

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

State Street Unit Trust Management Limited, the authorised contractual scheme manager of the ACS, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (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 Collective Investment Schemes Sourcebook to be included in it. State Street Unit Trust Management Limited accepts responsibility accordingly.

PROSPECTUS
OF
STATE STREET AUTHORISED CONTRACTUAL SCHEME

(An authorised contractual scheme formed as a co-ownership scheme under section 235A of the Financial Services and Markets Act 2000)

(A UCITS Scheme with FCA product reference number 728502)

This document constitutes the Prospectus for **State Street Authorised Contractual Scheme** which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 1 May 2020

Copies of this Prospectus have been sent to the FCA and the Depositary.

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Important Information

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 the Prospectus and, if given or made, such information or representations must not be relied on 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. Persons into whose possession this Prospectus comes are required by the ACS Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Units are not listed on any investment exchange.

The Units have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US Persons. The ACS has not been and will not be registered in the United States of America under any applicable legislation.

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.

The provisions of the ACS Deed are binding on each of the Unitholders and a copy of the ACS Deed is available on request from the ACS Manager.

This Prospectus has been issued for the purpose of section 21 of the FSMA by the ACS Manager.

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, English law and practice at the date hereof. The ACS Manager cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACS Manager that this is the most recently published prospectus.

In order to comply with legislation implementing UK obligations under intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA, and the OECD's Common Reporting Standard known as CRS) the ACS Manager will collect and report information about Unitholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the ACS Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and to any relevant overseas tax authorities. By signing the application form to subscribe for Units, each Unitholder is agreeing to provide such information upon request at any time from the ACS Manager or its delegate. The ACS Manager may exercise its right to redeem completely the holding of a Unitholder (at any time upon any or no notice) if the Unitholder fails to provide the ACS Manager with the information the ACS Manager requests to satisfy its obligations under any international tax compliance regulations or other similar automatic exchange of information requirements.

Prospective investors and Unitholders should note that they are providing the ACS Manager with personal information, which may constitute personal data within the meaning of the Data Protection Legislation. The personal data of prospective investors and registered Unitholders shall be processed in accordance with the Privacy Statement.

The ACS Manager (including its delegates) may transfer your information to countries located outside of the European Economic Area (the EEA). This may happen when our servers, suppliers and/or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances we will take steps to ensure that your privacy rights are respected. Details relevant to you may be provided upon request. All communications by the Investment Manager and the ACS Manager in relation to this Prospectus shall be in English.

IMPORTANT: If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

1. Definitions

“ACS”	State Street 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”	State Street Unit Trust Management Limited, the authorised contractual scheme manager and its successors as authorised contractual scheme manager, of the ACS;
“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 and Trust Company, or such other entity as is appointed to act as administrator to the ACS from time to time;
“Annual Management Charge”	the periodic fee payable to the ACS Manager as set out in detail in paragraph 7.2;
“Approved Bank”	(in relation to a bank account opened by the ACS): (a) if the account is opened at a branch in the United Kingdom: (i) the Bank of England; or (ii) the central bank of a member state of the Organisation for Economic Co-operation and Development; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant home state regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (iv) a bank supervised by the South African Reserve Bank;
“Associate”	any member of the ACS Manager’s Group or any other person whose business or domestic relationship with the ACS or the ACS’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”	PricewaterhouseCoopers 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. Where the context requires, reference to “base currency” shall be to the currency to be used for a particular Sub-fund or Class or payments in relation to either of them;
“Benchmark Index”	As disclosed in relation to each Sub-fund in Appendix I;
“Business Day”	as disclosed in relation to each Sub-fund in Appendix I;
“CASS”	the Client Asset Rules Sourcebook published by the FCA and forming part of the FCA Handbook;
“Certificate of Eligibility”	the certificate in the form set out in Appendix V, or as may be amended by the ACS Manager from time to time, to be provided by each new prospective Unitholder confirming that they are an Eligible Investor;
“Class” or “Classes”	in relation to Units, means (according to the context) all of the Units related to a single Sub-fund or a particular class or classes of Unit related to a single Sub-fund;
“COBS”	the Conduct of Business Sourcebook published by the FCA and forming part of the FCA Handbook;
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook;
“COLL Sourcebook”	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time;
“Contractual Scheme Rules”	the rules in the COLL Sourcebook made by the FCA under section 261J of FSMA (Contractual Scheme Rules) in relation to: <ul style="list-style-type: none"> (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 and which is authorised for the purposes of FSMA by an authorisation order;
“Custodian”	State Street Bank and Trust Company;
“Data Protection Legislation”	means the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and the Data Protection Act 2018 and other applicable national laws;
“Dealing Cut Off Point”	in respect of each Dealing Day, as further disclosed in relation to each Sub-fund in Appendix I;
“Dealing Day”	as disclosed in relation to each Sub-fund in Appendix I;

“Depositary”	HSBC Bank plc, or such other person as is appointed to act as Depositary of the ACS from time to time;
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area;
“Efficient Portfolio Management”	<p>techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) reduction of risk; (ii) reduction of cost; (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL;
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
“Eligible Investor”	<ul style="list-style-type: none"> (1) the trustee or other duly authorised representative acting on behalf of a pension fund which is authorised or registered in a European Economic Area State or elsewhere; or (2) an insurance company which is authorised or regulated in a European Economic Area State or elsewhere, investing in respect of unit linked funds of the insurance company which are restricted to pension fund investors; <p>and, in each case, which satisfies at least one of the following criteria:</p> <ul style="list-style-type: none"> (a) is a professional ACS investor (being a person who is a professional client for the purpose of the Markets in Financial Instruments Directive (as set out in Appendix IV)); (b) is a large ACS investor (being 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); (c) is a person who already properly holds units in the ACS; <p>or a nominee of such an entity (and “Eligible Investors” shall be construed accordingly);</p>
“Euro” or “EUR” or “€”	monetary unit of the official currency of the Eurozone countries;
“FCA”	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
“FCA Handbook”	the FCA Handbook of Rules and Guidance, as amended from time to time;
“FCA Rules”	the rules contained in the COLL 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 Sourcebook;
“FSMA”	the Financial Services and Markets Act 2000, as amended or replaced from time to time;

“HMRC”	Her Majesty’s Revenue & Customs;
“Investment Manager”	State Street Global Advisers Limited, the investment manager appointed by the ACS Manager in respect of the ACS, or such other entity as may from time to time be appointed as investment manager;
“Lending Agent”	means State Street Bank and Trust Company, London Branch;
“London Business Day”	Monday to Friday and being a day on which the London Stock Exchange is open for trading;
“Net Asset Value” or “NAV”	the value of the Scheme Property of a Sub-fund (or, as the context requires, of all existing Sub-funds of the ACS) less all the liabilities of that Sub-fund (or of all existing Sub-funds of the ACS) determined in accordance with the ACS Deed;
“OTC”	over-the-counter;
“Privacy Statement”	the privacy statement adopted by the ACS Manager as amended from time to time. The current version is available on www.ssga.com ;
“Register”	the register of Unitholders;
“Registrar and Transfer Agent”	State Street Global Advisers Limited, or such other entity as is appointed to act as registrar and transfer agent to the ACS from time to time;
“Regulations”	the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (SI 2013/1388) and the FCA Handbook (including the COLL Sourcebook) and any other applicable rules made under FSMA from time to time in force. This does not include guidance or evidential requirements contained in that Sourcebook;
“Scheme Property”	the scheme property of a Sub-fund or of all existing Sub-funds (as appropriate);
“Sub-fund” or “Sub-funds”	a sub-fund of the ACS (being part of the Scheme Property of the ACS 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;
“Subscription Settlement Time”	the date and time specified for the receipt of monies for payment of subscription monies set out in respect of each Sub-fund in Appendix I;
“Switch”	the switch, where permissible, 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, 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;
“Tracking Error”	a measure of how closely and consistently a Sub-fund tracks its benchmark index over time. The anticipated maximum level of Tracking Error for each Sub-fund is set out in Appendix I;
“UCITS Directive”	the European directive (Directive EC/2009/65/EC) relating to undertakings for collective investment in transferable securities (as amended);
“Unit” or “Units”	a unit or units in the ACS (including fractions of Units, with one fraction being equivalent to one thousandth of a Unit);

“Unitholder”	a holder of registered Units;
“US” or “United States”	the United States of America (including the States and the District of Colombia) and any of its territories, possessions and other areas subject to its jurisdiction;
“US Persons”	a person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7;
“Valuation Point”	the point, 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) for the purpose of determining the price at which Units of a Class may be issued, cancelled or redeemed. For details of the Valuation Point of a Sub-fund see Appendix I; and
“VAT”	value added tax.

2. Details of the ACS and its Structure

2.1 General Information

2.1.1 The ACS

State Street Authorised Contractual Scheme is an authorised contractual scheme in co-ownership form authorised by the FCA with effect from 5 February 2016. Please note that approval by the FCA in this context refers only to approval under FSMA 2000 and does not in any way indicate or suggest endorsement or approval of the ACS as an investment.

The ACS has an unlimited duration.

As a consequence of being constituted as an authorised co-ownership scheme, the Sub-funds 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 therefore, in most cases, also treated as tax transparent by the jurisdictions from which any underlying income or gains arising to the Sub-fund are derived. Such tax transparency cannot, however, be guaranteed.

Where a 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 the Unitholder’s jurisdiction of tax residence (“the investor jurisdiction”) recognises the tax transparency of the relevant Sub-fund and that the jurisdiction having primary taxing rights over such income and gains (“the investment jurisdiction”) respects the transparent treatment of the Sub-fund by the investor jurisdiction. In cases where either the tax authority in the investor jurisdiction does not recognise the tax transparency of the Sub-fund or the tax authority in the investment jurisdiction does not respect the transparent treatment by the tax authority in the investor jurisdiction, withholding 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 in relation to such income or gains.

It will be the responsibility of the Custodian, where appropriate, to make the necessary filings for reclaims of any tax withheld in cases where such reclaims are available, or, where appropriate, to protect against amounts being withheld in the first place.

Any economic benefit from such claims will be attributed to the appropriate Class of Units in the relevant 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 and, in any event, within 10 days of such change.

Unitholders are not liable for the debts of the Sub-fund or Sub-funds in which they are invested. Unitholders are not liable to make any further payment to a Sub-fund after they have paid the purchase price of their Units. They are, however, liable for any tax arising in respect of their proportionate share of the income and gains in the Sub-fund of Sub-funds in which they have invested.

