of net outflows on a given Dealing Day the ACS Manager swing the price toward “bid” (i.e. reduce the price as detailed in paragraph 4.3.3.3 above) if the outflows are of significant size relative to the size of the Sub-fund.

4.3.6 Where the Sub-fund is contracting, the ACS Manager may swing the price toward “bid”, however in the event of net inflows on a given Dealing Day the ACS Manager may adjust the price toward “offer” if the inflows are of significant size relative to the size of the Sub-fund (please see paragraph 4.3.3.3 above).

4.3.7 The ACS Manager anticipates that the Sub-fund, depending on the trend direction, will have a dilution adjustment every Dealing Day (based on future projections).

4.3.8 Where the net inflows and net outflows are of significant size relative to the size of the Sub-fund, the adjustments in the price may be significant resulting in a “swing” in the price to “offer” or “bid” as the ACS Manager considers, at its absolute discretion, reasonable and appropriate.

4.3.9 If a dilution adjustment is not applied where a Sub-fund is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the Sub-fund attributable to each underlying Unit. As dilution is directly related to the inflows and outflows of monies from a Sub-fund it is not possible to predict accurately whether dilution will occur at any future point in time.

4.3.10 The dilution adjustment will be applied to the NAV per Unit in each Class resulting in a figure calculated up to four decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Units. The most recent dilution adjustment figures can be obtained from the ACS Manager on request.

4.3.11 It is the ACS Manager’s opinion that, in normal market conditions and under the current tax regime in the UK, the dilution adjustment is likely to be in the range of -2 per cent. to +7.0 per cent. of NAV. However, depending on market conditions at the time of a trade, the actual dilution rate could differ considerably. Unitholders should note that if, in exceptional circumstances significant redemptions are requested, the ACS Manager may be forced to sell properties at short notice and/or in adverse market conditions which could result in properties being sold for less than expected which would reduce the value of Units.

4.4 Fair Value Pricing

4.4.1 Where the ACS Manager has reasonable grounds to believe that:

4.4.1.1 no reliable price for the immovable property in question exists at a valuation;

4.4.1.2 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or

4.4.1.3 the most recent price available does not reflect the ACS Manager's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point, it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

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

4.4.2.1 destruction of all or any part of an immovable property;

4.4.2.2 disruptions to the property market on account of political or economic factors and other circumstances beyond the ACS Manager's control;

4.4.2.3 currency realignment or devaluations;

4.4.2.4 changes in interest rates;

4.4.2.5 litigation;

4.4.2.6 no recent trade in the security concerned;

4.4.2.7 suspension of dealings in the security concerned; or

4.4.2.8 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

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

4.4.3.1 the type of authorised fund concerned;

4.4.3.2 the securities involved;

4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;

4.4.3.4 the basis and reliability of the alternative price used; and

4.4.3.5 the ACS Manager's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 Pricing basis

The ACS Manager deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACS Manager. Units in the ACS are single priced.

4.6 Publication of prices

Daily prices of all Units may be obtained by calling 0345 606 6180 during the ACS Manager's normal business hours. As the ACS Manager deals on a forward pricing basis, the price that the ACS Manager advises will not necessarily be the same as the one at which investors can currently deal. The ACS Manager may also, at its sole discretion, publish certain Unit prices on other third party websites or publications but the ACS Manager does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACS Manager.

5. Risk Factors

Potential investors should consider the following risk factors before investing in the ACS (or in the case of specific risks applying to specific Sub-funds, in those Sub-funds).

5.1 General

The investments of the Sub-fund are subject to normal market fluctuations and other risks inherent in investing in real estate. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Sub-fund. An investment in the Sub-fund is not intended to be a complete investment programme. There is no certainty that the investment objective of the Sub-fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Sub-fund may be subject to fluctuations and is not guaranteed. An investment in the Sub-fund is not protected against the effects of inflation and changes in interest rates.

The performance of the Sub-fund may be adversely affected by the impact of general economic and political conditions, by conditions in the property market, or changes in occupancy practices in the countries where the assets are located or by the particular financial condition of parties doing business with the Sub-fund. While over a long period it might be expected that the Sub-fund will produce positive total returns, in any particular period losses may be suffered. Losses may be incurred due to operational failure or delays in the Sub-fund. The ACS Manager cannot guarantee that it will achieve the objectives set out for the Sub-fund.

5.2 Effect of initial or redemption charge

Where an initial or redemption charge is imposed, an investor who realises his Units may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. The Units therefore should be viewed as medium to long-term investments.

5.3 Charges from capital

Certain fees, costs and duties which are charged to the Sub-fund may be treated as a capital expense (as described in Appendix I). Whilst this might allow more income to be distributed, it may also result in capital erosion or constrain capital growth.

5.4 Dilution

The actual cost of purchasing and selling assets and investments may vary due to dealing charges, taxes and any spread between buying and selling assets. Where the asset of the Sub-fund in question is an immovable property, costs of buying and selling include SDLT, professional fees and expenses such as surveyors' and legal advisors' fees. The Sub-fund may suffer a reduction in the value of its Scheme Property due to such dealing costs incurred when buying and selling investments. Dilution incurred may constrain capital growth. To mitigate the effects of such dilution, in certain circumstances, a dilution adjustment may be made to the price of Units in relation to a purchase or redemption of Units by Unitholders as further discussed in paragraph 4.3.

5.5 Liquidity risk

Prospective investors should be aware that investment in property is illiquid. Property assets can take time to sell and are often impacted by market supply and demand factors. The ACS Manager mitigates liquidity risk through investing a proportion of the Sub-fund's assets in investments which are highly liquid to match

anticipated liquidity demands. Such investments may be cash or money market instruments which can be traded at no or short notice. Despite this mitigating measure, in the event that the ACS Manager receives redemption requests which at any one point exceed (or the ACS Manager believes likely with anticipated future requests will in the near future exceed) the amount of liquidity available within the Sub-fund then the only option for the ACS Manager will be to restore liquidity from the sale of its underlying property assets. Dependent upon the market conditions, the sale of property assets may take several months and in severe market conditions potentially longer. While the ACS Manager will always seek to dispose of property assets in an orderly manner, there may be circumstances where the ACS Manager is required to dispose of property assets at short notice. In such exceptional circumstances, the price achieved may be materially below that which the asset would be worth if disposal was undertaken in normal circumstances.

Given the above, all prospective investors and Unitholders in the Sub-fund should understand that whilst the ACS Manager will endeavour to enable the Sub-fund to trade normally and meet redemption requests, Unitholders may have to wait for up to 185 days for their redemption request to be settled.

5.6 Suspension of dealings in Units

Investors are reminded that in certain circumstances their right to redeem Units (including a redemption by way of Switching) may be suspended. Please see paragraph 3.12 for further details.

5.7 Limited redemption arrangements

Redemptions in Units are subject to a 185 day notice period. The redemption will be effected at the price calculated at the Valuation Point on the day of the redemption, not at the price at the Valuation Point following receipt of the instruction. Please see paragraph 3.15 for further details.

5.8 Non-UCITS Retail Schemes (NURSSs)

Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

5.9 Liabilities of the ACS and the Sub-fund

As explained in paragraph 2.2.1 and under Section 261P of FSMA, the Sub-fund is a segregated portfolio of assets which can only be used to meet the liabilities of, or claims against, that Sub-fund and must not be used to discharge any liabilities of or meet any claims against any person other than the Unitholders in that Sub-fund. Whilst the provisions of Section 261P of FSMA provide for segregated liability between Sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in Section 261P of FSMA. Therefore, as and when additional Sub-funds are created, it is not possible to be certain that the assets of the Sub-fund will always be completely insulated from the liabilities of other Sub-funds of the ACS in every circumstance.

5.10 Tax

Tax laws currently in place may change in the future which could affect the value of your investments. See section 9, headed 'Taxation', for further details about taxation of the Sub-fund.

The information provided in section 9 of this Prospectus is based, to the best knowledge of the ACS Manager, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the ACS Manager and the Sub-fund, the taxation of Unitholders and any tax reliefs, may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction where the Sub-fund is registered, marketed or invested could affect the tax status of the Sub-fund, affect the value of the Sub-fund's investments in the affected jurisdiction, affect the Sub-fund's ability to achieve its investment objective, and/or alter the post-tax returns to Unitholders. Where the Sub-fund invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Unitholders depend on the individual circumstances of Unitholders. The information in section 9 of this Prospectus is not exhaustive and does not constitute legal or tax advice. Prospective Unitholders are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Sub-fund.

If the Sub-fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Sub-fund, the ACS Manager and the Depositary shall not be liable to account to any Unitholder for any payment made or suffered by the Sub-fund in good faith to a fiscal authority for taxes or other charges of the Sub-fund notwithstanding that it is later found that such payments need not or ought not to have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the Sub-fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Sub-fund. Such late paid taxes will normally be debited to the Sub-fund at the point the decision to accrue the liability in the Sub-fund accounts is made.

5.11 SDLT seeding relief

There is a risk that the SDLT seeding relief, set out in section 9.5, may be withdrawn under certain circumstances including on the disposal of units by a Unitholder which was the vendor of a property with respect to which seeding relief was claimed where such disposal takes place within the Seeding Period or a period immediately following the Seeding Period (as described in section 9.5). In any of the circumstances where seeding relief is withdrawn, the SDLT charge and other related costs that arise as a result of such withdrawal will be borne by the Sub-fund and the indemnity described at section 5.12 below does not include any amounts of SDLT so chargeable to the Sub-fund.

5.12 Indemnity

Investors considering subscribing for Units should be aware that the Certificate of Eligibility, in the form set out in Appendix VII, must be provided on a purchase or transfer of Units. This Certificate of Eligibility contains an indemnity from the Unitholder under which it indemnifies the ACS Manager, the Sub-fund, the Unitholder or former Unitholders, and any of the other persons mentioned affected as a result of any Taxation being due, as a result of the Unitholder acquiring, holding, disposing or otherwise owning Units in the Sub-fund, which is not paid by the Unitholder, including, but without limitation, a relevant change in the tax status of the Unitholder or a relevant change in the tax status of the Sub-fund, or in the country of residence or domicile of the Unitholder or of any of the underlying investments. The indemnity continues after a Unitholder disposes of all its Units for any Taxation arising out of, or as a result of, having owned

its Units. Where the Units are held through a nominee arrangement, the beneficial owner of the Units is also required to provide such an indemnity. The indemnity is not limited to the value of the Unitholder's holding and could equal or exceed the value of the Unitholder's holding. The indemnity does not include any taxation which is a charge or expense payable out of the Sub-fund's assets in accordance with this Prospectus and the COLL Sourcebook including amounts of SDLT chargeable to the Sub-fund pursuant to the withdrawal of any SDLT seeding relief.

5.13 Tax status of the Scheme

The ACS is a UK fund structure developed to be tax transparent in the UK and elsewhere. While it is expected that non-UK tax authorities will also recognise it as being tax transparent, this may not prove to be the case in one or more relevant jurisdictions. If so, depending on the particular circumstances of the Unitholder and/or the investments, this could have adverse tax consequences for the investor, including a liability to Taxation which could exceed the value of the Unitholder's holding. A relevant change in the tax status of the ACS either in the UK or in the country of residence or domicile of the Unitholder or of any of the underlying investments could lead to Taxation being due. Investors considering subscribing for the Units should seek professional advice in relation to such matters. The ACS Manager shall not be liable for any unexpected Taxation being due.

5.14 General real property risks

Real property values are affected by a number of factors including, but not limited to, a change in general climate, local conditions, location of the building (the attractiveness of a particular location may change over time), the physical characteristics of the building (apart from normal wear and tear, environmental impacts, advances in technology or requirements of tenants may render a building less attractive over time), property management, competition on rental rates, length of the lease(s) (if a building is let to a good quality tenant for a long period of time then the value of the property will reflect this even if general economic conditions are more volatile), and the financial condition of tenants (the value of a building is a function of its rental income and therefore, the creditworthiness of the underlying tenants, which may deteriorate over time. In the event of default by an occupational tenant, there will be rental shortfall and additional costs, including legal expenses (likely to be incurred in maintaining, insuring and re-letting the property), buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operation costs.

Changes in landlord/tenant, planning, trust or other law where the assets are located could also materially affect the investment returns.

5.15 Property valuation

The value of a property is generally a matter of a valuer's opinion rather than fact and may go down as well as up. There is also a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to lack of liquidity in the relevant market.

The simplest yardstick of property valuation is initial yield, which is current annual rent divided by the value of the property, including purchase costs. Property yields will fluctuate through time and may reflect the general economic cycle. Past performance is no indicator of future performance.

At any time, the market value of a property will, broadly, reflect market expectations for rental growth. If an investment is made in the expectation that a certain level of rental growth will be achieved and that growth fails to materialise, then the returns from holding that property are likely to be lower than anticipated. Rental growth is affected by many things: general economic conditions, local trading conditions, relative scarcity of alternative space and so on.

If, in exceptional circumstances, significant redemptions are requested, the ACS Manager may be forced to sell properties which could result in properties being sold for less than expected which would reduce the value of Units.

At times of significant economic or political uncertainty there is the real risk that the most recent valuations may not be reliable and by the nature of the asset may be subject to significant downward revaluations

5.16 Insurance

Insurance has been taken out in respect of the property which forms the portfolio of the Sub-fund, but there is no guarantee that the insurance will be payable in any given circumstance in full or at all and the relevant insurance policies contain a number of exclusions from liability in any event. Where the insurance policies are not available to meet any liability in full or in part, the Scheme Property will be used to meet the outstanding liability.

5.17 Changes in laws and regulation

The performance of the Sub-fund and the returns to investors may be adversely affected by changes in laws and regulations relating to land use, planning restrictions and environmental safety and protections.

5.18 Stamp tax saving arrangements

The Sub-fund may acquire underlying property where stamp duty or SDLT saving planning has previously been adopted or the Sub-fund itself has adopted stamp duty or SDLT saving planning. There can be no certainty that stamp duty or SDLT will not subsequently become payable, which could result in the imposition of interest and penalties.

5.19 Development risks

The Sub-fund may invest in property developments. To the extent that the Sub-fund does so, it will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the ACS Manager, such as weather or labour conditions or material shortages), general market and letting risk, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Sub-fund and on the amount of income available for distribution to the Unitholders.

5.20 Tenant default

Although all tenants are legally contracted by the Sub-fund, there is always a risk that tenants may default on their legal obligations and fall into arrears on their rental payments and there may be delays in regaining possession. In such circumstances, the ACS's advisors will work closely with the defaulting tenant to explore ways in which the default can be rectified. In the event no resolution can be found having explored all alternative options, the ACS Manager will have the legal right to evict the defaulting tenant and re-let the accommodation on open market terms.

5.21 Good title

Where the Sub-fund invests in property that is subsequently found to have a defective title, there is a risk that the value and saleability of the property may be impaired. The ACS Manager will seek to ensure that adequate procedures and insurance arrangements exist to mitigate the effect of such an event occurring.

5.22 Repair and condition

If properties owned by the Sub-fund fall into disrepair and fall below an acceptable condition, this will impact both the value and marketability of those properties and the rent generated from those properties. The managing agents of the properties will operate under an agreed service level with the ACS to ensure that the property assets of the Sub-fund remain in good and substantial repair and condition. To this end it should also be noted that to mitigate this risk the Sub-fund will incur maintenance and repair costs in relation to the properties in up keeping the state of repair and condition of the properties to a suitable standard.

5.23 Environmental risks – contamination

If the Sub-fund invests in property that is subsequently found to have an environmental contamination issue, there is a risk that the value and saleability of the property may be impaired. The Investment Manager will ensure, where appropriate, that a contamination report from a properly insured provider is obtained prior to investment. Potential clean up costs and substantial insurance claims may be made against the owner of property in these circumstances.

5.24 Environmental risks – flooding

Where the Sub-fund invests in property that is subsequently found to be at significant risk of flooding, there is a risk that the value and saleability of the property may be impaired. The Investment Manager will undertake appropriate investigations.

5.25 Environmental risks – subsidence

Where the Sub-fund invests in property that is subsequently found to be at significant risk of subsidence, there is a risk that the value and saleability of the property may be impaired. The Investment Manager will undertake appropriate investigations.

5.26 Residential property

Residential property values are affected by factors such as the level of interest rates, economic growth, fluctuations in property yields and tenant default. Certain significant expenses on a property, such as operating expenses, must be met by the owner (i.e. the ACS) even if a property is vacant.

5.27 Custody

There may be a risk of loss where the assets of the Sub-fund are held in custody that could result from the insolvency, negligence or fraudulent action of the Depositary or its sub-custodian.

5.28 Currency risk

Although the Sub-fund does not currently intend to invest in assets that are denominated in currencies other than GBP, it has the ability to do so. To the extent that the Sub-fund does gain exposure to currencies other than GBP, currency fluctuations may adversely affect the value of the Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of its investment in Units.

5.29 Credit and fixed income securities

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

The value of a fixed income security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB- or equivalent. BBB- is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

5.30 Equity investments

The Sub-fund may invest in the shares of property investment companies. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.

5.31 Unlisted investments

Unlisted investments are generally not publicly traded. As there may be no open market for a particular security it may be difficult to sell and cause liquidity issues.

The lack of an open market may also restrict the establishment of a fair value for an unlisted investment when compared to an equivalent listed investment.

5.32 Leverage

The Sub-fund may employ leverage that will magnify gains and losses and result in greater volatility in the value of the Scheme Property as a result of market movements. Please see Appendix I and Appendix III for further details regarding leverage.

5.33 Regulated collective investment schemes

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

In these cases, many if not all of the risks attributable to an investment in the underlying funds will be relevant to the Sub-fund itself. The ACS Manager will seek to monitor investments and trading activities of the underlying investments in which the Sub-fund may invest. However, investment decisions are normally made independently at the level of the underlying fund and are solely subject to the restrictions applicable to those underlying funds.

5.34 Unregulated collective investment schemes

The Sub-fund may invest in unregulated collective investment schemes. Such schemes are subject to less onerous regulatory supervision than regulated schemes, and therefore may be considered higher risk. These unregulated schemes may include hedge funds, which may be difficult to sell, and may also borrow to meet their objectives. This borrowing is likely to lead to volatility in the value of the scheme, meaning that a relatively small movement either down or up in the value of the scheme's total assets, will result in a magnified movement in the same direction of the scheme's net asset value.

5.35 Efficient Portfolio Management

The ACS Manager may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. For more information in relation to investment in derivatives, please see paragraphs 18 and 19 in Appendix III.

There is no guarantee that the Sub-fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Sub-fund), the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations. In the event of a bankruptcy or insolvency of a counterparty, the Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of their investment during the period in which the Depositary seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Depositary. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Depositary. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Sub-fund.

To assist in managing these types of risks, the ACS Manager is required to have a collateral management policy and to keep such policy under regular review. Please see paragraph 11.12 for details of the ACS Manager's collateral management policy.

The Sub-fund will also bear the risk of settlement default on transactions entered into for the purposes of EPM.

Investors should note that EPM transactions may be effected in relation to the ACS in circumstances where the ACS Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the ACS. Where a conflict cannot be avoided, the ACS Manager will have regard to their responsibility to act in the best interests of the ACS and its investors. The ACS Manager will ensure that the ACS and its investors are treated fairly and that such transactions are effected on terms which are not less favourable to the ACS than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see paragraph 6.10.

6. Management and Administration

6.1 Regulatory Status

The ACS Manager and the Depositary are each authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

6.2 ACS Manager

6.2.1 General

The ACS Manager and AIFM is Link Fund Solutions Limited which is a private company limited by shares incorporated in England and Wales on 21 November 1973.

The directors of the ACS Manager as at the date of this Prospectus are: C Addenbrooke, N Boyling, B Hammond, K Midl, P Hugh Smith and A Stuart. Mr Stuart is a Non-Executive Director of the ACS. Mr Stuart is also engaged in other business activity not connected with the business of the ACS. Such business activities are not considered to be of significance to the business of the ACS. None of the other directors' main business activities (which are not connected with the business of the ACS Manager or any of its associates) are of significance to the ACS's business.

The registered office of the ACS Manager is at 6th Floor, 65 Gresham Street, London EC2V 7NQ, and its principal place of business is at 6th Floor, 65 Gresham Street, London EC2V 7NQ. The issued share capital of the ACS Manager consists of 647,636 ordinary shares of £1 each, all of which are fully paid up.

The ACS Manager is responsible for managing and administering the ACS's affairs in compliance with the Regulations. The ACS Manager has authority to enter into Authorised Contracts. The ACS Manager may on behalf of Unitholders exercise rights under an Authorised Contract, bring and defend proceedings for the resolution of any matter relating to an Authorised Contract, and take action in relation to the enforcement of any judgment given in such proceedings.

The ACS Manager may delegate investment management, property management and administration functions in accordance with the Regulations. Notwithstanding such delegation, the ACS Manager remains responsible for any functions so delegated.

The ACS Manager has also delegated to the Investment Manager the function of investment management in relation to the Sub-fund.

The ACS Manager has delegated to the Administrator the function of administration, including fund accounting (as further explained in paragraph 6.7).

The ACS Manager has opted to maintain an appropriate level of “additional own funds” calculated in accordance with AIFM Regulation (or such lower amount as may be authorised by the FCA from time to time in accordance with the AIFM Regulation) to cover professional liability risks.

The ACS Manager is also the authorised fund manager of certain regulated collective investment schemes details of which are set out in Appendix VI.

6.3 The Depositary

6.3.1 General

Pursuant to the Depositary Services Agreement and for the purposes of and in compliance with the AIFMD and the relevant FCA Rules, State Street Trustees Limited has been appointed as depositary to the ACS.

The Depositary is a private limited company incorporated in England and Wales with company registration number 02982384. The Depositary’s registered and head office is located at 20 Churchill Place, London E14 5HJ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. The Depositary is regulated by the FCA.

The Depositary provides services to the Sub-fund as set out in the Depositary Services Agreement and, in doing so, shall comply with the AIFMD, the relevant FCA Rules and the terms of the ACS Deed. The Depositary has been entrusted with the following main functions:

- (i) ensuring that the sale, issue, repurchase, redemption, cancellation, transfer, Switch (where possible) and Conversion (where permissible) of Units are carried out in accordance with applicable law, relevant FCA Rules and the ACS Deed;
- (ii) ensuring that the value of Units of the Sub-fund are calculated in accordance with applicable law, the relevant FCA Rules and the ACS Deed;
- (iii) carrying out the instructions of the ACS Manager, unless they conflict with applicable law, the relevant FCA Rules or the ACS Deed;
- (iv) ensuring that, as and when additional Sub-funds are created, in transactions involving a Sub-fund’s assets any consideration is remitted to the relevant Sub-fund, and within the usual time limits;
- (v) ensuring that the Sub-fund’s income is applied in accordance with applicable law, the relevant FCA Rules and the ACS Deed;
- (vi) ensuring that the income of the Sub-fund is received in line with the tax status of each Unitholder and income statements and/or tax certificates (as appropriate) are distributed in the name of each Unitholder in accordance with applicable law and the ACS Deed;
- (vii) monitoring of the Sub-fund’s cash and cash flows; and
- (viii) safekeeping of the Sub-fund’s assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

6.3.2 Terms of Appointment

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 90 days’ written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

The Depositary is separately entitled to an indemnity from The Canada Life Group (UK) Limited under a letter of indemnity (the “**Letter of Indemnity**”). The Depositary may terminate the Depositary Services Agreement upon the happening of certain specified events relating to the Letter of Indemnity.

In the event of a loss of a financial instrument held in custody, determined in accordance with the AIFMD and relevant FCA Rules, the Depositary shall return financial instruments of identical type or the corresponding amount to the ACS Manager acting on behalf of the Sub-fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the AIFMD.

The Depositary will be liable to the Sub-fund for all other losses suffered by the Sub-fund as a result of the Depositary’s negligent or intentional failure to properly fulfil its obligations pursuant to the AIFMD.

Neither the Depositary nor the ACS Manager shall be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary or the ACS Manager (as the case may be) of their duties and obligations.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement, but the Depositary’s liability shall not be affected by any such delegation.

The Depositary and any party to whom its safekeeping function is delegated in accordance with the Depositary Services Agreement may not, without the prior written consent of the ACS Manager, reuse the Scheme Property.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Sub-fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Sub-fund. The Depositary maintains a conflict of interest policy to address this. Please see paragraph 6.10.2 for more information.

Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix VIII.

6.4 The Investment Manager

6.4.1 General

The ACS Manager has delegated certain functions with respect to the investment management of the assets of the ACS to Canada Life Asset Management Limited, which is a private company limited by shares incorporated in England and Wales on 23 September 1999 and regulated by the FCA, pursuant to the Investment Management Agreement. The Investment Manager’s principal business activity is the provision of investment management services. The Investment Manager will also be responsible for providing or procuring provision of day-to-day property management services in respect of the immovable properties which form part of the Scheme Property of the Sub-fund.

The registered office of the Investment Manager is at Canada Life Place, High Street, Potters Bar, Hertfordshire EN6 5BA, and its business office is at 1-6 Lombard Street, London EC3V 9JU.

6.4.2 Terms of Appointment

The terms of the Investment Management Agreement between the ACS Manager and the Investment Manager include the provision of investment management to attain the investment objectives of the Sub-fund, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Manager has authority to make decisions on behalf of the ACS Manager on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Manager's half yearly report for inclusion in the ACS's report for circulation to Unitholders.

The Investment Manager is permitted under the terms of the Investment Management agreement to delegate functions to third parties in relation to the provision of investment management services to the ACS Manager. The Investment Management Agreement may be terminated by either party on not less than twelve months' written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACS Manager out of its remuneration received each month from the Sub-fund as explained in paragraph 7.8.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the ACS (or the Sub-fund).

6.5 The Registrar

The ACS Manager is the person responsible for maintaining the Register under the terms of the ACS Deed. The ACS Manager has delegated its registrar functions to Link Fund Administrators Limited. The Register is kept and maintained at the Registrar's principal place of business, being Arlington Business Centre, Millshaw Park Lane, Leeds LS11 0PA. The Register may be inspected at the aforementioned address or the principal place of business of the ACS Manager, by or on behalf of the Unitholders on any Business Day during normal business hours.

The Register is conclusive evidence of the title to Units except in the case of any default in payment or transfer to the ACS of cash or other property due and the Depositary and the ACS Manager are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Units.

6.6 The Auditors

The Auditors of the ACS are Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London E14 5EY.

6.7 Administrator

The Administrator of the ACS is State Street Bank and Trust Company, London Branch, a Massachusetts trust company registered and incorporated under the laws of the Commonwealth of Massachusetts and having its principal place of business at One Lincoln Street, Boston, Massachusetts, 02111 USA, and whose London branch is at 20 Churchill Place, Canary Wharf, London E14 5HJ, United Kingdom and is registered in England and Wales with branch number BR002088 and foreign company number FC010828. The Administrator is responsible for providing administrative and fund accounting services to the ACS.

6.8 The Standing Independent Valuer

The ACS Manager has appointed Cushman & Wakefield Debenham Tie Leung Limited and BNP Paribas Real Estate Advisory & Property Management UK Ltd to act as standing independent valuers of the ACS. A Standing Independent Valuer is responsible for valuing the immovable property of the ACS in accordance with the COLL Sourcebook. A Standing Independent Valuer also acts as an appropriate valuer as referred to in the COLL Sourcebook when permitted to do so under the COLL Sourcebook. The Standing Independent Valuer is independent of the ACS Manager and the Depositary.

6.9 Conflicts of interest

6.9.1 The ACS Manager

The ACS Manager, the Investment Manager and other companies within the ACS Manager's and/or the Investment Manager's group may, from time to time, act as investment manager or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-fund. It is therefore possible that the ACS Manager and/or the Investment Manager may in the course of their business have potential conflicts of interest with the ACS or the Sub-fund or that a conflict exists between the ACS and other funds managed by the ACS Manager. Each of the ACS Manager and the Investment Manager will, however, have regard in such event to its obligations under the ACS Deed and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the ACS so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACS Manager and the Investment Manager will ensure that the ACS and other collective investment schemes it manages are fairly treated.

The ACS Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the ACS or its Unitholders will be prevented. Should any such situations arise the ACS Manager will disclose these to Unitholders in the report and accounts or otherwise in an appropriate format.

Further details relating to the ACS Manager's conflicts of interest policy are available by contacting the ACS Manager/on the ACS Manager's website at www.linkfundsolutions.co.uk.

6.9.2 The Depositary

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Services Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the ACS or the ACS Manager on behalf of the ACS;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the ACS or the ACS Manager on behalf of the ACS either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary and/or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the ACS Manager or the Unitholders the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the ACS Manager;
- (iv) may provide the same or similar services to other clients including competitors of the ACS or the ACS Manager;
- (v) may be granted creditors' rights by the ACS Manager which it may exercise.

The ACS Manager may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the ACS. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the ACS or the ACS Manager. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the ACS Manager. The affiliate shall enter into such transactions on the terms and conditions agreed with the ACS Manager.

Where cash belonging to the ACS is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The ACS Manager may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Sub-fund and its Unitholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

6.10 Best execution and client order handling

In connection with the acquisition of transferable securities and assets other than immovable property, the ACS Manager's order execution policy sets out the factors which the ACS Manager expects the Investment Manager to consider when effecting transactions and placing orders in relation to the ACS. This policy has been developed in accordance with the ACS Manager's obligations under the Regulations to obtain the best possible result for the ACS with respect to acquisition of assets other than immovable property.