The Scheme Property of each Sub-fund is beneficially owned by its Unitholders as tenants in common. Details of the Sub-funds are set out in Appendix I.

The ACS Manager is also the unit trust manager of the SSgA Europe ex UK Equity Tracker Fund, SSgA North American Equity Tracker Fund, SSgA Japan Equity Tracker Fund, SSgA Asia Pacific ex Japan Equity Tracker Fund and the SSgA UK Equity Tracker Fund.

2.1.2 Base Currency

The base currency of the ACS is pounds sterling. Sub-funds may from time to time at the discretion of the ACS Manager be denominated in a currency other than the base currency. The currency of each Sub-fund is set out in Appendix I.

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 UCITS 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 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 see paragraph 5.2 below “Liabilities of the ACS and the Sub-funds”.

Details of the Sub-funds, including their investment objectives and policies and charges, are set out in Appendix I.

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

2.2.2 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 V, 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 (or reasonably believes this to be the case) the ACS Manager reserves the right to redeem such Units forthwith. In these circumstances, the Unitholder will immediately be deemed to have renounced title to the entire holding to the ACS Manager and the ACS Manager will redeem the entire holding. This will normally be at the next Valuation Point but the ACS Manager may create a special Valuation Point for this purpose upon giving the Depositary reasonable prior notice of the creation of such special Valuation Point.

Where it comes to the attention of the ACS Manager either through the Unitholder informing the ACS Manager or otherwise that an Eligible Investor holds Units in a Class which is inappropriate to its tax status (for example where the tax reclaim rate diverges from that of other Unitholders in that Class due to changes in its own tax status or domestic exemptions affecting that Unitholder), or where the Unitholder has failed to provide the ACS Manager with such documentation as the ACS Manager may require in order to establish the Unitholder's tax status, or does not meet any of the other investment criteria for the Sub-fund or Class in which the investor intends to invest or is invested, the ACS Manager reserves the right to redeem or convert (at the ACS Manager's discretion and if an appropriate Class is available) such Units, as appropriate, forthwith. This will normally be the next Valuation Point but the ACS Manager may create a special Valuation Point for this purpose, upon giving the Depositary reasonable prior notice. In the event that no suitable alternative Class exists, the Unitholder will immediately be deemed to have renounced title to the entire holding to the ACS Manager. 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 must inform the ACS Manager as soon as possible and the ACS Manager will take action in accordance with the above provisions.

2.2.3 Classes of Units

Fractions of Units can be issued and these will be one thousandth of a whole unit.

Units have no par value and, within each Class in each 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 relevant Sub-fund or the winding up of the ACS. Units do not carry preferential or pre-emptive rights to acquire further Units.

The details of the Units presently available for each Sub-fund, including details of their criteria for eligibility, subscription and fee structure, are set out in Appendix I. Units may be available as both income and accumulation Units in respect of each Sub-fund. Further details of the Units presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I. At present only accumulation Units are issued.

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 relevant 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 accumulation Units available at the date of this Prospectus have interim income allocation dates on every Business Day save the annual accounting date.

If any distribution Units should be issued, then their holders will be entitled to be paid the distributable income attributed to those Units and the Prospectus will be updated accordingly to set out this procedure.

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, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Class.

The currency of denomination for each new Class of Units will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Units. Hedged Unit Classes may be made available in certain Sub-funds (see section 2.2.4).

Where a Sub-fund has different Classes, each Class, where relevant, may attract different rates of non-United Kingdom withholding or other taxes or 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 a Sub-fund will be adjusted accordingly.

If a Unitholder's tax status changes (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 that 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 and subject to the provisions of paragraph 2.2.2, 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 a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The ACS 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 between Sub-funds in a manner which the ACS Manager considers is fair to all Unitholders of the ACS.

Units in the ACS are not currently listed on any investment exchange.

Units may be made available as either income or accumulation Units. Holders of distribution Units will be entitled to be paid the distributable income attributed to those Units. Holders of accumulation Units have income automatically transferred to the capital assets of the relevant Sub-fund on each interim and/or annual accounting date. This income is reflected in the price of an accumulation Unit.

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 a Sub-fund for Units of another Class within the same Sub-fund, where available, or 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 3.4 for Switching and paragraph 3.5 in the case of Conversions.

2.2.4 Hedged Unit Classes

Hedged share classes allow the ACS Manager to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currencies of the underlying investments of the Sub-fund and the currency of denomination of each hedged Unit Class. In respect of hedged Unit Classes, the ACS Manager may utilise various instruments including, but not limited to: forward currency contracts, currency futures and currency swaps to seek to reduce the effect of exchange rate fluctuations between the currencies of the underlying investments of the Sub-fund and the currency of denomination of each hedged Unit Class (e.g. Sterling, Euro or US Dollar), based on the total value of each hedged Unit Class.

Unit Class hedging activity will not form part of the investment policy of any Sub-fund. The effects (i.e. gains or losses) and costs associated with hedging transactions will be attributed to the relevant Unit Class only. The currency transactions will not cause the hedged Unit Classes to be leveraged. The value of each Unit Class to be hedged will be made up of both capital and income and the ACS Manager will aim to fully hedge the relevant hedged Unit Class although this may not always be achievable for various reasons. As such the hedged Unit Classes will not be completely protected from all currency fluctuations. For details of whether currency hedging is applicable to a Unit Class, please refer to the "Hedged Unit Class" section of Appendix I applicable to that Unit Class.

3. Buying, Redeeming, Conversion and Switching of Units

The dealing office of the Registrar and Transfer Agent is normally open from 9am to 5pm (London time) on each Dealing Day in respect of each Sub-fund to receive requests for the purchase, sale, Conversion and Switching of Units.

The ACS Manager may vary these times at its discretion.

The ACS Manager will accept instructions to purchase, sell, Switch or Convert the title of Units on the basis of an authority communicated by electronic means and sent by the Unitholder, or delivered on their behalf by a person that is authorised by the FCA, subject to:

- (a) prior agreement between the ACS Manager (or the Registrar or Transfer Agent, on behalf of the ACS Manager) and the person making the communication as to the electronic media by which such communication may be delivered; and how such communications will be identified as conveying the necessary authority;
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the investor; and
- (c) the ACS Manager (or the Registrar or Transfer Agent, on behalf of the ACS Manager) being satisfied that any electronic communications purporting to be made by an investor or his agent are in fact made by that person.

In addition, the ACS Manager may from time to time make arrangements to allow Units to be bought or sold on-line or through other communication media.

The ACS Manager will neither sell nor redeem (as those terms are defined in the FCA Rules) Units for its own account.

3.1 Buying Units

3.1.1 Procedure

An investor may effect an initial application for Units in a Sub-Fund by submitting each of the following duly completed documents to the Registrar and Transfer Agent for review and approval by it:

- (a) an application form;
- (b) a Certificate of Eligibility in the form set out in Appendix V 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, and to enable appropriate tax treaty benefits to be available.

The application form must be sent in accordance with the procedure set out in the application form.

An investor must also complete a dealing form for the initial and any subsequent purchases of Units and send this to the Registrar and Transfer Agent for review and approval by it and the ACS Manager. The ACS Manager may, at its discretion, also require investors to provide the documents listed at (b) and (c) above on subsequent purchases of Units.

Valid instructions to purchase Units received before the relevant Dealing Cut Off Point will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction and subject to the application of any applicable dilution levy or initial charge, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.9.

Payment in cleared funds in respect of orders for the purchase of Units is due on the Subscription Settlement Time specified for each Sub-fund in Appendix I. An application to purchase Units will only be deemed to have been accepted by the ACS Manager once it is in receipt of a valid dealing 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.

The ACS Manager, at its discretion, has the right to cancel a purchase deal if settlement is not received by the Subscription Settlement Time and any loss arising on such cancellation shall be the liability of the applicant. The ACS Manager is not obliged to issue Units, or may cancel any Units that have already been issued, if it does not receive cleared funds from an investor by the Subscription Settlement Time.

The ACS Manager reserves the right to charge interest at up to 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the relevant Subscription Settlement Time.

No interest will be paid to investors on funds transferred prior to the Subscription Settlement Time or which are otherwise held prior to investment. Such funds may be subject to negative interest (if applicable).

A purchase of Units in writing or via any other communication media made available is a legally binding contract. Applications to purchase, which have been approved by the ACS Manager are, unless subsequently agreed otherwise by the ACS Manager, irrevocable. However, subject to its obligations under the Regulations, the ACS Manager has the right to reject, on reasonable grounds, 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 and these will be one thousandth of a whole Unit.

3.1.2 Documents the buyer will receive

A confirmation 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.

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.

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.

3.1.3 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Unit in a Sub-fund are set out in Appendix I.

If following a redemption, Switch or Conversion a holding in any Class of Unit should fall below the minimum holding for that Class, the ACS Manager has a discretion to effect a redemption of that Unitholder's entire holding in that Class of Unit. The ACS Manager may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or Conversion does not remove this right.

3.1.4 Issue of Units in exchange for in specie assets

The ACS Manager may, at its discretion, arrange for the ACS to issue Units in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the ACS's acquisition of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders. If any fee, cost or expense is incurred by the ACS in connection with the in specie transfer of assets by an investor then the number of Units issued to the investor will be reduced accordingly by the ACS Manager. Where the ACS Manager considers the deal 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 ensure that the beneficial interest in the assets is transferred to the ACS with effect from the issue of the Units.

The ACS Manager will not issue Units in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

3.2 Redeeming Units

3.2.1 Procedure

Every Unitholder has the right to require the redemption of their Units on any Dealing Day, unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding.

An investor may effect a redemption of Units in a Sub-Fund by sending a duly completed dealing form to the Registrar and Transfer Agent for review and acceptance by the Registrar and Transfer Agent. Valid instructions to redeem Units received before a Dealing Cut Off Point by the ACS Manager will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction and subject to the application of any applicable dilution levy, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.9.

Please refer to Appendix I for the Dealing Cut Off Point applicable to each Sub-fund.

A redemption instruction in respect of Units in writing or via any other communication media made available is a legally binding contract. However, an instruction to the ACS Manager to redeem Units, although irrevocable, may not be settled if the redemption 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.