Details of the order execution policy are available on the ACS Manager's website at www.linkfundsolutions.co.uk.

6.11 Unitholders' rights

No Unitholder will have any direct contractual claim against any service provider listed above in this section 6 with respect to such service provider's default. This is without prejudice to any right a Unitholder may have to bring a claim against an FCA authorised service provider or the ACS Manager under Section 138D of FSMA (which provides that breach of an FCA rule by such service provider or the ACS Manager is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Unitholders who believe they may have a claim under Section 138D of FSMA, or in tort or contract, against any service provider or the ACS Manager in connection with their investment in the Sub-fund, should consult their legal adviser.

7. Fees and Expenses

7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Units (see paragraph 3.7) payable by a Unitholder or out of Scheme Property are set out in this section.

To the extent permitted by the Regulations, each Sub-fund formed after the date of this Prospectus may bear its own direct authorisation and establishment costs. Any such costs will be apportioned to the appropriate Sub-fund or Class on a monthly basis to the end of the first accounting year.

The ACS or the Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 the fees and expenses payable to the ACS Manager (and its delegates (including the Administrator)), the Depositary, its sub-custodians, the Standing Independent Valuer (further details of these fees and expenses are given below);
- 7.1.2 fees and expenses in respect of establishing and maintaining the Register and related functions (whether payable to the ACS Manager or any other person);
- 7.1.3 expenses incurred in acquiring and disposing of investments including broker's commission, fiscal charges (including any SDLT or other stamp or transfer tax) and other disbursements which are necessary to be incurred in effecting transactions for the Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.4 expenses incurred in distributing income to Unitholders;
- 7.1.5 fees in respect of the publication and circulation of details of the Net Asset Value of the Sub-fund and each Class of the Sub-fund;
- 7.1.6 the fees and expenses of the auditors and legal, tax and other professional advisers of the ACS Manager;
- 7.1.7 the costs of convening and holding meetings of Unitholders (including meetings of Unitholders in the Sub-fund or in any particular Class within the Sub-fund);
- 7.1.8 the costs of printing and distributing reports, accounts and any Prospectus and the cost of printing but not distributing the NURS key investor information document;
- 7.1.9 the costs of publishing prices and other information which the ACS Manager is required by law to publish and any other administrative expenses;
- 7.1.10 taxes and duties payable by the ACS or the Sub-fund;
- 7.1.11 interest on and charges incurred in relation to borrowings including in terminating such borrowings or in restating or varying the terms of such borrowing;
- 7.1.12 fees of the FCA under Schedule 1, Part III of FSMA and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units are or may be marketed together with any costs and expenses incurred in registering, being recognised or going through any other process in relation to the ACS or the Sub-fund in any territory or country outside the United Kingdom for the purposes of marketing Units in such territory or country (including any costs and expenses incurred in translating or having translated the ACS Deed, the Prospectus and any other document);
- 7.1.13 any costs incurred in modifying the ACS Deed or the Prospectus;

7.1.14 any expenses properly incurred by the Depositary in performing duties imposed upon it (or exercising powers conferred on it) by the Regulations. The relevant duties include (but are not limited to) the delivery of stock to the Depositary or its sub-custodians, the custody of assets, the collection of income, the submission of tax returns, the handling of tax claims, the preparation of the Depositary's annual report and any other duties the Depositary is required to perform by law;

7.1.15 liabilities on amalgamation or reconstruction or unitisation arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Units to the Unitholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the ACS Deed forbidding such payment, the ACS Manager is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;

7.1.16 any costs incurred in forming any additional Sub-funds or Classes; and

7.1.17 any costs incurred in taking out and maintaining an insurance policy in relation to the ACS;

7.1.18 any payment permitted by COLL 6.7.15R;

7.1.19 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

7.1.20 any expense incurred in conducting risk management Value at Risk (VaR) monitoring and reporting;

7.1.21 any payments otherwise due by virtue of a change to the Regulations;

7.1.22 any costs and expenses incurred in relation to the winding up of the ACS or termination of the Sub-fund;

7.1.23 any other costs or expenses that may be taken out of the Scheme Property in accordance with the FCA Rules.

7.1.24 the fees and expenditure incurred in relation to the immovable property, "expenditure" in this context means in respect of any movable or immovable property or property related right or interest whatsoever which is, or may be intended to become, part of the Scheme Property, taxes, charges, costs, expenditure, outgoings or disbursements whatsoever (including abortive costs) incurred or legally committed in relation thereto including at present the following:

7.1.24.1 researching, acquiring, developing, letting, re-letting, disposing, structuring or restructuring, reinstating, varying, managing, funding, financing, refinancing, securing, profit sharing, clawback arrangements, hedging, procuring swaps, procuring underwriting, paying interest, commissions, charges and fees;

7.1.24.2 taxes, rates, charges, duties, levies, assessments, impositions or other outgoings whatsoever whether of a capital or revenue nature including SDLT, stamp duty, stamp duty reserve tax, any other transfer tax, withholding tax, transfer pricing and irrecoverable VAT;

7.1.24.3 to any planning authority or other competent authority or to a third party pursuant to any planning highways or similar agreement or arrangement whatsoever;

7.1.24.4 to agents, brokers, solicitors, attorneys, counsel, notaries, accountants, actuaries, insurers, surveyors, architects, engineers, developers, analysts, rating agencies, credit reference agencies, advertisers, marketers, information providers, enquiry agents, publishers, experts and/or arbiters and any other professional advisers and consultants whatsoever, professional or industry organisations, governments, government agencies, suppliers, contractors, security, concierge and maintenance staff whatsoever including their respective disbursements;

7.1.24.5 to pay (or to reimburse any Unitholder, the Depositary or the Investment Manager, or any of their respective delegates, for paying) any governmental authority, agency or regulatory body any charges, costs and expenses payable under environmental laws and regulations with respect to the immovable property held by the Sub-fund, or the supply of energy to such property, including, without limitation, charges and expenses incurred under the CRC Energy Efficiency Scheme (as established by the CRC Energy Efficiency Scheme Order 2013 and as amended or replaced from time to time), whether or not such charges, costs and expenses are recoverable or are in fact recovered by the ACS or the Sub-fund from tenants of that immovable property;

7.1.24.6 valuing assets, analysing or securing independent comparative fund performance, securing financial reports and other information on and investigating actual or prospective occupiers, tenants, vendors, purchasers and any other third parties, and insurance;

7.1.24.7 any project or development management whether internal or external (including any property managing agent's fees);

7.1.24.8 for any works, systems, plant or equipment or plenishings whatsoever including environmental, demolition, building, fitting out, commissioning, decommissioning, decontaminating, decorating, equipping, furnishing, repairing, replacing, maintaining, remediating, refurbishing, refurnishing, rebuilding, redecorating, re-equipping, restorative and preventative measures;

7.1.24.9 any rent-free or reduced period, commission, premium, fine or other financial inducement or incentive of any nature whatsoever given to any third party to induce it to enter into any lease, licence renewal or other arrangement whatsoever;

7.1.24.10 complying with any law and any obligation whatsoever including meeting obligations to banks, funders, superiors, landlords, tenants, occupiers and paying rents, costs and expenses including for voids and service charges for voids;

7.1.24.11 attributable to property management, expert determinations, arbitrations, dispute resolution, litigation, enforcement of rights, including employment issues, rent reviews, actual or threatened repairs and dilapidations, evictions, debt recovery, surety enforcement, forfeiture, and bad debts;

7.1.24.12 any other items whatsoever properly incurred in the day to day operation of a property portfolio of the type envisaged in this Prospectus including analogous items in any country in which immovable property may held in terms of this Prospectus;

7.1.25 any value added or similar tax relating to any charge or expense set out herein;

7.1.26 any SDLT chargeable to the ACS Manager, the ACS or the Sub-fund pursuant to the withdrawal of any SDLT seeding relief under Schedule 7A Finance Act 2003; and

7.1.27 any other fee, cost, charge or expense permitted to be deducted from Scheme Property under the Regulations.

To the extent permitted by the COLL Sourcebook, each Sub-fund formed after this Prospectus may bear its own direct establishment costs.

Expenses are allocated between capital and income in accordance with the Regulations, and the particular approach for the Sub-fund is set out in Appendix I. Where expenses are deducted in the first instance from income then if, and only if, this is insufficient, deductions will be made from capital. If deductions should be made from capital, this would result in capital erosion and constrain growth.

7.2 Charges payable to the ACS Manager

In payment for carrying out its duties and responsibilities the ACS Manager is entitled to receive out of the assets of the Sub-fund an annual management charge which accrues daily in respect of successive daily accrual intervals, is reflected in the value of the Units on a daily basis and is paid out of the Sub-fund at monthly intervals.

The annual management charge is calculated separately in respect of each Class in the Sub-fund as a percentage rate per annum of the proportion attributable to that Class of the Net Asset Value of the Sub-fund.

It is calculated on a daily basis by reference to that proportion of the Net Asset Value of the Sub-fund at the first or only Valuation Point on the previous Dealing Day (but, in respect of the first day on which there is property in the Sub-fund, there will be no annual management charge).

The current rate of annual management charge and the maximum rate of annual management charge permitted in respect of each Class in the Sub-fund are set out in Appendix I. Any VAT on the annual management charge will be added to that charge.

On a winding up of the Scheme or the Sub-fund or on the redemption of a Class of the Sub-fund, the ACS Manager is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

The ACS Manager is also entitled to all reasonable, properly vouched out-of-pocket expenses incurred in the performance of its duties.

The ACS Manager may only increase its remuneration for its services in accordance with the FCA Rules.

The ACS Manager has policies and practices in place for those categories of staff whose professional activities have a material impact on the risk profiles of the ACS Manager or the Sub-fund. These policies and practices are designed to promote sound and effective risk management, and discourage risk taking inconsistent with the risk profiles and parameters set out in this Prospectus.

Information relating to the total fixed and variable remuneration paid by the ACS Manager to its staff will be available in the ACS's annual long report. Copies of the annual long reports may be inspected at the offices of the ACS Manager at 6th Floor, 65 Gresham Street, London EC2V 7NQ. Copies may also be obtained from the ACS Manager at that address.

7.3 Depositary's fee

The Depositary is entitled to receive out of the Scheme Property by way of remuneration a periodic charge, which will be calculated and accrue daily by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day, and will be billed on a monthly basis and paid as soon as practicable after the end of each month. The Depositary is also entitled to certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such rate or rates as agreed from time to time between the ACS Manager and the Depositary in accordance with the COLL Sourcebook. The current rate of the Depositary's periodic charge in respect of the Sub-fund is:

Net Asset Value of the Sub-fund:	Fee:
Up to £500 million	0.0225% per annum
Over £500 million	0.0175% per annum

of the value of the Scheme Property, subject to a minimum fee of £30,000 per Sub-fund per annum. In addition, VAT on the amount of the periodic charge will be paid out of the Scheme Property.

The Depositary Services Agreement provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as custodian and other transaction and bank charges. At present the Depositary delegates the function of custody of the Scheme Property to State Street Bank and Trust Company. Please see Appendix VIII for more details.

The remuneration for acting as custodian (the "Safekeeping Fee") is calculated at such rate and/or amount as the ACS Manager, the Depositary and the custodian may agree from time to time.

The current Safekeeping Fee is (i) in respect of Scheme Property held in the UK, 0.005% of the value of the Scheme Property held in the UK per annum, plus VAT (if any) calculated at an ad valorem rate. The current transaction charge for the UK is £10 per transaction plus VAT (if any); or (ii) in respect of any Scheme Property held outside the UK which is required to be held via Euroclear, 0.01% of the value of the Scheme Property so held per annum, plus VAT (if any) calculated at an ad valorem rate. The current transaction charge for Euroclear is £10 per transaction plus VAT (if any).

The Safekeeping Fee will be an annual fee billed and payable monthly based on the value of the Scheme Property at the end of the relevant month. The Safekeeping Fee is inclusive of any custodian fees charged by sub-custodians of the Depositary, where relevant. The transaction fees will be charged on a per portfolio buy or sell basis and includes expenses of any sub-custodians of the Depositary. In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the ACS. VAT (if any) in connection with any such expenses is payable in addition.

Expenses not directly attributable to a particular Sub-fund will be allocated between Sub-funds. In each case such expenses and disbursements will also be payable if incurred by any person (including the ACS Manager or an Associate or nominee of the Depositary or of the ACS Manager) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

7.4 Introduction or increase of remuneration of Depositary

Remuneration payable out of the Scheme Property to the Depositary can only be introduced or increased in accordance with the FCA Rules.

7.5 Registrar's fee

The ACS Manager is entitled to receive a fee out of the Scheme Property for providing registration services, (including establishing and maintaining sub-registers where applicable) out of which the ACS Manager will pay the fees of the Registrar. The registrar fee currently agreed is a fee of £70,000 per annum subject to increases at the reasonable discretion of the ACS Manager. It is payable monthly and accrues daily in arrears.

In addition, for any instruction to purchase or redeem Units a transaction fee of up to £15.89 will be levied and payable by the relevant Sub-fund. The amount of any transaction fee will depend on the method of investment or redemption (for example electronic or postal) and will reflect the underlying costs of the chosen method. The fee will apply to new instructions and regular saver arrangements but will not apply to ongoing arrangements such as re-investment of income.

The level of charges for transaction fees levied by the ACS Manager will be benchmarked to the Retail Prices Index ("RPI") and will be amended on 1 January annually to reflect any rise in the RPI for the previous calendar year. In the event that the RPI has not increased in the previous calendar year, then the transaction fee will remain the same. Increases in the transaction fees will not be notified to Unitholders.

7.6 Fund accountancy fees

The remuneration of the Administrator consists of a periodic charge which will be paid out of the property of the Sub-fund monthly in arrears. The periodic charge will accrue throughout the month and be charged to the Sub-fund at the end of each month. The fee for each month will be based on the final Net Asset Value of the Sub-fund at the end of the relevant month.

The periodic charge will be at such annual rate (before VAT) as the ACS Manager and Administrator may, from time to time, agree. Currently, the ACS Manager and the Administrator have agreed that the annual rate of the periodic charge will be:

Net Asset Value of the Sub-fund:	Fee:
First £750 million	0.0175% per annum
From £750 million to £2,250 million	0.0150% per annum
Over £2,250 million	0.0100% per annum

of the value of the Scheme Property, subject to a minimum fixed fee per Sub-fund of £20,000;

Additional fixed fee:	Fee:
Per Class of a Sub-fund	£2,750
Per Unitholder of a Sub-fund	£2,500

The periodic charge is subject to an addition for VAT. The periodic charges will be subject to periodic review and may be subject to reasonable increases over time.

7.7 Standing Independent Valuers' fees

The Standing Independent Valuers will be paid a fee from the Scheme Property in respect of their duties.

BNP Paribas Real Estate Advisory & Property Management UK Ltd	0.02% of value of property under management per annum valued by them.
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Cushman & Wakefield Debenham Tie Leung Limited	A fee ranging between £1,750 and £2,500 per asset valued by them per annum.
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7.8 Investment Manager's fees

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACS Manager out of its remuneration, as described in paragraph 7.2 above.

7.9 Allocation of fees and expenses between Sub-funds

All the above fees, duties and charges (other than those borne by the ACS Manager) will be charged to the Sub-fund, or, in the event that additional Sub-funds are created, to the Sub-fund in respect of which they were incurred.

Where an expense is not considered attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the Net Asset Value of the Sub-funds, although the ACS Manager has discretion to allocate these fees and expenses in a manner which it considers fair to Unitholders generally.

8. Unitholder meetings and voting rights

8.1 Class, ACS and Sub-fund meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of the Sub-fund as they apply to general meetings of the ACS. References to Units shall be to the units of the Class concerned and the Unitholders and value and prices of such Units.

8.2 Convening meetings

The ACS Manager may convene a general meeting at any time.

Unitholders may also requisition a general meeting of the ACS. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Units then in issue and the requisition must be deposited with the Depositary. The ACS Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

8.3 Notice and quorum

Unitholders will receive at least 14 days' written notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. Where a meeting has been adjourned, if a quorum is not present at the adjourned meeting within a reasonable time, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

8.4 Voting rights

At a general meeting, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit shall be such proportion of the voting rights attached to all the Units in issue (in the ACS or the Sub-fund or the Class as the case may be) as the price of the Units bears to the aggregate price(s) of all the Units in issue (of the ACS or the Sub-fund or the Class as appropriate), at the close of business on a day to be determined by the ACS Manager, which must not be more than 21 days before the notices of the meeting are sent out.

A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Unitholders, the vote of the most senior Unitholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the ACS Deed require an extraordinary resolution (which needs at least 75 per cent. of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACS Manager may not be counted in the quorum for a meeting and neither the ACS Manager nor any Associate (as defined in the FCA Rules) of the ACS Manager is entitled to vote at any meeting of the ACS except in respect of Units which the ACS Manager or Associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the ACS Manager or Associate has received voting instructions.

Where all the Units in the Sub-fund are registered to, or held by, the ACS Manager or its Associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Unitholders representing 50 per cent. or more, or for an extraordinary resolution 75 per cent. or more, of the Units in issue.

8.5 Variation of Class or Sub-fund rights

The rights attached to a Class or Sub-fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Unitholders of that Class or Sub-fund.

8.6 Notifying Unitholders of changes

The ACS Manager is required to seek Unitholder approval to, or notify Unitholders of, various types of changes to the Sub-fund. The form of notification, and whether Unitholder approval is required, depends upon the nature of the proposed change.

A fundamental change is a change or event which:

- (a) changes the purposes or nature of the Sub-fund or the ACS; or
- (b) may materially prejudice a Unitholder; or

- (c) alters the risk profile of the Sub-fund or the ACS; or
- (d) introduces any new type of payment out of the Scheme Property of the Sub-fund.

For fundamental changes, the ACS Manager must obtain prior approval from the Unitholders, normally by way of an extraordinary resolution (which requires 75 per cent. of the votes cast at the meeting to be in favour if the resolution is to be passed).

A significant change is a change or event which is not fundamental but which:

- (a) affects a Unitholder's ability to exercise his rights in relation to his investment; or
- (b) would reasonably be expected to cause the Unitholder to reconsider his participation in the Sub-fund or the ACS; or
- (c) results in any increased payments out of the Scheme Property to the ACS Manager or its associates; or
- (d) materially increases payments of any other type out of the Scheme Property.

The ACS Manager must give reasonable prior written notice (not less than sixty days) in respect of any such proposed significant change.

A notifiable change is a change or event, other than a fundamental change or a significant change as described above, which a Unitholder must be made aware of unless the ACS Manager concludes that the change is insignificant. The ACS Manager must inform Unitholders in an appropriate manner and timescale of any such notifiable changes.

8.7 Strategy for the exercise of voting rights

The ACS Manager has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of the Sub-fund. A summary of this strategy is available from the ACS Manager on request. Voting records and further details of the actions taken on the basis of this strategy in relation to the Sub-fund are available free of charge from the ACS Manager on request.

9. Taxation

9.1 General

The information below is a general guide based on current UK law and HMRC practice, which are subject to change (possibly with retrospective effect). It summarises the tax position of the Sub-fund and of UK resident investors who hold Units as investments and does not constitute legal or tax advice. The tax position of investors will depend on their precise status and circumstances. Prospective investors who are concerned about their tax position, and in particular who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

9.2 The Sub-fund

As the Sub-fund will be tax-transparent for UK tax purposes, its income and gains are not subject to tax in the UK. Distributions by the Sub-fund to UK resident Unitholders will not be subject to UK withholding tax.

9.3 Unitholders

9.3.1 Income

Investors will be liable to tax on their proportionate share of the net income (as calculated pursuant to the normal UK tax treatment applied to that type of income in the hands of that investor) of the Sub-fund, and they should be able to benefit from their proportionate share of the attached tax credits for any UK and foreign tax withheld at source or paid by or on behalf of the Sub-fund. They will require detailed information about the income they receive from the Sub-fund, and the ACS Manager intends to supply the necessary information to them in an appropriate form and a timely manner.

It is intended that, where practical, reduced rates of withholding tax on foreign source income (such as distributions from US REITs) will be claimed at source, and to facilitate this prospective investors and Unitholders may be asked to supply the appropriate forms for particular income types. Where they do not do so, or it is not practical or possible for any reason to claim relief at source, then the Unitholders will need to make their own tax reclaims.

UK property rental income paid to non-UK resident Unitholders may be subject to the deduction of tax by the ACS Manager at 20 per cent. In accordance with the Taxation of Income from Land (Non-residents) Regulations 1995, this withholding tax is calculated on the net amount of the rental income less any deductible expenses which the ACS Manager can reasonably be satisfied are allowable in computing the amounts payable to such non-UK resident Unitholders. Tax must be deducted by the ACS Manager and paid to HMRC unless the Unitholder supplies evidence to the ACS Manager that HMRC has granted approval for such rental income to be paid free from withholding under the terms of the Non-Resident Landlord's Scheme (NRL Scheme). Where such tax is deducted from payments of UK property rental income, this can be set off against the overall UK tax liability of the non-resident Unitholder concerned.

9.3.2 Capital gains

For the purposes of UK tax on chargeable gains only, the Units in the Sub-fund will be deemed to be shares in a company with the result that Unitholders will not be liable to tax on chargeable gains realised by the Sub-fund. Unitholders may instead be liable to tax on chargeable gains arising from the redemption, transfer or other disposal of Units depending on their own UK tax status. In particular, for UK life businesses, the Units are, if capital gains tax assets, treated as being within the annual deemed disposals regime.

In the event that there is more than one Sub-fund, an exchange of Units in the Sub-fund for Units in another Sub-fund of the ACS will generally be treated as a disposal for this purpose, but exchanges of Units between Classes within the Sub-fund will not.

9.4 Stamp taxes

9.4.1 Market purchases

SDLT or any other applicable tax or duty will be payable on the purchase of property in the market in the normal way.

9.4.2 Transactions in Units

Transactions in Units will not be chargeable to SDLT (but Scottish LBTT may still apply with respect to Scottish real property).

9.4.3 Stamp duty/SDRT

No stamp duty or SDRT is chargeable on subscriptions for Units. No stamp duty or SDRT is chargeable with respect to transfers, redemptions, Switches or Conversions of Units provided such transactions do not form part of arrangements of which the main purpose, or one of the main purposes, is the avoidance of stamp duty or SDRT.

9.5 SDLT Seeding relief

9.5.1 Under the Finance Act 2003 certain transfers of property into the ACS may be exempt from SDLT which would otherwise be payable by the ACS ("Seeding Relief"). To qualify for Seeding Relief the transfer of property must be made in exchange for the issue of units only to the vendor of the property and the date on which the property transfer takes effect must be within a period known as the Seeding Period. The Seeding Period is a period no greater than 18 months from the date on which the first property seed investment is made but can be shorter at the discretion of the ACS Manager. Details of the Seeding Period will be notified to Unitholders and made available to potential investors.

9.5.2 Seeding Relief may be withdrawn in certain circumstances. These circumstances include where a Unitholder which was the vendor of property in respect of which Seeding Relief was claimed sells Units before the end of the Seeding Period or within a period of three years immediately following the end of the Seeding Period. In the event that the Seeding Relief is withdrawn the SDLT charge and other related costs that arise as a result of the withdrawal will be borne by the ACS.

9.5.3 The rules determining when Seeding Relief may be available or withdrawn is a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

9.6 Value Added Tax

It is intended that the Sub-fund is registered for VAT.

9.7 Capital Allowances

Draft provisions which are still to be enacted will, if enacted, amend the Capital Allowances Act 2001 and provide that the ACS Manager may elect for an administrative simplification when complying with the capital allowances legislation. Under the current draft of the new provisions (which may be subject to change), where the Unitholders in the ACS together carry on a qualifying activity, each Unitholder in the ACS will be treated as carrying on the qualifying activity, provided that profits or gains arising to the Unitholder from the qualifying activity are or (if there were any) would be chargeable to tax. Once these new provisions are enacted, the ACS Manager intends to make an irrevocable election that will enable it to calculate capital allowances at the level of the ACS on the basis of specified assumptions (including that the ACS is a person) and allocate the allowances to the Unitholders on the basis of what is just and reasonable. As a result of the election, the Unitholders will be treated as having ceased to own their interest in the property subject to the ACS and the disposal value to be brought into account is the tax written down value such that no balancing allowance or balancing charge arises.

9.8 Disclosure of information

9.8.1 General

Where required by law, or where it is believed in good faith to be in the interests of the Sub-fund as a whole, and each time in compliance with UK law, the ACS Manager, acting with due diligence, reserves the right to disclose the names of the Unitholders in the Sub-fund identified on the register of Unitholders and the chain of ownership of such Unitholder to any tax authority.

The ACS Manager or the Depositary (or their respective delegates) may disclose a Unitholder's personal details to HMRC or other competent regulatory authorities overseas in order to allow the ACS Manager or the Depositary (as the case may be) to obtain treaty benefits, to reclaim any tax withheld in cases where such reclaims are available or to protect against amounts being withheld in the first place.

Where any disclosure is made to HMRC, it may, in turn, disclose these details to authorities in the United States and/or other overseas jurisdictions under the terms of agreements the UK has with the US and other overseas authorities.

Each Unitholder should note that if a request for disclosure from a regulatory, taxation or other government authority is demanded of the ACS Manager, the consequences of non-compliance with which would place in jeopardy the ACS or the Sub-fund as a going-concern, give rise to tax liability or otherwise cause prejudice, the ACS Manager retains the right to disclose such information in respect of each relevant investor as the ACS Manager deems necessary. Accordingly, each Unitholder will be required to provide, as is necessary, such information to the ACS Manager for the purpose of establishing to what extent any jurisdiction's taxation laws, rules and regulations apply to him, her or it.

9.8.2 ACS information requirements

The draft Co-ownership Authorised Contractual Schemes (Tax) Regulations 2017 are still to be enacted. However, the current draft of these regulations (which may be subject to change) have effect for accounting periods beginning on or after 1 April 2017 in respect of the information obligations they contain, and have effect for accounting periods beginning on or after the date that they come into force in respect of other provisions concerning investment in offshore funds. Under the information obligations, the ACS Manager must provide sufficient information to Unitholders in order to enable them to meet their UK tax obligations with respect to their interests in the ACS. The information required to be provided to HMRC includes who the Unitholders in the ACS were in any accounting period of the scheme, the number and classes of Units at the end of any such period and the amount of income per Unit of any class. HMRC may give notice requiring the ACS Manager to provide to HMRC, within such time specified (not being less than 42 days), any information provided to the Unitholders in any accounting period which ended within five years of the notice given. The draft regulations also make provision for the imposition of penalties in respect of contravention of, or non-compliance with, the regulations.

9.8.3 The International Tax Compliance Regulations

The ACS is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

To be compliant with these regulations the ACS must collect information about each investor's tax residence and in certain circumstances provide information about investors' unitholdings to HMRC. HMRC may in turn share this information with overseas tax authorities.

Therefore, where an investor fails to provide the information required by the ACS to comply with its obligations to HMRC this may result in the ACS Manager taking appropriate action against the Unitholder, including invoking the compulsory transfer and redemption provisions set out in paragraph 3.9.

The ACS Manager intends to procure compliance with the regulations but cannot give an assurance that this will be achieved.

The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

9.9 Taxation liability and indemnity

The ACS Deed provides that to the extent the ACS Manager, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder or any of their respective delegates or agents is liable to pay any Taxation because of the acquisition, holding, disposal or ownership, directly or indirectly, of Units by any Unitholder and such Taxation is not paid by the relevant Unitholder on their own account, the Unitholder shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person. To the extent the amount of the Taxation is not so paid, the Unitholder shall indemnify the ACS Manager, the Sub-fund, the Unitholders or former Unitholders in the relevant Sub-fund or Class, as appropriate, and any of the other persons mentioned affected by such Taxation in relation to all such amounts of Taxation. Such indemnity shall continue after the relevant Unitholder ceases to hold Units in the Sub-fund with respect to such Taxation. The ACS Manager in relation to the relevant Sub-fund, or Class, as appropriate, in which the Unitholder holds Units shall have the right to deduct and set off the amount of such Taxation from any amounts available to be distributed to or accumulated on any Units owned by that Unitholder. Further, any amounts equal to such Taxation and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also compulsorily redeem any Units of the Unitholder concerned and use the proceeds of such redemption to pay any relevant Taxation.

10. Winding Up of the ACS or a Sub-fund

10.1 Circumstances where the ACS or a Sub-fund may be wound up

10.1.1 The ACS or the Sub-fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. The Sub-fund may otherwise only be wound up under the COLL Sourcebook.

10.1.2 Where the ACS to be wound up or the Sub-fund is to be terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACS Manager provides a statement (following an investigation into the affairs of the ACS or the Sub-fund as the case may be) either that the ACS or

the Sub-fund will be able to meet its liabilities within 12 months of the date of the statement or that the ACS or the Sub-fund will be unable to do so. The ACS may not be wound up or the Sub-fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACS Manager at the relevant time.