In addition, on redemption a Unitholder's income in the form of a tax reclaim which is accrued in the Net Asset Value per Unit but not yet received by the relevant Sub-fund, will be taken into account in the calculation of the Net Asset Value per Unit for the purposes of the redemption. Following a redemption, if it transpires that any such amount is paid to the former Unitholder and not paid to the relevant Sub-fund or the former Unitholder was not entitled to the tax reclaimed or the relevant tax reclaim fails in whole or in part (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), then the former Unitholder will be required to pay over to the Sub-fund a matching or equivalent amount or amounts to each cancelled part of the accrual (the "Relevant Accrual Amount") in the price of the relevant Units (while all foreign exchange risk will be borne by the Unitholder). In the event that a former Unitholder does not make good any such amount for whatever reason, the liability will remain with the relevant Sub-fund. If the Unitholder does not, upon request, pay to the relevant Sub-fund an amount equivalent to the Relevant Accrual Amount the ACS Manager has discretion to redeem any remaining Units in any Sub-fund belonging to such Unitholder for an amount equivalent to (so far as reasonably practicable) the value of such Relevant Accrual Amount.

The ACS Manager has the discretion to withhold payment of an amount equivalent to any tax reclaim which is accrued in the Net Asset Value per Unit, but which has not yet been received by the relevant Sub-fund, from amounts paid to a Unitholder on a redemption, such amounts being paid out to the Unitholder only when they are received by the Sub-fund in order to ensure that the remaining Unitholders are not disadvantaged.

For details of dealing charges see paragraph 3.6 below.

3.2.2 Documents a redeeming Unitholder will receive

A confirmation 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) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Unitholder (or by all the joint Unitholders) no later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made via bank 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 to nominees or intermediaries associated with the Unitholder account) will not normally be accepted.

Such payment will be made within the timeframes set out for each Sub-fund in Appendix I.

3.2.3 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 of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

3.2.4 In specie redemptions

If a Unitholder requests the redemption of Units the ACS Manager may at its discretion and where it considers the deal to be substantial in relation to the total size of the Sub-fund concerned or in some way detrimental to the Sub-fund, arrange, having given prior notice in writing to the Unitholder, that, in place of payment for the Units in cash, the ACS transfers property or, if requested by the Unitholder and agreed to by the ACS Manager, the net proceeds of sale of the relevant property, to the Unitholder. Before the redemption proceeds of the Units become payable, the ACS Manager must give written notice to the Unitholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Unitholder so that the Unitholder can require the net proceeds of redemption rather than the relevant property if he so desires.

The Depositary must take reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Unitholders.

The ACS Manager will select the property to be transferred or sold in consultation with the Depository.

3.2.5 Deferred Redemption

If the Registrar and Transfer Agent receives requests for the redemption of Units in excess of 10% of a Sub-Fund's Net Asset Value in respect of any Dealing Day, the ACS Manager, may, at its sole discretion, elect to restrict the total value of Units to be redeemed to 10% of that Sub-fund's Net Asset Value. If the ACS Manager elects to restrict the redemption of Units in this manner then all relevant redemption requests will be scaled down pro rata to the value of the Units requested to be redeemed and, subject to the above restriction, any Units which are not redeemed on a Dealing Day, shall be treated as if a request for redemption has been made in respect of such Units, for the next and each subsequent Dealing Day, until all of the Units to which the original request(s) related have been redeemed. All deals relating to an earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

3.3 Late Trading

"Late Trading" is defined as the acceptance of a subscription, redemption, Conversion or Switch order received after a Sub-fund's applicable Valuation Point for that Dealing Day. Late Trading is not permitted. Late Trading will not include a situation in which the ACS Manager is satisfied that orders which are received after the Dealing Cut Off Point but before the Valuation Point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

3.4 Switching

Subject to any restrictions on the eligibility of investors for a particular Unit Class, a Unitholder 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 transferee Sub-fund having an appropriate Class for the switching 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.

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 including 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.

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 initial charge on the New Units, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 3.6.2 "Charges on Switching or Conversion". 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 Switching) or refuse to effect any Switch of the Original Units. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch.

Written instructions must be received by the ACS Manager before a Dealing Cut Off Point in the Sub-fund or Sub-funds concerned to be dealt with at the prices at the next Valuation Point or at such other Valuation Point as the ACS Manager at the request of the Unitholder giving the relevant instruction may agree. Switching requests received after a Dealing Cut Off Point will be held over until the next Dealing Day in each of the relevant Sub-fund or Sub-funds.

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.

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 UK capital gains taxation, which may give rise to a liability to tax, depending upon the Unitholder's circumstances. Each Unitholder should take appropriate advice as to the tax treatment of their investment in the Sub-fund.

A Unitholder who Switches Units in one Sub-fund for Units in any other Sub-fund will not be given a right by law to withdraw from or cancel the transaction.

3.5 Conversions

Subject to any eligibility criteria in relation to a Unit Class, Unitholders are permitted to Convert their Units in one Class in a 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 in the same manner as for a sale as set out above including the same requirements as to Certificates 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. 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 latest 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 its 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 a Sub-fund. For details of the charges on Conversion currently payable, please see paragraph 3.6.2 "Charges on Switching or Conversions".

Please note that under UK tax law, conversions will not ordinarily be treated as a disposal for capital gains tax purposes (except if one or other of the Classes is hedged, or they are both hedged differently). Each Unitholder should take appropriate advice as to the tax treatment of their investment in the Sub-fund.

3.6 Dealing Charges

The Sub-funds will be single priced (with either a dilution adjustment or dilution levy).

The price per Unit at which Units are bought, redeemed, Switched or Converted is the Net Asset Value per Unit. Any initial, Switching or Conversion charge or dilution levy, is payable in addition to the price or is deducted from the gross subscription or the proceeds of the redemption monies.

3.6.1 Initial charge

The ACS Manager may impose a charge on the purchase of Units in each Class. The initial charge is calculated as a percentage of the price of a Unit in respect of each Unit Class and is set out in Appendix I. The ACS Manager may waive or discount the initial charge at its discretion.

Any initial charge will be deducted from the subscription monies and is payable by the Unitholder to the ACS Manager.

From the initial charge received, or out of its other resources, the ACS Manager may pay a commission to relevant intermediaries.

3.6.2 Charges on Switching or Conversions

On the Switch or Conversion of Units, the ACS Deed authorises the ACS Manager to impose a charge. The charge on a Conversion or Switch shall be directly recoverable from the Unitholder concerned and may be accounted for in any adjustment made of the number of new Units to be issued pursuant to the Prospectus.

There are currently no charges on the Conversion or Switch of Units as set out in Appendix I for the relevant Sub-fund other than the dilution levy that may be applied on a Switch of Units in a Sub-Fund.

3.6.3 Dilution

The actual cost of purchasing or selling underlying investments in a Sub-fund may deviate from the mid-market value used in calculating its Unit price, due to dealing charges, commissions, taxes, market impact and any spread between buying and selling prices of the Sub-fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-fund, known as "dilution" which may adversely affect the performance of a Sub-fund. In order to mitigate the effect of dilution the Regulations allow the ACS Manager to make a dilution levy or dilution adjustment on the purchase, redemption or Switch of Units in a Sub-fund. Whether the ACS Manager applies a dilution levy or makes a dilution adjustment to a particular Sub-fund is set out in Appendix I.

3.6.4 Dilution Levy

Upon the acquisition or redemption or Switch of Units the dilution levy will be applied in connection with the associated costs of acquisition, liquidation or Switch (as the case may be) of the underlying Sub-fund investments (except to the extent that the ACS Manager is able to match an acquisition or redemption of Units against a corresponding redemption or acquisition of such Units).

The ACS Manager does not benefit from any dilution levy because any such amount will be paid into the relevant Sub-fund.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time but given the nature of the holdings in the Sub-funds and the types of investors, the ACS Manager expects that a dilution levy will be applied on most occasions.

The estimated maximum dilution levy (where applicable) in relation to each Sub-fund is as detailed in Appendix I.

The ACS Manager, in its absolute discretion, may waive, reduce or increase the dilution levy. The ACS Manager may alter its current dilution policy in accordance with the procedure set out in the Regulations.

3.6.5 Dilution Adjustment

A dilution adjustment is an adjustment to the Unit price (which means that the price of a Unit will be above or below the price which would have been resulted from the mid-market valuation) on the purchase, redemption, issue or cancellation of Units for the purposes of reducing dilution in a Sub-fund (or to recover an amount which it has already paid or reasonably expects to pay in the future). This is also known as "swing pricing". Where the dilution adjustment is applied to the price, it is applied for the benefit of the Sub-fund and its Unitholders and the ACS Manager will not benefit from the dilution adjustment.

The level of any such dilution adjustment for each Sub-fund will be calculated by reference to the estimated or actual costs of dealing in the underlying investments of the Sub-fund, including any dealing spreads, commission, transfer taxes and in the case of securities traded on markets that are closed at the Valuation Point, the actual movements in the price of those securities from their last close price to the actual traded price, in accordance with the COLL Sourcebook.

The need to make a dilution adjustment will depend on the volume of sales or redemption of Units on any given day. The ACS Manager may make a dilution adjustment if, in its opinion, the existing Unitholders (prior to sales) or remaining Unitholders (following redemptions) are likely to be economically adversely affected.

Unless the ACS Manager determines otherwise (and it is in the interests of Unitholders), a dilution adjustment will be made in the following circumstances:

- (a) the Sub-fund is, in the opinion of the ACS Manager, experiencing a period of continued net outflows;
- (b) the Sub-fund is, in the opinion of the ACS Manager, experiencing a period of continued net inflows;
- (c) the Sub-fund experiences a level of net redemptions or net sales on any given day which exceed a pre-determined level (“the Swing Threshold”) for each Sub-fund determined by the ACS Manager as reasonably necessary in order to avoid dilution to that Sub-fund. The Swing Threshold will be reviewed on an annual basis for each Fund; or
- (d) in any other case where the ACS Manager is of the opinion that it is in the interests of Unitholders and potential Unitholders that the dilution adjustment be adjusted.

Generally, the estimated rate of dilution adjustment shall not exceed 2% of the Net Asset Value per Unit of the relevant Sub-fund. In extraordinary market circumstances, the rate of dilution adjustment could exceed this amount.

Where a dilution adjustment is made, it will increase the dealing price when there are net inflows into a Sub-fund and decrease the dealing price when there are net outflows.