10.1.3 The ACS shall be wound up or the Sub-fund must be terminated under the COLL Sourcebook upon the happening of any of the following:

- (a) the order declaring it to be an authorised contractual scheme is revoked; or
- (b) a Section 261Q FSMA case; or
- (c) an extraordinary resolution to that effect is passed by Unitholders providing that the FCA has consented to the resolution; or
- (d) the period (if any) fixed for the duration of the ACS or the Sub-fund by the ACS Deed expires, or any event arises on the occurrence of which the ACS Deed provides that the ACS or the Sub-fund is to be wound up; or
- (e) the effective date of a duly approved scheme of arrangement which is to result in the ACS or the Sub-fund being left with no property; or
- (f) where additional Sub-funds are created, the date on which all or the last of the Sub-funds fall within (e) above or that otherwise cease to hold Scheme Property, notwithstanding that the ACS may have assets and liabilities which are not attributable exclusively to any Sub-fund; or
- (g) the date stated in any agreement by the FCA to a request by the ACS Manager for the revocation of the authorisation order in respect of the ACS or for the termination of the Sub-fund.

10.2 Process of winding up

10.2.1 On the occurrence of any of the above:

- (a) the provisions of COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the ACS or the Sub-fund (as the case may be);
- (b) the Depositary will cease to issue and cancel Units in the ACS or the Sub-fund and the ACS Manager shall cease to sell or redeem Units for the ACS or the Sub-fund; and
- (c) no transfer of a Unit may be registered and no other change to the Register may be made without the approval of the ACS Manager.

10.2.2 If the ACS Manager has not previously notified the Unitholders of the proposal to wind-up the ACS or the Sub-fund (as the case may be), it must notify the Unitholders as soon as practicable upon the commencement of the winding up of the ACS or the Sub-fund (as the case may be).

10.2.3 The Depositary shall, as soon as practicable after the ACS or the Sub-fund falls to be wound up, realise the assets and meet the liabilities of the ACS or the Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding up or the termination, cancel all Units and distribute the proceeds of that realisation to the Unitholders (upon production by them of such evidence as the Depositary may reasonably require as to their entitlement) proportionately to their respective interests in the Scheme Property as at the date of the event leading to the winding up or termination.

10.2.4 The Depositary may, in certain circumstances, (and with the agreement of the affected Unitholders) distribute Scheme Property (rather than the proceeds on the realisation of that property) to Unitholders on a winding up.

10.2.5 Distributions will only be made to Unitholders entered on the Register on the date on which the winding up or termination commenced unless other arrangements have been made in respect of the final distribution.

10.2.6 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Depositary after one year from the date the proceeds became payable, shall be paid by the Depositary into court, although the Depositary will have the right to retain the amount of any expenses incurred in making that payment. On completion of the winding up, the Depositary shall notify the FCA in writing of the fact and the Depositary and ACS Manager shall request the FCA to revoke the order of authorisation.

10.2.7 Except to the extent that the ACS Manager can show it complied with the duty to ascertain liabilities under the COLL Sourcebook, the ACS Manager is personally liable to meet any liabilities of the ACS or Sub-fund wound up or terminated that were not discharged before the completion of the winding up or termination.

10.2.8 If the proceeds of the realisation of the assets attributable or allocated to the Sub-fund are not sufficient to meet the liabilities attributable or allocated to the Sub-fund, the ACS Manager must pay to the ACS, for the account of the relevant Sub-fund, the amount of such deficit unless it can show that such deficit did not arise as a result of any failure by it to comply with the COLL Sourcebook. Such liability of the ACS Manager will be an accruing debt due from it on the completion of the winding up or termination and is payable on demand.

10.2.9 The obligations of the ACS Manager in this regard do not affect any other obligation of the ACS Manager under the COLL Sourcebook or the law.

10.2.10 Following the completion of a winding up of either the ACS or a Sub-fund, the ACS Manager and the Depositary must prepare an annual long report for the final annual accounting period. The annual report must be sent to the FCA within four months of the completion of the winding up or termination. The ACS Manager must upon publication of the annual long report notify each person who was a Unitholder (or the first named in the case of joint Unitholders) immediately prior to the commencement of winding-up or termination to inform them that the annual long report is available free of charge on request.

10.3 Winding up by a scheme of arrangement

10.3.1 If the ACS is to be wound up in accordance with an approved scheme of arrangement, the Depositary is required to wind up the ACS in accordance with the resolution of Unitholders approving such scheme. Distributions will only be made to Unitholders entered on the Register.

11. General Information

11.1 Accounting periods

The annual accounting period of the ACS ends each year on 31 December (the accounting reference date) with the interim accounting period ending on 30 June (the first annual accounting period of the ACS will end on 31 December 2017).

11.2 Notice to Unitholders and Income Information

All notices or other documents sent by the ACS Manager to a Unitholder will be sent by normal post to the last address notified in writing to the ACS by the Unitholder.

Unitholders requiring income information should discuss their requirements, including frequency, with the ACS Manager.

11.3 Income allocations

Currently the Sub-fund in issue has quarterly income allocations. They accumulate income on every Business Day as well as at the end of each quarter (see Part A of Appendix I).

In future, as and when additional Sub-funds are created, Sub-funds may have interim and final income allocations and in some cases also quarterly income allocations or only have final income allocation dates.

In relation to income Units, where available, distributions will be paid by electronic transfer directly into a Unitholder's bank account on the relevant income allocation date in each quarter as set out in Appendix I.

Where accumulation Units are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Unit as at the end of the relevant quarter.

If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Sub-fund (or, if that no longer exists, to the ACS).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Sub-fund in respect of that period, and deducting the charges and expenses of the Sub-fund paid or payable out of income in respect of that accounting period. The ACS Manager then makes such other adjustments as it considers appropriate (and after consulting the ACS's auditors as appropriate) in relation to taxation, income equalisation (if any), income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

11.4 Income equalisation

The Sub-fund is tax transparent for income purposes meaning that UK tax-paying Unitholders are subject to tax on their share of income net of allowable expenses, as it arises to the Sub-fund and not on distributions of income after deduction of expenses.

Income equalisation in respect of a Unit created or issued or sold by the ACS Manager during an accounting period for which income allocation is to be made will be a capital sum representing the ACS Manager's best estimate of the amount of income included in the issue price of a Unit (or in the issue price by reference to which the selling price of that Unit was determined). The amount of income equalisation per Unit shall be the actual amount of income included in the issue price of that Unit.

When a Unit is purchased during the distribution period, part of the purchase price of the Unit reflects the relevant share of income and expenses accrued by the Sub-fund, and this will be disclosed on the contract note.

Appendix I sets out where income equalisation is applicable.

11.5 Annual reports

The annual long reports of the ACS will be published within four months from the end of each annual accounting period and the half yearly long reports will be published within two months from the end of each interim accounting period. A long report containing the full accounts is available to any Unitholder free of charge on request from the ACS Manager.

11.6 Documents of the ACS

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACS Manager at 6th Floor, 65 Gresham Street, London EC2V 7NQ:

11.6.1 the Prospectus;

11.6.2 the most recent annual and half yearly reports of the ACS;

11.6.3 the ACS Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the ACS Manager. The ACS Manager may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly long reports of the ACS which are available free of charge to anyone who requests).

11.7 Provision of investment advice

All information concerning the ACS and about investing in Units is available from the ACS Manager at 6th Floor, 65 Gresham Street, London EC2V 7NQ. The ACS Manager is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Units are made solely on the basis of the current prospectus of the ACS, and investors should ensure that they have the most up to date version.

11.8 Telephone recordings

Please note that the ACS Manager and the Administrator may record telephone calls for training and monitoring purposes and to confirm investors' instructions.

11.9 Complaints

Complaints concerning the operation or marketing of the ACS or the Sub-fund should first of all be referred to:

Link Fund Solutions Limited
Arlington Business Centre
Millshaw Park Lane
Leeds LS11 0PA

or by email to investorservices@linkgroup.co.uk or by telephone to 0345 922 0044.

The Financial Ombudsman Service will normally only consider a complaint after having given the ACS Manager the opportunity to resolve the complaint to the satisfaction of the customer. In the event that an unsatisfactory response is provided, you may refer your complaint to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

11.10 Liquidity management policy

The ACS Manager has a liquidity management policy designed to monitor the liquidity risk of the Sub-fund and ensure that its investment strategy and liquidity profile allow the Sub-fund to meet its daily redemption obligations.

The long reports published in accordance with paragraph 11.5 of this Prospectus will (as applicable) include details of any Scheme Property that is subject to any special arrangements arising from its illiquid nature, along with information regarding any new arrangements for managing the liquidity of the Sub-fund.

11.11 Risk management policy

The ACS Manager has a risk management policy designed to ensure that the material risks associated with each investment position of the Sub-fund can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures.

Material changes in respect of the current risk profile of the Sub-fund and the risk management policy employed by the ACS Manager will be disclosed in the annual long report published in accordance with paragraph 11.5 of this Prospectus.

11.12 Collateral management policy

The ACS Manager is required to have a collateral management policy and to keep that policy under regular review. The policy defines “eligible” types of collateral which the Sub-fund may receive to mitigate counterparty exposure (including any applicable haircuts). A haircut is a reduction to the market value of the collateral in order to allow for a cushion in case the market value of that collateral falls. Collateral will generally be of high quality and liquid e.g. cash and government securities. The policy will also include any additional restrictions deemed appropriate by the ACS Manager. The ACS Manager will accept the following permitted types of collateral: cash, government securities, bonds or commercial paper.

Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions.

Where cash collateral is received, if it is reinvested, it will be diversified in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Where the Sub-fund re-invests cash collateral in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

11.13 Fair treatment of investors

The ACS Manager has procedures in place to ensure fair treatment of Unitholders in accordance with the Regulations. These procedures deal with matters such as the manner in which dealing may be suspended (see paragraphs 3.12); valuations (see section 4); and the allocation of assets, liabilities, expenses, costs and charges between Sub-funds (see paragraph 2.2).

11.14 Preferential treatment

From time to time the ACS Manager may afford preferential terms of investment to certain groups of Unitholders. In assessing whether such terms are afforded to a Unitholder, the ACS Manager will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the Sub-fund and its Unitholders. Some of these Unitholders may be Associates of the ACS Manager or other investment funds managed by the ACS Manager. In particular, the ACS Manager may typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for Unitholders that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers and institutional investors including fund of fund investors. The ACS Manager may also have agreements in place with such groups of Unitholders which result in them paying a reduced annual management charge.

11.15 Genuine diversity of ownership

Units in the Sub-fund shall be widely available to institutional investors and professional investors. Units in the Sub-fund shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract that category of investors. Additional Classes may be established from time to time in order to facilitate participation by the intended categories of investors.

Appendix I

Part A: Sub-fund Details

Name:	LF Canlife UK Property ACS
Investment objective and policy:	<p>To deliver long-term income returns and capital growth.</p> <p>The Sub-fund will invest primarily in a diversified portfolio of UK commercial property, selected from across the retail, office, industrial and other sectors, including leisure and hotels.</p> <p>The Sub-fund may also invest in property or non-property related transferable securities (which may result in limited indirect exposure to property outside of the UK), units or shares in collective investment schemes, money market instruments, deposits and government and public securities. The Sub-fund may have direct exposure to UK residential property.</p> <p>Derivatives and forward foreign exchange contracts may be used for the purposes of efficient portfolio management.</p>
Typical investor profile:	<p>The ACS as being suitable for institutional and professional investors* seeking a combination of income returns and capital growth over the long term (which is considered to be that an investor can commit to an investment for a minimum of five years) from investments mainly in immovable property but who appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>All investors in the Sub-Fund should understand and appreciate the risks associated with investing in the Units of the Sub-Fund as the Units give rise to direct exposure to physical property an asset which in certain economic or political circumstances can:</p> <ul style="list-style-type: none"> • become very illiquid which may result in either redemptions in certain Classes being limited in accordance with the Prospectus or the Sub-Fund being suspended for a period of time; and • have the real risk that the most recent valuations may not be reliable and by the nature of the asset may be subject to significant downward revaluation. <p><i>* Professional investors are those investors considered to be a professional client or that may, on request, be treated as a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive).</i></p>
Launch date:	27 October 2017
FCA Product Reference Number:	789916

Classes currently available:	Class L, Class P, Class I Acc and Class N Inc	
Valuation point:	12:00 noon	
Types of Units:	<p>Class I consists of both gross income* and gross accumulation Units.</p> <p>Class N consists of gross income Units.</p> <p>Class X* consists of net accumulation Units.</p> <p>All other Classes in the Sub-fund consist of gross accumulation Units.</p>	
Investment Criteria:	The minimum investment, minimum subsequent investment, minimum redemption, minimum holding investment and fees for each Class is as set out in Part B of Appendix I.	
	Class L	Only available to investors that are members of the Canada Life group of companies and with the agreement of the Investment Manager.
	Class P	Only available to investors that are members of the Canada Life group of companies and with the agreement of the Investment Manager.
	Class I only Acc currently available	Only available to institutional investors that are tax exempt in their jurisdiction of residence for tax purposes.
	Class N	Only available to investors that are members of the Canada Life group of companies and with the agreement of the Investment Manager.
	Class X*	Only available to Eligible Investors who are not tax exempt in their jurisdiction of residence for tax purposes.

* Class not currently available.

Cut-off point for dealing requests:	12:00 noon on each Dealing Day
Dealing and Dealing Days:	Daily on each Business Day
Accounting dates:	Year-end: 31 December Half-year: 30 June
Income XD dates:	1 January 1 April 1 July 1 October
Distribution pay dates:	28 February 31 May 31 August 30 November
Maximum expected level of leverage in accordance with the gross method:	120%
Maximum expected level of leverage in accordance with the commitment method:	110%

Allocation of Charges:	Income	Capital
Annual management charge:	100%	None
Administration/Expenses:	100%	None
Dealing and Registration:	100%	None
Depository:	100%	None
Custody:	100%	None
Custody Transaction Charges:	None	100%
Standing Independent Valuer:	100%	None
Investment Accounting:	100%	None
Portfolio Transactions (stamp tax, broker's commission):	None	100%
Income equalisation:	Applicable	

Part B: Unit class details

The table below shows rates of initial fees and ACS Manager fees. See section 7 for details of other charges and expenses which are allocated to all classes pro rates to their value.

Fund	Unit classes		Investment minima				Charges	
	Class	Currency	Minimum initial investment	Minimum subsequent investment	Minimum redemption amount	Minimum holding investment	Initial fee	ACS Manager fee
LF Canlife UK Property ACS	Class L Acc (Gross)	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	0.30%
	Class P Acc (Gross)	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	0.30%
	Class I Acc (Gross)	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	0.70%
	Class I Inc (Gross)*	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	0.70%
	Class N Inc (Gross)	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	0.40%
	Class X Acc (Net)*	GBP	£1,000,000	£1,000	£1,000	£1,000,000	0%	1.00%

* Class not currently available.

Appendix II

Eligible Securities Markets and Eligible Derivatives Markets

The Sub-fund may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public.