As dilution is directly related to the value of inflows and outflows of money from a Sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACS Manager will impose a dilution adjustment. However, based on future projections the ACS Manager expects to apply the dilution adjustment 50 times per year.

Because the dilution adjustment for a Sub-fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-fund, including any dealing spreads and movements in the price of securities from their last close price to the actual traded price where those securities are traded on markets that are closed at the valuation point (both of which can vary with market conditions), the amount of any dilution adjustment can vary over time. The ACS Manager will regularly monitor the rate and frequency of dilution adjustments made in respect of each Sub-fund.

Calculation of dilution adjustment

In applying a dilution adjustment the Manager intends to use the following basis of valuation:

- (I) when by reference to any valuation point the aggregate value of the Units of all classes of a Fund issued exceeds the aggregate value of Units of all classes cancelled (a net inflow), any adjustment will generally be upwards. The dilution adjustment shall not exceed the Manager’s reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the assets of the Fund had been valued on the best available market offer basis (plus dealing costs); and
- (II) when by reference to any valuation point the aggregate value of the Units of all classes of a Fund cancelled exceeds the aggregate value of Units of all classes issued (a net outflow), any adjustment will generally be downwards. The dilution adjustment shall not exceed the Manager’s reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the assets of the Fund had been valued on the best available market bid basis (less dealing costs).

3.7 Transfers

Unitholders are not entitled to transfer their Units.

3.8 Restrictions and Compulsory Redemption

In addition to the eligibility criteria referred to in paragraph 2.2.2, 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 ACS incurring any liability to taxation which the ACS 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, Conversion or Switch of Units.

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; or
- (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 Certificate of Eligibility or any other necessary documentation referred to in paragraph 2.2.2 and any other Class specific criteria) are held in any manner by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case; or
- (d) are owned by a Unitholder who is registered in a jurisdiction (where the Sub-fund is not registered or recognised by the relevant competent authority) whereby communication with that Unitholder by the ACS Manager, on behalf of the Sub-fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACS Manager to prevent such a communication constituting a breach); or
- (e) are held in a manner which constitutes a breach of the ACS Deed or this Prospectus as to eligibility or entitlement to hold any Units,

the ACS Manager may give notice to the Unitholder(s) of the affected Units requiring that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not within 10 days after the date of such notice submit a written request for their redemption to the ACS Manager or establish to the satisfaction of the ACS Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, he shall be deemed upon the expiry of that 10 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, 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.

In addition units may be compulsorily redeemed in the circumstances set out in paragraph 3.2.1.

3.9 Suspension of dealings in the ACS or a Sub-fund

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 any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Unitholders in the relevant Sub-fund or Sub-funds.

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 relevant Sub-fund 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 suspensions.

Where such suspension takes place, the ACS Manager will publish details on its website (or that of the Investment Manager) or 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 accept orders in relation to 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.

3.10 Money laundering

The ACS Manager adheres to international anti-money laundering standards set by the Financial Action Task Force (FATF) and complies with all applicable anti-money laundering and sanctions laws and regulations. FATF is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to implement these standards, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units. Until satisfactory proof of identity is provided, the ACS Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units to the investor. In the case of a purchase of Units where the applicant is not willing to provide the information requested within a reasonable period, the ACS Manager also reserves the right to sell the Units purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

3.11 Market Timing

The repeated purchasing and selling of Units in response to short-term market fluctuations is known as “market timing”. The ACS Manager has a policy to prevent market timing. As part of its policy, the ACS Manager may refuse to accept an application to purchase Units from persons that they reasonably believe are engaged in market timing.

3.12 Governing law

All deals in Units are governed by English law.

4. Valuation of the ACS

4.1 General

Sub-funds will be single priced. Currently, each of the Sub-funds is single priced and the Prospectus reflects this. In the event that Sub-funds are launched in the future with a different pricing basis, the Prospectus will be updated accordingly.

Currently, each Class of Units is single priced. As such, the price of a Unit is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Unit of a Sub-fund is currently calculated on each Dealing Day at the Valuation Point of the Sub-fund. For details of the Valuation Point of a Sub-fund, please see Appendix I.

The ACS Manager may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so and may use the price obtained at such additional Valuation Point as the price for the day. 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 each Sub-fund and the amount of any dilution levy made in respect of any purchase or redemption of Units.

A request for dealing in Units must be received by the Dealing Cut Off Point in order to be processed for the next Valuation Point. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Unit calculated as at the Valuation Point on that next Dealing Day.

4.2 Calculation of the Net Asset Value

The value of the Scheme Property of each Sub-fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

- (a) All the Scheme Property of each Sub-fund (including receivables) is to be included, subject to the following provisions.
- (b) Scheme Property which is not cash (or other assets dealt with in paragraph (c) below) or a contingent liability transaction will be valued as follows and the prices used will (subject as follows) be the most recent prices which it is practicable to obtain:
 - (i) securities will be valued at the Valuation Point;
 - (ii) In the case of units or shares in a collective investment scheme:
 - (A) if a single price for buying and selling units or shares is quoted, at that price; or
 - (B) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein; or
 - (C) 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, at a value which, in the opinion of the ACS Manager, is fair and reasonable;
 - (iii) In the case of any other transferable security:
 - (A) if a single price for buying and selling the security is quoted, at that price; or
 - (B) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (C) if, in the opinion of the ACS Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACS Manager, is fair and reasonable;
 - (iv) In the case of property other than that described in (i), (ii) and (iii) above: at a value which, in the opinion of the ACS Manager, represents a fair and reasonable mid-market price.
- (c) Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- (d) Property which is a contingent liability transaction will be treated as follows:
 - (i) if a written option or an off-exchange derivative the method of valuation will be agreed between the ACS Manager and the Depositary;
 - (ii) if an off-exchange future, it will be valued at the net value of closing out in accordance with a valuation method agreed between the ACS Manager and the Depositary;
 - (iii) if any other form of contingent liability transaction or if the property is an off exchange derivative, the method of valuation will be agreed between the ACS Manager and the Depositary.
- (e) In determining the value of the Scheme Property of each Sub-fund, all instructions given to issue or cancel Units will be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- (f) Subject to paragraphs (g) and (h) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted will 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, in the opinion of the ACS Manager, their omission will not materially affect the final net asset amount.

- (g) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options will not be included under paragraph (f).
- (h) All agreements are to be included under paragraph (f) which are, or ought reasonably to have been, known to the person valuing the property.
- (i) There will be deducted an estimated amount for anticipated tax liabilities (whether of the United Kingdom or elsewhere) at that time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax and stamp duty.
- (j) There will be deducted an estimated amount for any liabilities payable out of the Scheme Property of the relevant Sub-fund and any tax thereon treating periodic items as accruing from day to day.
- (k) There will be deducted the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- (l) There will be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- (m) There will be added any other credits or amounts due to be paid into the Scheme Property of the relevant Sub-fund.
- (n) There will be added a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- (o) Currencies or values in currencies other than the base currency will be translated at the relevant Valuation Point at a rate of exchange determined by the ACS Manager that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

Notwithstanding the foregoing, the ACS Manager may, at its discretion, use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value of the Scheme Property of a Sub-fund, in the event that it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the above rules or it considers that valuation in accordance with such principles better reflects the value of a security, interest or position and are in accordance with generally accepted accounting principles.

4.3 Price per Class of Unit in each Sub-fund

The price per Unit at which Units are bought or are redeemed is the Net Asset Value per Unit. There will be a single price per Unit. Any initial, Switching, Conversion charge or dilution levy is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Unitholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the ACS Deed.

4.4 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.

4.5 Publication of Prices

The prices of Units are available daily on the Investment Manager's website at ssga.com.

As the ACS Manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACS Manager may also, at its sole discretion, decide to publish certain Unit prices in 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.

4.6 Fair Value Pricing

The ACS Manager is permitted to use fair value pricing in specific circumstances and pursuant to processes and methodologies that it must have notified to the Depository if the ACS Manager has reasonable grounds to believe that no reliable price exists for one or more underlying securities at a Valuation Point or the most recent price available does not reflect the ACS Manager's best estimate of the value of the security at the Valuation Point. Examples of the circumstances in which the ACS Manager might consider using fair value pricing include:

- (a) failure of a pricing provider;
- (b) closure or failure of a market;
- (c) volatile or "fast" markets;
- (d) markets closed over national holidays;
- (e) stale or unreliable prices; or
- (f) listings suspensions or de-listings.

Additionally, the ACS Manager may decide to use fair value pricing when the markets in which the ACS is invested are closed for trading in situations such as (but not limited to):

- (g) market movements above a pre-set trigger level in other correlated open markets;
- (h) war, natural disaster or terrorism;
- (i) government actions or political instability;
- (j) currency realignment or devaluation;
- (k) changes in interest rates;
- (l) corporate activity;
- (m) credit default or distress; or
- (n) litigation.

Additionally, the ACS Manager may decide to use fair value pricing if there is a significant event since the most recent closure of the market where the price of the security is taken. A significant event is one that means, in the ACS Manager's judgement, the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open. For this purpose, the ACS Manager may utilise pre-determined trigger levels in accordance with the ACS Manager's fair valuation policy, which take into account the materiality of any variance. For markets that are closed as at the Valuation Point, the ACS Manager may use a regular automated fair value mechanism based on pre-determined trigger levels. The ACS Manager's decision to use fair value pricing will also depend on the securities involved and the basis and reliability of the alternative price used.

In these circumstances the ACS Manager may in its discretion value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment.

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-fund(s), in those Sub-fund(s)).

5.1 General

The investments of the ACS are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original

amount they invest in the ACS. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on Sub-funds heavily invested in that asset class or region. There may be a variation in performance between Sub-funds with similar objectives due to the different assets held by those Sub-funds.

5.2 Liabilities of the ACS and the Sub-funds

As explained in paragraph 2.2.1, under section 261P of FSMA, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of section 261P of FSMA provide for segregated liability between the 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, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the ACS in every circumstance.

Notwithstanding the above, however, Unitholders are not liable for the debts of the ACS. A Unitholder is not liable to make any further payment to the ACS after he has paid the price on purchase of the Units (please also refer to paragraph 5.3 below).

5.3 Unitholder indemnity

Each Unitholder will be required to provide an indemnity in the form set out in the Certificate of Eligibility as set out at Appendix V, which will be triggered in the event that the Depositary, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation because of the indemnifying Unitholder's ownership (including its previous ownership) in the relevant Sub-fund unless payment arises because of the negligence, fraud or wilful default of the party being indemnified. Unitholders may therefore be liable to pay the amount of any such Taxation to the relevant Sub-fund or as the ACS Manager may direct.

The indemnity is also intended to provide protection where the amount paid out on the redemption of Units takes into account any income that is not subsequently received by the Sub-fund or any reclaimed amounts of tax which are in the event received by the former Unitholder and not paid to the relevant Sub-fund and any tax which was taken into account in the amount paid out on the redemption of Units, on the basis that it was reclaimable from a tax authority but which is not in fact received by the relevant Sub-fund.

5.4 Effect of Initial, Conversion or Switching Charge

Where an initial, Conversion or Switching 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.

5.5 Counterparty Risk

The Sub-fund(s) will be subject to credit risk with respect to the counterparties with which they enter into derivatives contracts and other transactions. Sub-fund(s) will be subject to the risk of the failure of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. If a counterparty fails to perform its obligations, the Sub-fund(s) may obtain only a limited recovery or may obtain no recovery. The Sub-fund(s) may pass cash or other assets to its counterparties as margin or collateral. In the event of default by a counterparty the Sub-fund may be unable to recover margin or collateral due from the counterparty to the Sub-fund. Under applicable law or contractual provisions, including if a Sub-fund enters into an investment or transaction with a financial institution and such financial institution (or an affiliate of the financial institution) experiences financial difficulties, the Sub-fund may in certain situations be prevented or delayed from exercising its rights to terminate the investment or transaction, or to realize on any collateral and may result in the suspension of payment and delivery obligations of the parties under such investment or transactions or in another institution being substituted for that financial institution without the consent of the Sub-fund. Further, the Sub-fund may be subject to "bail-in" risk under applicable law whereby, if required by the financial institution's authority, the financial institution's liabilities could be written down, eliminated or converted into equity or an alternative instrument of ownership. A bail-in of a financial institution may result in a reduction in value of some or all of its

securities and a Sub-fund that holds such securities or has entered into a transaction with such a financial security when a bail-in occurs may also be similarly impacted.

5.6 Client Assets – Insolvency of Depositary

The Depositary has a duty to ensure that it safeguards and administers the Scheme Property in compliance with the provisions of the FCA Handbook governing the protection of client assets (“**Client Asset Rules**”). Where investors pass money to the Depositary or its agent for the purpose of creating Units in a Sub-fund, the Depositary or its agent will hold that money on deposit as banker and not as Depositary and therefore will not be under a duty to comply with the provisions of the FCA Handbook on holding money (“**Client Money**”) received in the course of designated investment business (“**Client Money Rules**”). Further, the Depositary will hold money for the purpose of buying investments or the proceeds of the sale of investments (“**Scheme Money**”) as banker and not as Depositary. The Scheme Money will not therefore be protected under the Client Asset Rules. Moreover, with respect to handling the Scheme Property in the course of delivery versus payment transactions through a commercial settlement system (“**CSS**”), the Scheme Property may not be protected under the Client Asset Rules. In the event that the Depositary becomes insolvent or otherwise fails, there is a risk of loss or delay in return of (a) any Client Money; and (b) any Scheme Property.

5.7 Unit Currency Designation Risk

A Class of Units of a Sub-fund may be designated in a currency other than the base currency of the Sub-fund. Changes in the exchange rate between the base currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency.

5.8 Dilution Levy

Investors should note that in certain circumstances a dilution levy may be applied on their purchase, redemption or Switching of Units. Where a dilution levy is not applied, the Sub-fund in question may incur dilution which may constrain capital growth.

5.9 Suspension of Dealings in Units

Unitholders are reminded that in certain circumstances their right to redeem Units (including a redemption by way of Switching) may be suspended.

5.10 Settlement Risk

There is a risk that a settlement in a trading system does not take place as expected because a counterparty does not pay monies or deliver assets on time or as expected.

5.11 Redemption Risk

Large redemptions of Units in a Sub-fund might result in a Sub-fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of such assets.

5.12 Taxation Risk

The tax information provided in the “Taxation” section 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(s), the taxation of Unitholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction where a Sub-fund is registered, marketed or invested could affect the tax status of the Sub-fund, affect the value of the relevant Sub-fund’s investments in the affected jurisdiction, affect the relevant Sub-fund’s ability to achieve its investment objective, and/or alter the post-tax returns to Unitholders. Where a 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 depend on the individual circumstances of Unitholders. The information in the “Taxation” section is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Sub-funds.

Where a Sub-fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the relevant Sub-fund, the ACS Manager, the Investment Manager, the Custodian and the Administrator shall not be liable to account to any Unitholder for any payment made or suffered by the relevant Sub-fund in good faith to a fiscal authority for taxes or other charges of that Sub-fund notwithstanding that it is later found that such payments need not or ought not 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) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Sub-fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to that Sub-fund. Such late paid taxes will normally be debited from a Sub-fund at the point the decision to accrue the liability in that Sub-fund's accounts is made.

5.13 Tax Status of the Scheme

The ACS is a type of 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 all relevant jurisdictions. If so, depending on the particular circumstances of the investor and/or the investments, this could have adverse tax consequences for the investor. 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 should seek professional advice in relation to such matters and the ACS Manager shall not be liable for any unexpected Taxation being due.

5.14 Change of Law or Regulation Risk

A Sub-fund will be affected by changes in law or regulations that are applicable to that Sub-fund. Changes in law and regulations may increase the costs and expenses of the Sub-fund, or result in certain investment techniques ceasing to be permitted or available, which may adversely affect the Sub-fund's performance.

5.15 Conflicts of Interest Risk

Associates of the ACS Manager provide services in respect of the Sub-fund such as investment management, custodial, administrative and securities lending services ("Associated Service Providers"). Such Associated Service Providers will be compensated for providing such services (please see Clauses 7 and 8 of the Prospectus for further details).

The Associated Service Providers provide services to other clients and may make decisions for the accounts of other clients, that may be different from those that they make in respect of the Sub-fund.

Directors on the Board of the ACS Manager may also be Directors on the Board of the Associated Service Providers.

When making investment decisions where a conflict of interest may arise, the Associated Service Providers will endeavour to act in a fair and equitable manner as between the Sub-fund and other clients. Subject to the foregoing, (i) the Associated Service Providers may invest for their own accounts and for the accounts of other clients in various securities that are senior, pari passu or junior to, or have interests different from or adverse to, the securities that are owned by a Sub-fund.

The foregoing does not purport to be a comprehensive list or complete explanation of all potential conflicts of interests which may affect a Sub-fund. A Sub-fund may encounter circumstances, or enter into transactions, in which conflicts of interest that are not listed or discussed above may arise.

5.16 Charges to Capital

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the Annual Management Charge may be offset against capital instead of against income. The treatment of such fees may increase the amount of income (which may be taxable) available for distribution to Unitholders in the Sub-fund concerned but may constrain capital growth.

5.17 Currency Risk

Currency fluctuations may adversely affect the value of a 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 their investment in Units.

Where permitted, the Sub-funds may use forward foreign exchange transactions, to hedge, as far as is reasonably practicable, the currency exposure of the underlying assets as against the base currency of the Sub-fund. However, this will not eliminate the Sub-funds' currency risk completely.

5.18 Derivatives Risk

A Sub-fund's use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Derivatives are subject to a number of risks, such as potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality and the risk that a derivative transaction may not have the effect that the Investment Manager anticipated. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the asset, rate, or index underlying the derivative. If the Sub-fund receives cash collateral from a counterparty this may have a negative impact on performance and/or returns of the Sub-fund due to the return which is achieved upon the investment of such collateral being lower than the return which is payable to the counterparty in connection with such cash collateral. Derivative transactions can create investment leverage and may be highly volatile. Many derivative transactions are entered into "over the counter" (not on an exchange); as a result, the value of such a derivative transaction will depend on the ability and the willingness of the Sub-fund's counterparty to perform its obligations under the transaction. A liquid secondary market may not always exist for the Sub-fund's derivative positions at any time. Use of derivatives may increase the amount and timing of taxes payable by shareholders. Although the use of derivatives is intended to enhance the Sub-fund's performance, it may instead reduce returns and increase volatility. Derivatives can be subject to a number of risks described elsewhere in this section, such as Market Risk, Counterparty Risk and Currency Risk.

5.19 Securities Lending Risk

A Sub-fund may participate in a securities lending program sponsored by State Street Bank and Trust Company for the purpose of lending the Sub-fund's securities for Efficient Portfolio Management. If a Sub-fund engages in securities lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the Sub-fund could experience delays in recovering the securities and may incur a capital loss which might result in a reduction in the net asset value of the Sub-fund. The Sub-fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form of debt or equity securities, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the Sub-fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities. Such collateral shortfall may arise as a result of inaccurate pricing of the loaned securities or collateral, unfavourable market movements in the value of the collateral, a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Sub-fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised. The risk of counterparty default is mitigated by a counterparty default indemnity provided by State Street Bank & Trust Company pursuant to its securities lending authorisation agreement ('SLAA'). In particular, if a counterparty defaults and fails to return equivalent securities to those loaned then, subject to the terms of the SLAA, State Street Bank and Trust Company would be required to fund any shortfall between the value of the realised collateral and the market value of the replacement securities. It may be that participation in a State Street Bank and Trust Company securities lending program will result in less favourable financial results than under another securities lending program available in the market or than if the Sub-fund were to lend its own securities without participating in the program.

5.20 Anticipated Level of Tracking Error

The Sub-funds are each structured as index tracking funds which have the objective of performing in line with an index. Where a Sub-fund seeks to perform in line with an index there is the risk of performance deviation from the index. Factors which can lead to deviation in performance from the index include, but are not limited to, transaction costs, differences in the weights held in individual securities to that of the index, subscriptions and redemptions, small amounts of cash not being invested in securities, the Sub-funds being unable to trade in one or more markets, Efficient Portfolio Management techniques and there being a period of time between the time of closure of markets in which relevant securities are traded and the time of Sub-fund pricing. More information on the techniques used by each Sub-fund is set out in Appendix I.