The Sub-fund may also deal through the securities markets and derivatives markets indicated below

ELIGIBLE SECURITIES MARKETS:

Countries	Eligible securities markets
Australia	Australian Securities Exchange (ASX)
Brazil	BMF BOVESPA
Canada	Toronto Stock Exchange (TSX)
Chile	Bolsa de Comercio de Santiago (SSE)
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchange
Iceland	Iceland Stock Exchange
India	Bombay Stock Exchange (BSE) National Stock Exchange of India (NSE)
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange (TASE)
Japan	Tokyo Stock Exchange Osaka Securities Exchange
Republic of Korea (South Korea)	Korea Exchange (KRX)
Malaysia	Bursa Malaysia Securities Bhd
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Stock Exchange (NZX)
Philippines	Philippine Stock Exchange
Qatar	Qatar Exchange
Russia	Moscow Exchange (MICEX-RTS)
Singapore	Singapore Exchange (SGX)
South Africa	Johannesburg Stock Exchange (JSE)
Switzerland	SIX Swiss Exchange (SWS)
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand (SET)
United Arab Emirates	NASDAQ Dubai Abu Dhabi Securities Exchange Dubai Financial Markets
UK	Alternative Investment Market of the London Stock Exchange (AIM) London Stock Exchange (LSE) NEX Exchange Bats Europe

USA
NYSE Euronext New York
The NASDAQ Stock Market (NASDAQ)
NYSE MKT LLC

ELIGIBLE DERIVATIVES MARKETS:

Countries

Australia

Canada

Hong Kong

Japan

Republic of Korea (South Korea)

Singapore

Switzerland

Taiwan

USA

Eligible derivatives markets

Australian Securities Exchange (ASX)

Montreal Exchange

Hong Kong Stock Exchange

Osaka Securities Exchange

Tokyo Stock Exchange

Korea Exchange (KRX)

Singapore Exchange (SGX)

Six Swiss Exchange (SWX)

Gre Tai Securities Market (GTSM)

Chicago Board of Trade

Chicago Board Options Exchange

Chicago Mercantile Exchange

NASDAQ OMX PHLX

New York Mercantile Exchange (NYMEX)

NYSE Amex Equities

NYSE Arca

NYSE Euronext New York

The NASDAQ Stock Market (NASDAQ)

Appendix III

Investment and Borrowing Powers of the ACS

The Scheme Property of the Sub-fund will be invested with the aim of achieving the investment objective of the Sub-fund, but subject to the limits set out in the Sub-fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") as those rules apply to non-UCITS retail schemes and this Prospectus.

This Appendix sets out a summary of the investment and borrowing powers applicable in terms of the COLL Sourcebook as it applies to the Sub-fund as they apply to NURS schemes.

1. General

From time to time and in particular during periods of uncertain or volatile markets, the ACS Manager may choose to hold a substantial proportion of the Scheme Property of the Sub-fund in money-market instruments and/or cash deposits.

2. Prudent spread of risk

2.1 The ACS Manager must ensure that, taking account of the investment objective and policy of the Sub-fund, the Scheme Property of the Sub-fund aims to provide a prudent spread of risk.

2.2 Subject to paragraphs 2.3 and 2.4, the requirements on spread of investments generally and in relation to investment in government and public securities do not apply until 12 months after the later of:

2.2.1 the date when the authorisation order in respect of the Sub-fund takes effect; and

2.2.2 the date the initial offer commenced,

provided that paragraph 2.1 is complied with during such period.

2.3 Subject to paragraph 2.4, the limits in paragraph 4.2 do not apply until 24 months after the later of:

2.3.1 the date when the authorisation order in respect of the Sub-fund takes effect; and

2.3.2 the date the initial offer commenced,

provided that paragraph 2.1 is complied with during such period.

2.4 The limit in paragraph 4.2.7 relating to immovables which are unoccupied and non-income producing or are in the course of substantial development, redevelopment or refurbishment applies from the later of the date when the authorisation order in respect of the Sub-fund takes effect and the date the initial offer period commenced.

3. Cover

3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Sub-fund under any other of those rules has also to be provided for.

3.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

3.2.1 it must be assumed that in applying any of those rules, the Sub-fund must also simultaneously satisfy any other obligation relating to cover; and

3.2.2 no element of cover must be used more than once.

4. Investment in immovable property

4.1 The Sub-fund may invest up to 100 per cent. in value of the Scheme Property in eligible immovables, both directly and indirectly, through transferable securities, collective investment schemes (including ETFs) and securities issued by intermediate property holding companies. All investments will be made in the manner described in the investment policy of the Sub-fund as set out in Appendix I.

4.2 The following limits apply in respect of immovables held as part of the Scheme Property of the Sub-fund:

4.2.1 not more than 15 per cent. in value of the Sub-fund is to consist of any one immovable;

4.2.2 for the purposes of 4.2.1, immovables adjacent to or in the vicinity of another immovable included in the Scheme Property of the Sub-fund, or another legal interest in an immovable which is already in the Scheme Property of the Sub-fund, shall be deemed to be one immovable;

4.2.3 the figure of 15 per cent. may be increased to 25 per cent. once the immovable has been included in the Scheme Property of the Sub-fund;

4.2.4 the income receivable from any one group in an accounting period must not be attributable to immovables comprising:

4.2.4.1 more than 25 per cent.; or

4.2.4.2 in the case of a government or public body, more than 35 per cent.;

of the value of the Scheme Property of the Sub-fund;

4.2.5 not more than 20 per cent. in value of the Scheme Property of the Sub-fund is to consist of mortgaged immovables and any mortgage must not secure more than 100 per cent. of the valuation received from an appropriate valuer;

4.2.6 the aggregate value of:

4.2.6.1 any mortgages secured under paragraph 4.2.5,

4.2.6.2 any borrowings under paragraphs 28.4 and 28.5; and

4.2.6.3 any transferable securities which are not approved securities;

must not at any time exceed 20 per cent. of the value of the Scheme Property of the Sub-fund;

4.2.7 the Sub-fund may invest not more than 50 per cent. of the Scheme Property in immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment; and

4.2.8 no option may be granted to a third party to buy an immovable in the Scheme Property of the Sub-fund unless the value of the relevant immovable does not exceed 20 per cent. of the value of the Scheme Property of the Sub-fund together with, where appropriate, the value of investments in:

4.2.8.1 unregulated collective investment schemes; and

4.2.8.2 any transferable securities which are not approved securities.

4.3 The ACS Manager may undertake, where appropriate, property development and funding of such development to the extent permitted by the COLL Sourcebook.

5. Eligible Immovables

5.1 An immovable must:

5.1.1 be situated in a country or territory identified in this Prospectus; and

5.1.2 if situated in:

5.1.2.1 England and Wales or Northern Ireland, be a freehold or leasehold interest; or

5.1.2.2 Scotland, be any interest or estate in or over land or heritable right including a long lease; or

5.1.3 if not situated in the jurisdictions referred to in paragraph 5.1.2, be equivalent to any of the interests in paragraphs 5.1.2.1 or 5.1.2.2 or, if no such equivalent interest is available in the jurisdiction, be an interest that grants beneficial ownership of the immovable to the Sub-fund and provides as good a title as any of the interests in paragraphs 5.1.2.1 or 5.1.2.2.

5.2 The ACS Manager must take reasonable care to determine that the title to the underlying immovable is a good marketable title.

5.3 The ACS Manager must:

5.3.1 have received a report from an appropriate valuer which:

5.3.1.1 contains a valuation of the immovable (with and without any relevant subsisting mortgage) and;

5.3.1.2 states that in the appropriate valuer's opinion the immovable would, if acquired by the ACS or the intermediate investment vehicle, be capable of being disposed of in a reasonable timeframe at that valuer's valuation; or

5.3.2 have received a report from an appropriate valuer as required by paragraph 5.3.1.1 and stating that:

5.3.2.1 the immovable is adjacent to, or in the vicinity of another immovable included in the Sub-fund or is another legal interest, as defined in 5.1.2 or 5.1.3, in an immovable which is already included in the Scheme Property of the Sub-fund; and

5.3.2.2 in the opinion of the appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.

5.4 An immovable must:

5.4.1 be bought or be agreed by enforceable contract to be bought within six months after receipt of the report of the appropriate valuer referred to in paragraph 5.3 above;

5.4.2 not be bought, if it is apparent to the ACS Manager that the report of the appropriate valuer could no longer reasonably be relied on; and

5.4.3 not be bought at more than 105 per cent. of the valuation for the relevant immovable in the report of the appropriate valuer.

5.5 Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.

5.6 An appropriate valuer must be a person who:

5.6.1 has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area:

5.6.2 is qualified to be a standing independent valuer of a non-UCITS retail scheme or be considered by the Standing Independent Valuer to hold an equivalent qualification;

5.6.3 is independent of the ACS Manager and the Depositary and must not have engaged himself or any of his Associates in relation to the finding of the immovable for the ACS.

5.7 In circumstances where in a particular jurisdiction it is practical to sell the underlying immovable together with the holding vehicle, the valuations referred to above may be of the holding vehicle and the property as its asset.

6. Non-UCITS retail schemes – general

6.1 Subject to the investment objective and policy of the Sub-fund, the Scheme Property of the Sub-fund must, except where otherwise provided in COLL 5, only consist of any or all of:

6.1.1 transferable securities;

6.1.2 money market instruments;

6.1.3 units or shares in permitted collective investment schemes;

6.1.4 permitted derivatives and forward transactions;

6.1.5 permitted deposits;

6.1.6 gold (up to a limit of 10 per cent. of the value of the Sub-fund); and

6.1.7 permitted immovables.

6.2 Transferable securities and money market instruments held within the Sub-fund must:

6.2.1 be admitted to or dealt on an eligible market as described in paragraph 10.3 to 10.5 below;

6.2.2 be approved money market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraphs 15 (Investment in money market instruments) to 17 (Appropriate information for money market instruments) in this Appendix;

6.2.3 be recently issued transferable securities provided that:

6.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and

6.2.3.2 such admission is secured within a year of issue.

6.2.4 subject to a limit of 20 per cent. in value of the Scheme Property (aggregated with the value of the Scheme Property of the Sub-fund which can be invested in a collective investment scheme falling within paragraph 13.2.5) be:

6.2.4.1 transferable securities which are not within paragraphs 6.2.1 to 6.2.3; or

6.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.

6.3 Transferable securities held within the ACS must also satisfy the criteria in COLL 5.2.7A R, COLL 5.2.7C R and COLL 5.2.7E R for the purpose of investment by a UCITS scheme, as set out in paragraphs 7, 8 and 9 below.

7. Transferable Securities

7.1 A transferable security is an investment that is either a share, a debenture, an alternative debenture, a government and public security, a warrant or a certificate representing certain securities which is transferable without the consent of any third party (other than the issuer where the investment is either a share or debenture and the issuer is a body corporate) and the liability over that investment is limited to any unpaid amount in respect of that investment.

7.2 The Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

7.2.1 the potential loss which the Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;

7.2.2 its liquidity does not compromise the ability of the ACS Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder under the Regulations;

7.2.3 a reliable valuation is available for it as follows:

7.2.3.1 in the case of a transferable security admitted to or dealt on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

7.2.3.2 in the case of a transferable security not admitted to or dealt on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

7.2.4 appropriate information is available for it as follows:

7.2.4.1 in the case of a transferable security admitted to or dealt on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

7.2.4.2 in the case of a transferable security not admitted to or dealt on an eligible market, where there is regular and accurate information available to the ACS Manager on the transferable security or, where relevant, on the portfolio of the transferable security;

7.2.5 it is negotiable; and

7.2.6 its risks are adequately captured by the risk management process of the ACS Manager.

7.3 Unless there is information available to the ACS Manager that would lead to a different determination, a transferable security which is admitted to or dealt on an eligible market shall be presumed:

7.3.1 not to compromise the ability of the ACS Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and

7.3.2 to be negotiable.

7.4 Not more than 5 per cent. of the Scheme Property of the Sub-fund/the ACS may be invested in warrants.

8. Closed-end funds constituting transferable securities

8.1 A unit or a share in a closed-end fund shall be taken to be a transferable security for the purposes of investment by the Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 7.2 and 7.3 and either:

8.1.1 where the closed-end fund is constituted as an investment company or a unit trust:

8.1.1.1 it is subject to corporate governance mechanisms applied to companies; and

8.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

8.1.2 where the closed-end fund is constituted under the law of contract:

8.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

8.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

9. Transferable securities linked to other assets

9.1 The Sub-fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Sub-fund provided the investment:

9.1.1 fulfils the criteria for transferable securities set out in paragraph 7.2 and 7.3 above; and

9.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Sub-fund can invest.

9.2 Where an investment in paragraph 9.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

10. Eligible markets regime: purpose

10.1 To protect investors the markets on which investments of the Sub-fund are dealt in or traded on should be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold.

10.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20 per cent. restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACS Manager.

10.3 A market is eligible for the purposes of the rules if it is:

10.3.1 a regulated market as defined in the FCA Handbook; or

10.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

10.4 A market not falling within paragraph 10.3 of this Appendix is eligible for the purposes of COLL 5 if:

10.4.1 the ACS Manager, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of the Sub-fund;

10.4.2 the market is included in a list in the Prospectus; and

10.4.3 the Depositary has taken reasonable care to determine that:

10.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

10.4.3.2 all reasonable steps have been taken by the ACS Manager in deciding whether that market is eligible.

10.5 In paragraph 10.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator (as defined in the COLL Sourcebook), is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

11. Spread: general

11.1 This rule on spread does not apply to transferable security or an approved money market instrument to which paragraph 12 applies.

11.2 Not more than 20 per cent. in value of the Scheme Property of the Sub-fund is to consist of deposits with a single body.

11.3 Not more than 10 per cent. in value of the Scheme Property of the Sub-fund is to consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).

11.4 The limit of 10 per cent. in paragraph 11.3 above is raised to 25 per cent. in value of the Scheme Property of the Sub-fund in respect of covered bonds.

11.5 In applying paragraph 11.3, certificates representing certain securities are to be treated as equivalent to the underlying security.

11.6 Subject to any further restrictions in paragraph 13, not more than 15% in value of the Scheme Property of a Sub-fund may consist of units or shares in collective investment schemes.

11.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10 per cent. in value of the Scheme Property of the Sub-fund.

11.8 For the purpose of calculating the limit in paragraph 11.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

11.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;

11.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

11.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

11.8.4 can be fully enforced by the ACS Manager on behalf of the Sub-fund at any time.

11.9 For the purposes of calculating the limits in paragraph 11.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

11.9.1 comply with the conditions set out in Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and

11.9.2 are based on legally binding agreements.