5.21 Equity Risk

The market prices of equity securities owned by a Sub-fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced

demand for the issuer's goods or services. The values of equity securities also may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The securities of smaller companies may be more volatile and trade less frequently and in smaller volumes than the securities of larger companies. A Sub-fund may invest in equity warrants, and the holding of warrants may result in increased volatility of the Sub-fund's net asset value per share. The Sub-fund may continue to accept new subscriptions and to make additional investments in equity securities even under general market conditions that the investment manager views as unfavourable for equity securities.

5.22 ESG Risk

If the Sub-fund invests in companies taking into account environmental, social and corporate governance (ESG) criteria, as set out in the relevant Sub-fund description, then the performance of the Sub-fund may trail the returns of a portfolio of securities that includes companies that are not excluded as a result of such ESG criteria. Investing only in a portfolio of securities that are not excluded as a result of such ESG criteria may affect the Sub-fund's exposure to certain types of investments and may adversely impact the Sub-fund's performance.

5.23 Geographic Concentration Risk

If, pursuant to the investment strategy, a Sub-fund invests a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region, the Sub-fund's performance could be closely tied to the market, currency, or economic, political, or regulatory conditions and developments in those countries or that region, and could be more volatile than the performance of more geographically-diversified investments.

Japan

If the Sub-fund concentrates investments in companies in Japan then, consequently, such Sub-fund's performance is expected to be closely tied to the social, political and economic conditions within that country and its exposure to related risks could make its performance more volatile than the performance of more geographically diversified funds. The growth of Japan's economy has historically lagged that of its Asian neighbours and other major developed economies. The Japanese economy is heavily dependent on international trade and has been adversely affected by trade tariffs, other protectionist measures, competition from emerging economies and the economic conditions of its trading partners. China has become an important trading partner with Japan. Should political tension increase between China and Japan, it could adversely affect the economy, especially the export sector, and destabilise the region as a whole. Japan also remains heavily dependent on oil imports and higher commodity prices could therefore have a negative impact on the economy. The Japanese economy faces several other concerns, including a financial system with large levels of nonperforming loans, over-leveraged corporate balance sheets, extensive cross-ownership by major corporations, a changing corporate governance structure and large government deficits. These issues may cause a slowdown of the Japanese economy. The Japanese yen has fluctuated widely at times and any increase in its value may cause a decline in exports that could weaken the Japanese economy. Japan has, in the past, intervened in the currency markets to attempt to maintain or reduce the value of the yen. Japanese intervention in the currency markets could cause the value of the yen to fluctuate sharply and unpredictably and could cause losses to investors. Japan has an aging workforce and has experienced a significant population decline in recent years. Japan's labour market appears to be undergoing fundamental structural changes, as a labour market traditionally accustomed to lifetime employment adjusts to meet the need for increased labour mobility, which may adversely affect Japan's economic competitiveness. The nuclear power plant catastrophe in Japan in March 2011 may have short- and long-term effects on the Japanese economy and its nuclear energy industry. Natural disasters, such as earthquakes, volcanoes, typhoons or tsunamis, could occur in Japan or surrounding areas and could negatively affect the Japanese economy and, in turn, the Sub-fund.

North America

If the Sub-fund concentrates investments in companies in North America then, consequently, such Sub-fund's performance is expected to be closely tied to the social, political, and economic conditions within that region and its exposure to related risks could make its performance more volatile than the performance of more geographically diversified funds. Since the implementation of the North American Free Trade Agreement ("NAFTA") in 1994 among Canada, the United States and Mexico, total merchandise trade between the three countries has increased. To further this relationship, the three NAFTA countries entered into the Security and Prosperity Partnership of North America in March 2005, which may further affect Canada's and Mexico's dependency on the U.S. economy. Economic events in any one North American country can have a significant economic effect on the entire North American region, and on some or all of the North American countries in which the Fund invests.

5.24 Interest Rates

The Sub-fund(s) may at certain times invest cash on deposit. In times of low nominal interest rate, there may be no, negative or low interest paid on these holdings. In such circumstances, a Sub-fund could be subject to losses especially after charges are deducted.

5.25 IPO Risk

A Sub-fund may at times have the opportunity to invest in securities offered in initial public offerings (IPOs). IPOs may not be available to the Sub-fund at all times, and the Sub-fund may not always invest in IPOs offered to it. The Sub-fund's investment return earned during a period of substantial investment in IPOs may not be sustained during other periods when the Sub-fund makes more-limited, or no, investments in IPOs. The Sub-fund may lose money on an investment in securities offered in an IPO. There can be no assurance that the Sub-fund will have the opportunity to invest in IPOs that are made available to other clients of the Investment Manager.

5.26 Leveraging Risk

A Sub-fund may be exposed to leveraging risk by, among other things, engaging in derivatives transactions. When the Sub-fund engages in transactions that have a leveraging effect on the Sub-fund's investment portfolio, the value of the Sub-fund will be more volatile and all other risks will tend to be compounded. This is because leverage generally magnifies the effect of any increase or decrease in the value of the Sub-fund's underlying assets or creates investment risk with respect to a larger base of assets than the Sub-fund would otherwise have.

5.27 Market Risk

Market prices of investments held by a Sub-fund will go up or down, sometimes rapidly or unpredictably. A Sub-fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile, and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in a Sub-fund could decline if the particular industries, sectors or companies in which the Sub-fund invests do not perform well or are adversely affected by events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, or other events could have a significant impact on a Sub-fund and its investments.

An outbreak of a respiratory disease caused by a novel coronavirus (known as COVID-19) first detected in China in December 2019 has resulted in a global pandemic and major disruptions to economies and markets around the world. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Governments and central banks have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, will not be known for some time. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to a Sub-fund by its service providers.

5.28 Risk Factors Not Exhaustive

The risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ACS or any Sub-fund may be exposed to risks of an exceptional nature from time to time.

5.29 Liquidity Risk

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Sub-fund's illiquid securities to be valued accurately. Also, a Sub-fund may not be able to dispose of illiquid securities readily at a favourable time or price or at prices approximating those at which that Sub-fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. In instances where the liquidity of a Sub-fund's securities is restricted or compromised, the ACS Manager has the ability and may deem it necessary to place restrictions or limit client

redemptions from that Sub-fund or alternatively to process client redemptions in-kind, partially in-kind, or delay or postpone payment of redemptions.

5.30 EMIR and OTC Derivative Contracts Risk

As a result of the European regulation commonly referred to as the European Market Infrastructure Regulation or “EMIR”, over the counter (OTC) derivatives markets have been and will be subject to significant regulation including, without limitation, increased margin requirements, mandatory reporting, centralised clearing and execution of transactions. These regulations may result in increased costs, reduced profit margins and reduced investment opportunities, all of which may negatively impact the performance of any Sub-fund that enters into OTC derivative transactions.

EMIR imposes certain requirements to collateralise OTC derivative transactions that are not cleared through a clearing house or traded on an exchange, including FX forward transactions. As a result, collateral may need to be exchanged between any Sub-fund that enters into such derivative transactions and trading counterparties to cover daily mark-to-market exposures of either party. The variation margin rules also require certain haircuts to be applied to collateral received for OTC derivative contracts, which vary depending on the issuer, credit rating, currency and residual maturity of the collateral. As the variation margin rules are likely to result in any Sub-fund that enters into such OTC derivative transactions being required to retain cash or very liquid assets in order to have available for use as collateral, this could result in a reduced proportion of the Sub-fund’s assets being available for allocation to the Sub-fund’s investment policy and, consequently, an increase in the potential tracking error for the Sub-fund.

6. Management and Administration

6.1 Regulatory Status

The ACS Manager and the Investment Manager are authorised and regulated by the FCA of 25 The North Colonnade, Canary Wharf, London E14 5HS. The Depositary is authorised by the Prudential Regulation Authority and dual regulated by the FCA and the Prudential Regulation Authority.

6.2 ACS Manager

6.2.1 General

The ACS Manager is State Street Unit Trust Management Limited which is a private company limited by shares incorporated in England and Wales on 10 December 1991 with registered number 2669933.

The directors of the ACS Manager are:

Victoria Parry
Alex Castle
Nigel Wightman
Rebecca Bridger

The directors’ principal business activities include acting as directors of other schemes managed by investment companies within the State Street group of companies, which includes the Investment Manager.

Registered Office and Head Office:	20 Churchill Place, Canary Wharf, London E14 5HJ.
Share Capital:	An issued share capital of £500,000 (which is fully paid up).
Ultimate Holding Company:	State Street Corporation.

The ACS Manager is responsible for managing and administering the ACS’s affairs in compliance with the COLL Sourcebook. The ACS Manager may delegate its management and administration functions, but not responsibility, to third parties, including Associates subject to the rules in the COLL Sourcebook.

The ACS Manager has authority to enter into contracts on behalf of the Unitholders for the purposes of, or in connection with, the acquisition, management and/or disposal of Scheme Property. The ACS 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 is also the authorised fund manager of certain authorised unit trusts details of which are set out in Appendix VII.

The ACS Manager has delegated its activities relating to investment management, fund promotion, registration and transfer agency to State Street Global Advisors Limited, which also has the power to sub-delegate and appoint sub-distributors. The ACS Manager has delegated the ACS's accounting and pricing functions to State Street Bank and Trust Company Limited.

The ACS Manager has appointed State Street Global Advisors Limited as the distributor of the ACS pursuant to a distribution agreement. Under the terms of the distribution agreement, State Street Global Advisors Limited may appoint other distributors, sub-distributors or dealers for distribution of the ACS. The distributors and sub-distributors may (where permitted by the FCA Handbook) receive a referral fee, commission, rebate or other similar amount or otherwise be authorised to retain a selling fee for procuring investment into the ACS.

6.3 The Depositary

6.3.1 General

Pursuant to the agreement dated 12th October 2016 between the Manager and the Depositary (the "Depositary Services Agreement") and for the purposes of and in compliance with The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015, Commission Delegated Regulation (EU) No. Commission Delegated Regulation (EU) of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (together, "the UCITS Legislation") and the relevant FCA Rules, the Depositary has been appointed as depositary to the ACS and its Sub-Funds.

The Depositary is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

6.3.2 Duties

The Depositary provides services to the ACS and its Sub-Funds as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Legislation, the relevant FCA Rules and the terms of the ACS Deed.

The Depositary's duties include the following:-

- (i) Ensuring that the Sub-Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Units of the Sub-Funds have been received.
- (ii) Safekeeping the assets of the Sub-Fund, which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) Ensuring that issues, redemptions and cancellations of the Units of each Sub-Fund are carried out in accordance with applicable law and the relevant FCA Rules and ACS Deed.
- (iv) Ensuring that the value of the Sub-Fund is calculated in accordance with applicable law and the relevant FCA Rules and the ACS Deed.
- (v) Carrying out the instructions of the Manager, unless they conflict with applicable law and the relevant FCA Rules or the ACS Deed.
- (vi) Ensuring that in transactions involving a Sub-Fund's assets any consideration is remitted to the relevant Sub-Fund within the usual time limits.
- (vii) Ensuring that a Sub-Fund's income is applied in accordance with applicable law and the relevant FCA Rules and the ACS Deed.
- (viii) Ensuring that the income of each Sub-Fund is received in line with the tax status of each Unitholder.

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 6 months written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

The Depositary may delegate its safekeeping functions in relation to safekeeping of the assets of the ACS or the Sub-Funds, subject to the terms of the Depositary Services Agreement and with agreement of the ACS Manager.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

In general, the Depositary is liable for losses suffered by the Sub-Funds as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Sub-Fund for the loss of financial instruments of the Sub-Funds which are held in its custody. The Depositary will not be indemnified out of the ACS Property for the loss of financial instruments where it is not so liable.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

Subject to the UCITS Legislation, the Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss. This exclusion is only applicable where the loss of such financial instrument is not the result of any act or omission of the Depositary, its delegates or sub-delegates; the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and despite undertaking rigorous and comprehensive due diligence.

In the event there are any changes to the Depositary's liability under the UCITS Legislation and the relevant FCA Rules, the ACS Manager will inform Unitholders of such changes without delay.

The Depositary has delegated to the Custodian the assets of the Sub-Funds for safekeeping in accordance with the terms of written agreements between the Depositary and the Custodian. From time to time, custody of financial instruments comprising assets of the Sub-Funds may be delegated by the Custodian to a sub-custodian to facilitate corporate actions or where a security is dual listed.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to a Sub-Fund and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Sub-Funds. The Depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Sub-Funds, the Unitholders or the ACS Manager on the one hand and the Depositary on the other hand. For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to a Sub-Funds and the ACS Manager and from which fees and profits in relation to the provision of those products or services may arise and from which the Depositary may benefit directly or indirectly. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Sub-Funds, or may have other clients whose interests may conflict with those of the Sub-Funds, the Unitholders or the ACS Manager.

In particular, HSBC Bank plc may provide foreign exchange services to a Sub-Fund for which they are remunerated out of the property of Sub-Funds. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Sub-Fund in question; provides broking services to the Sub-Funds and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Sub-Funds in question; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Sub-Funds; or earns profits from or has a financial or business interest in any of these activities. The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the ACS Manager or the relevant Sub-Fund than if the conflict or potential conflict had not existed.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. 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.
Updated Information

Up-to-date information regarding the name of the Depositary, its duties, any conflicts of interest that may arise and delegation of the Depositary's safekeeping functions will be made available to Unitholders on request.

6.4 The Investment Manager

6.4.1 General

The Investment Manager to the ACS is State Street Global Advisors Limited. It is a private limited liability company (incorporated in England on 8 June 1990 with registered number 2509928) and a member of the same group of companies as the ACS Manager. It is authorised and regulated by the FCA in the conduct of its designated investment business (as defined in the FCA Handbook) and its principal business activity is that of an investment manager.

6.4.2 Terms of Appointment

The Investment Manager was appointed by an agreement dated 18 February 2016 between the ACS Manager and the Investment Manager, as amended from time to time (the "**Investment Management Agreement**").

In the exercise of the ACS Manager's investment functions, the Investment Manager shall (subject to the overall policy and supervision of the ACS Manager) have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the ACS Manager under the ACS Deed or the Regulations to manage the investment of the Scheme Property of the ACS. The Investment Manager has full power to delegate under the Investment Management Agreement.

The Investment Manager may also direct the exercise of rights (including voting rights) attaching to the ownership of the ACS's Scheme Property.

The Investment Management Agreement may be terminated by the ACS Manager at any time with immediate effect. The Investment Management Agreement may be terminated by the Investment Manager upon three months' written notice to the ACS Manager, or immediately if the Investment Manager determines that this is required by any applicable law or regulation or by any competent authority.

The Investment Manager is entitled to a fee out of that paid to the ACS Manager, as explained below in clause 7.

6.5 The Administrator

On behalf of the ACS, the ACS Manager has appointed State Street Bank and Trust Company as Administrator of the ACS, to provide certain administration services. The Administrator's registered office is at 20 Churchill Place, Canary Wharf, London E14 5HJ.

6.6 The Registrar and Transfer Agent

On behalf of the ACS, the ACS Manager has appointed State Street Global Advisors Limited to act as Registrar and Transfer Agent to the ACS. The registered office of the Registrar and Transfer Agent is at 20 Churchill Place, Canary Wharf, London E14 5HJ.

The Register of Unitholders will be kept by the Registrar and Transfer Agent at the address of its registered office as noted above where it is open to inspection by Unitholders between 9.00 a.m. and 5.00 p.m. on any London Business Day.

The Register of Unitholders shall be conclusive evidence as to the persons entitled to the Units entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register of Unitholders in respect of any Unit and the ACS Manager and the Depositary shall not be bound by any such notice.

6.7 The Auditors

The Auditors of the ACS are PricewaterhouseCoopers LLP, whose address is 7 More London Riverside, London, SE1 2RT.

6.8 Legal Advisers

The ACS is advised by Eversheds Sutherland (International) LLP of One Wood Street, London EC2V 7WS.

6.9 Conflicts of Interest

The ACS Manager or its affiliates may provide services to the ACS, such as custodial, administrative, bookkeeping, and accounting services, transfer agency and shareholder servicing, securities lending and other services, for which they will receive remuneration. The ACS may enter into derivatives transactions or other transactions with or through the ACS Manager or one of its affiliates. The ACS may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with the ACS Manager, in which event the ACS will bear a share of the expenses of those other pooled investment vehicles; those investment vehicles may pay fees and other amounts to the ACS Manager or its affiliates, which might have the effect of increasing the expenses of the ACS. It is possible that other clients of the ACS Manager or its affiliates will purchase or sell interests in such other pooled investments at prices and at times more favourable than those at which the ACS does so. There is no assurance that the rates at which the ACS pays fees or expenses to the ACS Manager or its affiliates, or the terms on which it enters into transactions with the ACS Manager or its affiliates or on which it invests in any such other investment vehicles will be the most favourable available in the market generally or as favourable as the rates the ACS Manager makes available to other clients. There will be no independent oversight of fees or expenses paid to, or services provided by, those entities. Because of its financial interest, the ACS Manager may have an incentive to enter into transactions or arrangements on behalf of the ACS with or through itself or its affiliates in circumstances where it might not have done so in the absence of that interest. Transactions and services with or through the ACS Manager or its affiliates will however be effected in accordance with the FCA Handbook.

The ACS Manager and its affiliates serve as an investment manager to other clients and may make investment decisions for their own accounts and for the accounts of others, including other funds, that may be different from those that will be made by the ACS Manager on behalf of the ACS. In particular, the ACS Manager may provide asset allocation advice to some clients that may include a recommendation to invest or redeem from a scheme while not providing that same recommendation to all clients invested in the same or similar schemes. Other Conflicts may arise, for example, when clients of the ACS Manager invest in different parts of an issuer's capital structure, so that one or more clients own senior debt obligations of an issuer and other clients own junior debt of the same issuer, as well as circumstances in which clients invest in different tranches of the same structured financing vehicle. In such circumstances, decisions over whether to trigger an event of default or over the terms of any workout may result in conflicts of interest. When making investment decisions where a conflict of interest may arise, the ACS Manager will endeavour to act in a fair and equitable manner, in accordance with its conflicts of interest policy drawn up under the FCA Handbook, as between the ACS and other clients. Subject to the foregoing, (i) the ACS Manager and its affiliates may invest for their own accounts and for the accounts of clients in various securities that are senior, pari passu or junior to, or have interests different from or adverse to, the securities that are owned by the ACS; and (ii) the ACS Manager may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for the ACS and to sell (or purchase) the same investment for accounts, funds or structured products for which it serves as asset manager now or in the future, or for its clients or affiliates, and may enter into cross trades in such circumstances. In addition, the ACS Manager and its affiliates may buy securities from or sell securities to the ACS, if permitted by applicable law. These other relationships may also result in securities laws restrictions on transactions in these instruments by the ACS and otherwise create potential conflicts of interest for the ACS Manager.

The ACS Manager, in connection with its other business activities, may acquire material non-public confidential information that may restrict the ACS Manager from purchasing securities or selling securities for itself or its clients (including the ACS) or otherwise using such information for the benefit of its clients or itself.

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 risk of damage to the interests of the ACS or their Unitholders will be prevented. Should any such situations arise, the ACS Manager will disclose, as a last resort if the conflict(s) cannot be avoided, these to Unitholders in the report and accounts or otherwise in an appropriate form.

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

6.10 Exercise of voting rights

The Investment Manager has a strategy for determining how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the ACS

Manager on request. Details of action taken in respect of the exercise of voting rights are available from the ACS Manager upon request.

6.11 Best Execution

The Investment Manager's order execution policy sets out the basis upon which the Investment Manager will effect transactions and place orders in relation to the ACS whilst complying with its obligations under the FCA Handbook to obtain the best possible result for the ACS Manager on behalf of the ACS. Details of the order execution policy are available from the ACS Manager on request.

7. Fees and Expenses

7.1 General

The charging structure in respect of each Sub-fund is detailed in Appendix I.

7.2 Annual Management Charge

In payment for carrying out its duties and responsibilities the ACS Manager is entitled to take an annual management charge out of each Sub-fund ("**Annual Management Charge**"). The Annual Management Charge is a monthly charge and is calculated and accrued on a daily basis by reference to the Net Asset Value of the Sub-fund on the previous Dealing Day. The current Annual Management Charge for each Sub-fund (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) is set out in Appendix I.

Please refer to clause 7.4 for details of costs and expenses that are paid for by the ACS Manager out of the Annual Management Charge.

VAT may be payable on these charges.

7.3 Increase in the Annual Management Charge

Any increase of the Annual Management Charge by the ACS Manager will be carried out in accordance with the Regulations.