11.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

11.10.1 it is backed by an appropriate performance guarantee; and

11.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

12. Spread: government and public securities

12.1 This section applies in respect of transferable security or an approved money market instrument ("such securities") that is issued or guaranteed by:

12.1.1 an EEA State; or

12.1.2 a local authority of an EEA State; or

12.1.3 a non-EEA State; or

12.1.4 a public international body to which one or more EEA States belong.

12.2 Where no more than 35 per cent. in value of the Scheme Property of the Sub-fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

12.3 The ACS may invest more than 35 per cent. in value of the Scheme Property of the Sub-fund in such securities issued by any one body provided that:

12.3.1 the ACS Manager has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Sub-fund;

12.3.2 no more than 30 per cent. in value of the Scheme Property of the Sub-fund consists of such securities of any one issue;

12.3.3 the Scheme Property of the Sub-fund includes such securities issued by that or another issuer, of at least six different issues;

12.3.4 the disclosures in the Prospectus and the ACS Deed required by the COLL Sourcebook and the FCA have been made.

13. Investment in collective investment schemes

13.1 The Scheme Property of the Sub-fund may be invested in units or shares in other collective investment schemes (each a “Second Scheme”) provided that Second Scheme satisfies all of the conditions set out below.

13.2 The Second Scheme must:

13.2.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

13.2.2 be authorised as a non-UCITS retail scheme; or

13.2.3 be recognised under the provisions of Sections 264 or 272 of FSMA; or

13.2.4 be constituted outside the UK and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or

13.2.5 be a scheme not falling within paragraphs 13.2.1 to 13.2.4 and in respect of which no more than 20 per cent. (including any transferable securities which are not approved securities) in value of the Scheme Property of the Sub-fund is invested.

13.3 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.

13.4 The Second Scheme is prohibited from having more than 15 per cent. in value of its scheme property consisting of units or shares in collective investment schemes (unless COLL 5.6.10A applies).

13.5 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.

13.6 Where the Second Scheme is an umbrella, the provisions in paragraphs 11 and paragraphs 13.3 to 13.5 apply to each sub-fund of the Second Scheme as if it were a separate scheme.

13.7 In the event that there are multiple Sub-funds, the Scheme Property attributable to a Sub-fund may include Units in another Sub-fund (the “Second Fund”) subject to the requirements of paragraph 13.8 below.

13.8 The Sub-fund may invest in or dispose of Units of a Second Fund provided that:

13.8.1 the Second Fund does not hold Units in any other Sub-fund of the ACS; and

13.8.2 the requirements set out at paragraphs 13.9 and 13.10 below are complied with.

13.9 Investment may only be made in a Second Fund or other collective investment schemes managed by the ACS Manager or an Associate of the ACS Manager if the Prospectus of the ACS clearly states that the Sub-fund may enter into such investments provided paragraph 13.10 is complied with.

13.10 Where the Sub-fund invests in or disposes of units in a Second Fund or units or shares in another collective investment scheme which is managed or operated by the ACS Manager or an associate of the ACS Manager, the ACS Manager must pay to the Sub-fund by the close of business on the fourth business day the amount of the initial charge (if any) in respect of a purchase, and in the case of a sale, any charge made for the disposal.

13.11 The Sub-fund of the ACS may invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACS Manager of the ACS or one of its Associates provided that the requirements of COLL 5.6.11(1) are complied with.

14. Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

15. Investment in money-market instruments

15.1 In addition to instruments admitted to or dealt in on an eligible market, the Sub-fund may invest in an approved money-market instrument provided it fulfils the requirements of paragraphs 16 and 17, in addition to the following requirements:

15.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and

15.1.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

15.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

15.2.1 the instrument is an approved money-market instrument;

15.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 17; and

15.2.3 the instrument is freely transferable.

16. Issuers and guarantors of money-market instruments

16.1 The Sub-fund may invest in an approved money-market instrument if it is:

16.1.1 issued or guaranteed by any one of the following:

16.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

16.1.1.2 a regional or local authority of an EEA State;

16.1.1.3 the European Central Bank or a central bank of an EEA State;

16.1.1.4 the European Union or the European Investment Bank;

16.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

16.1.1.6 a public international body to which one or more EEA States belong; or

16.1.2 issued by a body, any securities of which are dealt in on an eligible market; or

16.1.3 issued or guaranteed by an establishment which is:

16.1.3.1 subject to prudential supervision in accordance with criteria defined by EU law; or

16.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by EU law.

16.2 An establishment shall be considered to satisfy the requirement in paragraph 16.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

16.2.1 it is located in the European Economic Area;

16.2.2 it is located in an OECD country belonging to the Group of Ten;

16.2.3 it has at least investment grade rating;

16.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by EU law.

17. Appropriate information for money-market instruments

17.1 In the case of an approved money-market instrument within paragraph 16.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 16.1.1.2 or a public international body within paragraph 16.1.1.6 but is not guaranteed by a central authority within paragraph 16.1.1.1 the following information must be available:

17.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

17.1.2 updates of that information on a regular basis and whenever a significant event occurs; and

17.1.3 available and reliable statistics on the issue or the issuance programme.

17.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 16.1.3 the following information must be available:

17.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

17.2.2 updates of that information on a regular basis and whenever a significant event occurs; and

17.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

17.3 In the case of an approved money-market instrument:

17.3.1 within paragraphs 16.1.1.1, 16.1.1.4 or 16.1.1.5; or

17.3.2 which is issued by an authority within paragraph 16.1.1.2 or a public international body within paragraph 16.1.1.6 and is guaranteed by a central authority within paragraph 16.1.1.1, information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

18. Derivatives: general

18.1 Currently the ACS Manager may employ derivatives in accordance with Efficient Portfolio Management. It is not intended that the use of derivatives in this way will cause the risk profile of the ACS to change.

18.2 A transaction in derivatives or a forward transaction must not be effected for the Sub-fund unless the transaction is of a kind specified in paragraph 20 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 27 (Cover for transactions in derivatives and forward transactions).

18.3 Where the Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 11 and 12 except for index based derivatives where the rules in paragraph 18.7 below apply.

18.4 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this section.

18.5 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

18.5.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

18.5.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

18.5.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

18.6 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

18.7 Where the Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 11 and 12.

18.8 The relaxation in paragraph 18.7 is subject to the ACS Manager taking account of paragraph 2.

19. Efficient Portfolio Management

19.1 The Sub-fund may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. The ACS Manager must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in the COLL Sourcebook.

19.2 There is no guarantee that the Sub-fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Sub-fund), the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.

19.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Sub-fund. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Sub-fund. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Sub-fund.

19.4 To assist in managing these types of risks, the ACS Manager has a collateral management policy which sets criteria around the types of eligible collateral the Sub-fund may accept. A copy of this is available from the ACS Manager on request.

19.5 Unitholders should note that EPM transactions may be effected in relation to the Sub-fund in circumstances where the ACS Manager or Investment Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Sub-fund. Where a conflict cannot be avoided, the ACS Manager and Investment Manager will have regard to their responsibility to act in the best interests of the Sub-fund and its Unitholders. The ACS Manager and Investment Manager will ensure that the Sub-fund and its Unitholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Sub-fund than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see paragraph 6.10 of this Prospectus.

19.6 All revenues arising from EPM transactions will be returned to the Sub-fund, net of direct and indirect operational costs and fees.

20. Permitted transactions (derivatives and forwards)

20.1 A transaction in a derivative must be:

20.1.1 in an approved derivative; or

20.1.2 be one which complies with paragraph 24 (OTC transactions in derivatives).

20.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Sub-fund is dedicated: transferable securities, money-market instruments, deposits permitted under paragraph 26, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 13 (Investment in collective investment schemes), permitted immovables, gold, financial indices which satisfy the criteria set out in COLL 5.2.20AR, interest rates, foreign exchange rates, and currencies.

20.3 The exposure to the underlyings in paragraph 20.2 above must not exceed the limits in paragraphs 6.2.4, 11 and 12 above.

20.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

20.5 A transaction in a derivative must not cause the Sub-fund to diverge from its investment objectives as stated in the ACS Deed and the most recently published version of this Prospectus.

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

20.7 Any forward transaction must be with an Eligible Institution or an Approved Bank.

20.8 The ACS Manager must ensure compliance with paragraph 27 (Cover for transactions in derivatives and forward transactions), COLL 5.3.3BR and COLL 5.3.3CR (Daily calculation of global exposure).

21. Financial indices underlying derivatives

21.1 The Sub-fund may invest up to 20 per cent. in value of the Scheme Property in shares and debentures which are issued by the same body where the aim of the investment policy of that scheme as stated in its most recently published prospectus is to replicate the performance or composition of an index that:

21.1.1 is sufficiently diversified;

21.1.2 is a representative benchmark for the market to which it refers; and

21.1.3 is published in an appropriate manner.

21.2 The limit in paragraph 21.1 may be raised for a particular scheme up to 35 per cent. in the value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

21.3 A financial index is sufficiently diversified if:

21.3.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

21.3.2 where it is composed of assets in which the Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

21.3.3 where it is composed of assets in which the Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

21.4 A financial index represents an adequate benchmark for the market to which it refers if:

21.4.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

21.4.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

21.4.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

21.5 A financial index is published in an appropriate manner if:

21.5.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

21.5.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

21.6 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 20.2 be regarded as a combination of those underlyings.

22. Transactions for the purchase of property

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Sub-fund may be entered into only if that property can be held for the account of the Sub-fund, and the ACS Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

23. Requirement to cover sales

No agreement by or on behalf of the Sub-fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Sub-fund at the time of the agreement. This requirement does not apply to a deposit.

24. OTC transactions in derivatives

24.1 Any transaction in an OTC derivative under paragraph 20.1.2 must be:

24.1.1 in a future or an option or a contract for differences;

24.1.2 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 (including any requirements or limitations), as published in the Financial Services Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;

24.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the ACS Manager: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty, and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

24.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACS Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

24.1.4.1 on the basis of an up-to-date market value which the ACS Manager and the Depositary have agreed is reliable; or

24.1.4.2 if the value referred to in paragraph 24.1.4.1 is not available, on the basis of a pricing model which the ACS Manager and the Depositary have agreed uses an adequate recognised methodology; and

24.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into), verification of the valuation is carried out by:

24.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACS Manager is able to check it; or

24.1.5.2 a department within the ACS Manager which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

24.2 For the purposes of paragraph 24.1.3 “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

25. Risk management

The ACS Manager uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of each position and their contribution to the overall risk profile of the Sub-fund.

26. Investments in deposits

The Sub-fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

27. Cover for transactions in derivatives and forward transactions

The ACS Manager must ensure that the global exposure of the ACS relating to derivatives and forward transactions held in the ACS does not exceed the net value of the Scheme Property.

28. Borrowing

28.1 Cash obtained from borrowing, and borrowing which the ACS Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 27 of this Appendix as long as the normal limits on borrowing (see below) are observed.

28.2 Where, for the purposes of paragraph 28.1 the Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this paragraph 28.1 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property of the Sub-fund, and the normal limits on borrowing do not apply to that borrowing.

28.3 The Depositary may, and subject to the COLL Sourcebook and the ACS Deed, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property of the Sub-fund.

28.4 The ACS Manager must ensure that borrowing does not, on any business day, exceed 10 per cent. of the value of the Sub-fund.

28.5 The borrowing restrictions referred to in paragraph 28.4 do not apply to “back to back” borrowing for currency hedging purposes under paragraph 28.2 (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

29. Cash and near cash

29.1 Cash and near cash must not be retained in the Scheme Property of the Sub-fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- 29.1.1** the pursuit of the Sub-fund’s investment objective; or
- 29.1.2** the redemption of Units; or
- 29.1.3** efficient management of the Sub-fund in accordance with its investment objective; or
- 29.1.4** other purposes which may reasonably be regarded as ancillary to the investment objective of the Sub-fund.

29.2 During the period of any initial offer the Scheme Property may consist of cash and near cash without limitation.

30. General

A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Sub-fund but, in the event of a consequent breach, the ACS Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

31. Restrictions on lending of money

31.1 None of the money in the Scheme Property of the Sub-fund may be lent and, for the purposes of this paragraph, money is lent by the Sub-fund if it is paid to a person (the “payee”) on the basis that it should be repaid, whether or not by the payee.

31.2 Acquiring a debenture is not lending for the purposes of this paragraph, nor is the placing of money on deposit or in a current account.

32. Restrictions on lending of property other than money

32.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

32.2 The Sub-fund will not undertake any stock-lending transactions.

32.3 Where transactions in derivatives or forward transactions are used for the account of the Sub-fund in accordance with COLL 5, nothing in this paragraph 32 prevents the Depositary at the request of the ACS Manager from lending, depositing, pledging or charging Scheme Property of the Sub-fund for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACS Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders.

33. General power to accept or underwrite placings

33.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this paragraph 33 applies, subject to compliance with any restriction in the ACS Deed.

33.2 This paragraph 33 applies to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Sub-fund.

33.3 Paragraph 33.2 does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

33.4 The exposure of the Sub-fund to agreements and understandings within paragraph 33.2, must on any Business Day be covered under paragraph 27 and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

34. Guarantees and indemnities

34.1 Save for the modification by consent of COLL 5.6.22R(9), the Depositary for the account of the Sub-fund must not provide any guarantee or indemnity in respect of the obligations of any person.

34.2 As a consequence of the waiver referred to in the immediately preceding paragraph, the Depositary for the account of the ACS, may provide a guarantee or indemnity in respect of any acquisition or holding of an immovable permitted under COLL 5.6.18R and 5.6.19R, provided that: this will not result in any undue risk to Unitholders in the ACS (and it has taken reasonable steps to mitigate such risk); and no recourse may be had to Scheme Property under COLL 5.5.9R(2) where the depositary (or a delegate) fails to perform an obligation by reason of its negligence, default, breach of duty or breach of trust.

34.3 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

34.4 Paragraphs 34.1 and 34.3 do not apply to:

34.4.1 any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used in accordance with COLL 5, and

34.4.2 An indemnity is given to a person winding up a body corporate or other scheme in circumstances where those assets are becoming part of the Scheme Property by way of unitisation.

35. Leverage

35.1 The term “leverage” is defined under AIFMD as any method by which the ACS Manager increases the exposure of the Sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

35.2 The ACS Manager has, in accordance with the FUND Sourcebook, set the maximum level of leverage which the Sub-fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of Scheme Property resulting from fluctuations in the value of assets in which the Sub-fund invests, exposure to other market participants or to systemic risks.

35.3 The maximum level of leverage is expressed as a percentage of “exposure” compared to the NAV of the Sub-fund, which “exposure” being calculated in accordance with a “gross” method and the Commitment Approach. The “gross method”, generally speaking, takes account of the absolute exposure of the Sub-fund while the Commitment Approach takes into account netting or hedging arrangements put in place.

35.4 The maximum level of leverage which the Sub-fund may employ, calculated in accordance with the gross method and the Commitment Approach, is set out in Appendix I.

35.5 In addition to the information referred to in paragraphs 11.10 and 11.11 of this Prospectus, the ACS Manager will disclose in each annual long report the total amount of leverage employed by the Sub-fund and any changes to the maximum level of leverage that the ACS Manager may employ on behalf of the Sub-fund as well as any right of reuse of collateral or any guarantee granted under any leveraging arrangement.

Appendix IV

Other authorised collective investment schemes operated by the ACS Manager

The ACS Manager acts as Authorised Corporate Director of the following Open-ended Investment Companies:

Asperior Investment Funds	LF Robin Fund
LF Arch Cru Investment Funds	LF Ruffer Investment Funds
LF Arch Cru Diversified Funds	LF Seneca Investment Funds
Celestial Investment Funds	LF Waverton Investment Funds
LF Asset Value Investors Global Fund	LF Woodford Investment Fund
LF Bentley Investment Funds	LF Woodford Investment Funds II
LF Blue Whale Investment Funds	Packel Global Fund
LF Canada Life Investments Fund	P E Managed Fund
LF Canada Life Investments Fund II	Purisima Investment Funds
LF Cautela Fund	The Abbotsford Fund
LF Eclectica Funds	The Arbor Fund
LF Heartwood Multi Asset Funds	The Broden Fund
LF IM Investment Funds	The LF Waverton Managed Investment Fund
LF KB Invicta Fund	The Circus Fund
LF Lindsell Train UK Equity Fund	The Davids Fund
LF Livingbridge Equity Funds	The Gulland Fund
LF Livingbridge UK Micro Cap Fund	The Helm Investment Fund
LF Macquarie Investment Funds	The Monoux Fund
LF Miton Investment Funds	The Mulberry Fund
LF Miton Investment Funds 3	The Navajo Fund
LF Miton Worldwide Opportunities Fund	The New Floco Fund
LF Morant Wright Japan Fund	The New Grande Motte Fund
LF Morant Wright Nippon Yield Fund	The New Jaguar Fund
LF Odey Funds	The New Viaduct Fund
LF Odey Investment Funds	The OHP Fund
LF Prudential Investment Funds (1)	Trojan Investment Funds
LF Resilient Investment Funds	Windrush Fund
LF Richmond Funds	

The ACS Manager acts as Manager of the following Authorised Unit Trusts:

LF Adam Worldwide Fund
LF Canlife European Unit Trust
LF Canlife International Growth Unit Trust
LF Catalyst Trust
LF Greenmount Fund
LF Institutional World Fund
LF KB Feelgood Trust
LF KB Ramogan Trust
LF New Institutional World Fund
LF New Viltture Fund
LF Personal Pension Trust
LF Prudential Pacific Markets Trust
LF Stakeholder Pension Scheme
LF Stewart Ivory Investment Markets Fund
Lorimer Trust
The LF Prudential Qualified Investor Scheme Umbrella Unit Trust
The Drygate Trust
The Holly Fund
The Mermaid Trust
The Newgate Trust

The ACS Manager acts as ACS Manager of the following Authorised Contractual Schemes:

LF Canada Life Authorised Contractual Scheme
LF Robeco ACS Umbrella Fund

Appendix V

Past Performance

NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. PLEASE SEE APPENDIX I FOR THE SUB-FUND'S INVESTMENT OBJECTIVES AND POLICIES AND AN EXPLANATION OF INVESTOR PROFILE AND BELOW FOR DETAILS OF PAST PERFORMANCE.

PAST PERFORMANCE

As the LF Canlife UK Property ACS launched on 27 October 2017, there is insufficient information available to give a reliable indication of past performance.

Appendix VI

Single pricing valuation basis

The value of the ACS or the Sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the Scheme Property or that of the relevant Sub-fund, as applicable, (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - 2.1 units or shares in a collective investment scheme:
 - 2.1.1 if a single price for buying and redeeming units or shares is quoted, at that price; or
 - 2.1.2 if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - 2.1.3 if, in the opinion of the ACS Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACS Manager's best estimate of the value of the units or shares, at a value which, in the opinion of the ACS Manager, is fair and reasonable;
 - 2.2 immovable property:
 - 2.2.1 by a standing independent valuer (as defined in the COLL Sourcebook) or appropriate valuer, on the basis of a "market value" as defined in the Practice Statement in the edition of the Royal Institution of Chartered Surveyors' Valuation Standards (The Red Book) which is current as at the date of the valuation or a local market equivalent;
 - 2.2.2 in accordance with COLL 5.6.20 (3)(a) on the basis of a full valuation with physical inspection (including where the immovable is or includes a building, internal inspection), at least once a year;
 - 2.2.3 in accordance with COLL 5.6.20R (3)(c) on the basis of the last full valuation, at least once a month; and
 - 2.2.4 in each case plus any costs and charges incurred in buying immovable property, including stamp duty land tax;
 - 2.3 any valuation under paragraph 2.2 above shall have effect until the next valuation under that rule;
 - 2.4 where the ACS Manager, the Depositary and the Standing Independent Valuer have reasonable grounds to believe that the most recent valuation of an immovable in accordance with paragraph 2.2 does not reflect the current value of that immovable, the ACS Manager shall consult with the Standing Independent Valuer to determine a fair and reasonable value of that immovable; and
 - 2.5 exchange-traded derivative contracts:
 - 2.5.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - 2.5.2 if separate buying and selling prices are quoted, at the average of the two prices;

2.6 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACS Manager and the Depositary;

2.7 any other investment:

2.7.1 if a single price for buying and redeeming the security is quoted, at that price; or

2.7.2 if separate buying and redemption prices are quoted, at the average of the two prices; or

2.7.3 if, in the opinion of the ACS Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACS Manager's best estimate of the value of the security, at a value which, in the opinion of the ACS Manager, is fair and reasonable; and

2.8 Scheme Property of the Sub-fund other than that described in 2.1, 2.2, 2.5, 2.6 and 2.7 above at a value which, in the opinion of the ACS Manager, is fair and reasonable.

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

4. In determining the value of the Scheme Property or the relevant Sub-fund, as applicable, all instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the Regulations or the ACS Deed shall be assumed (unless the contrary has been shown) to have been taken.

5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACS Manager, their omission will not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACS Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.

8. There shall be deducted an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the ACS or relevant Sub-fund, as the case may be; on unrealised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty land tax, land and building transaction tax, stamp duty and any other United Kingdom or foreign taxes or duties.

9. There shall be deducted an estimated amount for any liabilities of the ACS or the relevant Sub-fund, as applicable, payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day-to-day.

10. There shall be deducted the principal amount of any outstanding borrowings of the ACS or the relevant Sub-fund, as applicable, whenever repayable and any accrued but unpaid interest on borrowings.

11. There shall be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable by the ACS of the relevant Sub-fund, as applicable.
12. There shall be added any other credits or amounts due to be paid into the Scheme Property of the Sub-fund.
13. There shall be added a sum representing any interest or any income accrued due or deemed to have accrued but not received by the Sub-fund.
14. Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange decided by the ACS Manager as being a rate that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

Appendix VII

Certificate of Eligibility

We hereby certify that:

- (a) we are a person who falls within one of the categories (1) to (4) of Section 1 of Annex II to the Markets in Financial Instrument Directive,* or
- (b) we are applying to invest a payment of, or contribute property with a value of, not less than £1 million, or
- (c) we already properly hold Units in the ACS, or
- (d) we are a nominee for a person falling within (a), (b) or (c) and that person is [please provide details].

Signed:

If (d) applies:

We certify that the applicant is our nominee and that we fall within (a), (b) or (c) above.

Signed:

Undertaking and indemnity

To be used where the beneficial owner is subscribing for Units directly with the ACS Manager (i.e., no nominee holdings) and the certificate is being signed by the beneficial owner.

To the extent the Depositary, its sub-custodians, the ACS Manager, the Investment Manager, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder or any of their respective delegates or agents is liable to pay any Taxation** (other than any Taxation that is a charge or expense payable out of the Sub-fund's assets in accordance with the Prospectus and the COLL Sourcebook) because of the acquisition, holding, disposal or ownership, directly or indirectly, by us of Units in the relevant Sub-fund and such Taxation is not paid by us on our own account, we shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person.

To the extent the amount of the Taxation referred to in the previous paragraph is not so paid, we hereby indemnify the Depositary, its sub-custodians, the ACS Manager, the relevant Sub-fund, the Unitholders or former Unitholders in the relevant Sub-fund or Class, as appropriate, and any of the other persons mentioned affected by such Taxation in relation to all such amounts of Taxation. We acknowledge and agree that such indemnity shall continue after we cease to hold Units in the Sub-fund with respect to such Taxation.

Further, we acknowledge that the ACS Manager in relation to the Sub-fund, or Class, as appropriate, in which we hold Units shall have the right to deduct and set off the amount of such Taxation from any income distributed to us or accumulated on any Units owned by us. Any amounts equal to such Taxation and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to Clause 12.5 (Eligibility of investors) of the ACS Deed and the Prospectus, compulsorily redeem any of our Units and use the proceeds of such redemption to pay any relevant Taxation.

Further, if we redeem Units and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income and any amount or amounts in relation to it are paid to us as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we receive such a tax reclaim, we will promptly notify and supply relevant details of the reclaim to the ACS Manager and the Depositary.

Signed:

(Unitholder)

Undertaking and indemnity

To be used where the beneficial owner is subscribing for Units through a nominee but the certificate is being signed by the beneficial owner.

To the extent the Depositary, its sub-custodians, the ACS Manager, the Investment Manager, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder or any of their respective delegates or agents is liable to pay any Taxation** (other than any Taxation that is a charge or expense payable out of the Sub-fund's assets in accordance with the Prospectus and the COLL Sourcebook) because of the acquisition, holding, disposal or beneficial ownership, directly or indirectly, by us of Units in the relevant Sub-fund held through a nominee and such Taxation is not paid by us on our own account or by our nominee, we shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person.

To the extent the amount of the Taxation referred to in the previous paragraph is not so paid, we hereby indemnify the Depositary, its sub-custodians, the ACS Manager, the relevant Sub-fund, the Unitholders or former Unitholders in the relevant Sub-fund or Class, as appropriate, and any of the other persons mentioned affected by such Taxation in relation to all such amounts of Taxation. We acknowledge and agree that such indemnity shall continue after we cease to hold Units in the Sub-fund with respect to such Taxation.

Further, we acknowledge that the ACS Manager in relation to the Sub-fund, or Class, as appropriate, in which we hold Units through our nominee shall have the right to deduct and set off the amount of such Taxation from any income distributed to us through our nominee or accumulated on any Units owned by us through our nominee. Any amounts equal to such Taxation and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to Clause 12.5 (Eligibility of investors) of the ACS Deed and the Prospectus, compulsorily redeem any of our Units owned through a nominee and use the proceeds of such redemption to pay any relevant Taxation.

Further, if we redeem Units through our nominee and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income and any amount or amounts in relation to it are paid to us or our nominee as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we or our nominee receive such a tax reclaim, we will promptly notify and supply relevant details of the reclaim to the ACS Manager and the Depositary.

Signed:

(Beneficial Owner)

Undertaking and indemnity

To be used where the beneficial owner is subscribing for Units through a nominee and the certificate is being signed by the nominee (with the nominee obtaining a back to back indemnity with the beneficial owner).

To the extent the Depositary, its sub-custodians, the ACS Manager, the Investment Manager, any other provider of services to or in relation to the Scheme, any Sub-fund, any underlying investment, any Unitholder or former Unitholder or any of their respective delegates or agents is liable to pay any Taxation** (other than any Taxation that is a charge or expense payable out of the Sub-fund's assets in accordance with the Prospectus and the COLL Sourcebook) because of the acquisition, holding, disposal or legal ownership, directly or indirectly, by us on behalf of the beneficial owner of Units in the relevant Sub-fund and such Taxation is not paid by us on behalf of the beneficial owner, or by the beneficial owner on our account or their account, as applicable, we shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person.

To the extent the amount of the Taxation referred to in the previous paragraph is not so paid, we hereby indemnify the Depositary, its Sub-Custodian, the ACS Manager, the relevant Sub-fund, the Unitholders or former Unitholders in the relevant Sub-fund or Class, as appropriate, and any of the other persons mentioned affected by such Taxation in relation to all such amounts of Taxation. We acknowledge and agree that such indemnity shall continue after we cease to hold Units in the Sub-fund with respect to such Taxation.

Further, we acknowledge that the ACS Manager in relation to the Sub-fund, or Class, as appropriate, in which we hold Units on behalf of the beneficial owner shall have the right to deduct and set off the amount of such Taxation from any income distributed to us on behalf of the beneficial owner or accumulated on any Units owned by us on behalf of the beneficial owner. Any amounts equal to such Taxation and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to Clause 12.5 (Eligibility of investors) of the ACS Deed and the Prospectus, compulsorily redeem any of our Units owned on behalf of the beneficial owner and use the proceeds of such redemption to pay any relevant Taxation.

Further, if we redeem Units on behalf of the beneficial owner and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income and any amount or amounts in relation to it are paid to us on behalf of the beneficial owner as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we on behalf of the beneficial owner receive such a tax reclaim, we will promptly notify and supply relevant details of the reclaim to the ACS Manager and the Depositary.

Signed:

(Unitholder or Nominee)

* Notes

(1) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a non-Member State:

- (a) Credit institutions;
- (b) Investment firms;
- (c) Other authorised or regulated financial institutions;
- (d) Insurance companies;
- (e) Collective investment schemes and management companies of such schemes;
- (f) Pension funds and management companies of such funds;
- (g) Commodity and commodity derivatives dealers;
- (h) Locals; and
- (i) Other institutional investors.

(2) Large undertakings meeting two of the following size requirements on a company basis:

- balance sheet total: EUR 20,000,000,
- net turnover: EUR 40,000,000,
- own funds: EUR 2,000,000.

(3) National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.

(4) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

** "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes (including taxes required to be deducted or withheld from or accounted for in respect of any payment), duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them.

Appendix VIII

List of Sub-Custodians

The Depositary has delegated safekeeping duties as set out in the AIFMD and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this Prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

Market	Sub custodian
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A., Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco Itaú Chile S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited) China Construction Bank Corporation (for A-share market only) Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only) The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only) Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.

Croatia	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Ceskoslovenská obchodní banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Euroclear	Euroclear Bank
Clearstream	Clearstream Banking Luxembourg
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Jamaica	Scotia Investments Jamaica Limited
Japan	Mizuho Bank, Limited The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited

Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Luxembourg	Clearstream Banking S.A., Luxembourg
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A. Bank Polska Kasa Opieki S.A.
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.

Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ) Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG UBS Switzerland AG
Taiwan – R.O.C.	Deutsche Bank AG Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.S. Deutsche Bank A.S.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company, Boston
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)