7.4 Dealing Charges

As set out in section 3 of this Prospectus, the ACS Manager may make a charge on the purchase, Switching, or Conversion of Units in a Sub-fund and may also reduce the number of Units in a Sub-fund issued to an investor in exchange for in specie assets by the amount of any fee, cost or expense incurred by the ACS in accepting such assets. Details of such dealing charges are set out in Appendix I for the relevant Sub-fund.

7.5 Charging of fees to capital or income

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the Annual Management Charge may be offset against capital instead of against income as set out in Appendix I. This will only be done with the approval of the Depositary. This treatment of the Annual Management Charge will increase the amount of income (which may be taxable) available for distribution to Unitholders in the Sub-fund concerned, but may constrain capital growth. If a Class's expenses in any period exceed its income the ACS Manager may take that excess from the capital property attributable to that Class.

7.6 Costs and expenses included within the Annual Management Charge

The ACS Manager will be responsible for discharging, from the ACS Manager's Annual Management Charge it receives from each Sub-fund, the following costs and expenses of that Sub-fund:

- (a) the fees and expenses payable to the Investment Manager and other service providers;
- (b) fees and expenses of the Depositary and Custodian;
- (c) fees of the Administrator, which includes, but is not limited to, the provision of fund management accounting services and the valuation and calculation of the Net Asset Value of each Sub-fund;

- (d) fees of the Registrar and Transfer Agent, which includes, but is not limited to, the issue and redemption of Units of each Sub-fund;
- (e) fees and expenses of the Auditors and any tax, legal and other professional advisers of the ACS;
- (f) fees of the FCA under 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 lawfully be marketed;
- (g) costs incurred in taking out and maintaining any insurance policy in relation to the ACS and/or its directors;
- (h) expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the ACS;
- (i) fees and expenses in respect of establishing and maintaining the Register of Unitholders (and any plan sub-register) and related functions;
- (j) the costs of convening and holding Unitholder meetings (including meetings of Unitholders in any particular Sub-fund, or any particular Class within a Sub-fund);
- (k) expenses incurred in producing, distributing and dispatching income and other payments to Unitholders;
- (l) fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- (m) costs in respect of communications with actual or potential investors, including the costs and expenses of any key investor information document;
- (n) any costs in modifying the agreement with the ACS Manager and any other relevant document required under the Regulations;

the costs of preparing, updating, printing or translating this Prospectus, any key investor information document, the ACS Deed and contract notes and the costs of distributing this Prospectus and the ACS Deed and the costs of printing and distributing reports and accounts and any other administrative expenses related to this paragraph.

8. Other Payments Out of the Property of the ACS

The fees, costs and expenses relating to the authorisation and establishment of the ACS may be paid out of the Scheme Property and may be amortised over the period ending one year from launch of the ACS.

Each Sub-fund formed after the initial Prospectus is superseded may bear its own direct establishment costs. The ACS Manager may pay out of the Scheme Property any liabilities arising on the unitisation, amalgamation or reconstruction of the ACS or of any Sub-fund.

The fees, costs and expenses relating to the offer of Units, the preparation and printing of this Prospectus and the fees of the professional advisers to the ACS in connection with the offer may be borne by the ACS Manager or the ACS.

In accordance with the Regulations, the following may lawfully be made out of the Scheme Property of the ACS:

- (a) tax and duties payable by the ACS, including contingent liabilities as determined from time to time by the ACS Manager;
- (b) interest on and charges incurred in borrowings;
- (c) any amount payable by the ACS under any indemnity provisions contained in the ACS Deed or any agreement with any functionary of the ACS;
- (d) any payments otherwise due by virtue of changes to the Regulations;
- (e) the costs related to the listing of Units on any stock exchange;
- (f) expenses incurred in acquiring, registering and disposing of investments or margin or collateral related to such transactions (including the costs associated with entering into hedging transactions in any hedged Unit Classes which will be applied only to the relevant hedged Unit Class);

- (g) benchmark licence fees;
- (h) rating fees (if any); and
- (i) any other costs and expenses reasonably and properly incurred by the ACS Manager in the performance of its duties in connection with a Sub-fund.

Any costs and expenses (including transaction costs and the fees of the stock Lending Agent) associated with entering into securities lending, repurchase and reverse repurchase transactions are paid by the applicable stock Lending Agent out of the 25% retention from the revenue generated by the stock lending activity as set out in paragraph 49.9 of Appendix III.

VAT may be payable on these charges.

Expenses are allocated between capital and income in accordance with the COLL Sourcebook.

8.1 Allocation of fees and expenses between Sub-funds

All of the fees, duties and charges referred to in this Clause 8 will be charged to the Sub-fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the value of 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.

Any third party research received by the ACS Manager or the Investment Manager, in connection with the executing of orders or the placing of orders with other entities for execution for, or on behalf of, the ACS will, when received by the ACS Manager, be paid for by the ACS Manager itself, or, when received by the Investment Manager, paid for by the Investment Manager itself.

9. Unitholder Meetings and Voting Rights

9.1 ACS, Class and Sub-fund Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the ACS, but by reference to Units of the Class or Sub-fund concerned and the Unitholders and value and prices of such Units.

9.2 Requisitions of Meetings

The ACS Manager may requisition 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 at the head office of the ACS. The ACS Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

9.3 Notice and Quorum

Unitholders will receive at least 14 days' 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. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

9.4 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 are such proportion of the voting rights attached to all the Units in issue that the price of the Units bears to the aggregate price of all the Units in issue at the date seven days before the notice of meeting is 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 senior 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% 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 COLL Sourcebook) 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 a 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% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

“Unitholders” in this context means Unitholders entered on the Register at a time to be determined by the ACS Manager and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

10. Taxation

10.1 General

The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching, exchanging or disposing of Units under the laws of any jurisdiction in which they may be subject to tax.

These statements are based on United Kingdom law and HMRC practice as known at the date of this document. Unitholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

The information below is a general guide based on current UK law and HMRC practice, which are subject to change. It summarises the tax position of the Sub-fund and of UK resident investors who hold Units as investments. 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.

10.2 The Sub-funds

Each Sub-fund is treated as a collective investment scheme for UK tax purposes and as a separate collective investment scheme from any other Sub-fund for such purposes. The ACS itself is not regarded as a collective investment scheme.

Each Sub-fund is transparent and is not a taxable entity for UK tax purposes. As such, each Sub-fund is not subject to tax in the UK on income or gains arising on underlying investments. Furthermore, it is intended that each Sub-fund does not have access in its own right to the UK's double taxation agreements that it has concluded with other jurisdictions. In some markets, domestic withholding tax exemptions may apply to the ACS and its Sub-funds. Distributions by a Sub-fund to Unitholders will not be subject to UK withholding tax. A few jurisdictions levy a tax on capital gains realised on the disposal of local securities.

10.3 UK tax resident Unitholders

The following applies to Unitholders which are resident in the UK. It does not apply to Unitholders holding Units as trading assets, or Unitholders that are tax exempt or subject to particular tax regimes.

10.3.1 Income

The contractual relationships resulting from the ACS's establishment as a co-ownership scheme give each Unitholder an interest in the underlying assets of the relevant Sub-fund, with the interest in the Sub-fund not prima facie constituting an asset in its own right (however see the section on "Chargeable gains").

For both UK corporation tax and income tax purposes, the ACS and its Sub-funds will be treated as transparent with regard to income. Consequently, the income and expenses (i.e. net income) of a Sub-fund are treated for UK tax purposes as arising or, as the case may be, accruing to each Unitholder in that Sub-fund in proportion to the value of the Units beneficially owned by that Unitholder as if the net income had arisen or, as the case may be, accrued to that Unitholder directly. As such, Unitholders will be liable to tax on their proportionate share of the net income of each Sub-fund in which they invest, regardless of whether the net income is distributed to them. Such income will retain its original character in the hands of the Unitholder, the nature of which will determine whether any dividend tax credits are available for Unitholders subject to income tax, whether other UK or foreign tax credits are available to Unitholders generally and whether any dividend exemptions apply for Unitholders that are subject to corporation tax.

Unitholders 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 relevant Sub-fund and this may be reflected in the price of Units. They will require detailed information about the income they receive from each Sub-fund in which they invest, and the ACS Manager intends to supply the necessary information to them in an appropriate form and a timely manner. A further consequence of this transparency is that where tax reclaims have been priced into a redemption payment and, following the redemption, it transpires that any such amount is paid to the former Unitholder rather than the relevant Sub-fund, or the former Unitholder was not entitled to the tax reclaim or the tax reclaim fails in whole or in part (otherwise than through the negligence, fraud or default of the ACS Manager, the Depositary or any other service provider), then the former Unitholder must pay all such amounts to the relevant Sub-fund or Sub-funds. If the Unitholder does not, upon request, pay such amount to the relevant Sub-fund(s) the ACS Manager has discretion to redeem any remaining Units in any Sub-fund belonging to such Unitholder for an amount equivalent to (so far as reasonably practicable) such amount.

10.3.2 Chargeable Gains

For the purposes of UK tax on chargeable gains only, the Units in each 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 each Sub-fund. Unitholders may instead be liable to tax on chargeable gains arising from the redemption of Units depending on their own UK tax status. In particular, for UK life businesses, the Units are, if chargeable gains assets, treated as being within the annual deemed disposals regime.

An exchange of Units in one Sub-fund of the ACS for Units in another Sub-fund will generally be treated as a disposal for this purpose, but exchanges of Units between Classes within a Sub-fund will not.

In the case of Unitholders within the charge to UK corporation tax, where a Sub-fund invests in debt securities, due to the transparency of the Sub-fund, those Unitholders may stand in the position of creditor in respect of those underlying investments and so may be within the scope of the loan relationships regime with regard to those particular underlying investments.

10.4 Double Tax Treaties

Income from a Sub-fund's investments may be subject to withholding taxes when paid or credited to the Sub-fund from the jurisdiction in which it arises. The ACS and its Sub-funds are considered to be tax transparent by HMRC. The ACS and its Sub-funds have generally been constituted by the ACS Manager with the objective that they would be viewed as tax transparent in most other jurisdictions. Providing such tax transparency is respected where double taxation treaties apply, those treaties between the countries where the Unitholders and the investments are located will be applicable. However, this may not be the case for all Unitholders in every country of investment and the ACS Manager makes no representations or warranties as to the tax transparency of the ACS or its Sub-funds in any jurisdictions.

The ACS Manager reserves the right not to apply relevant double taxation treaties in practice, for example in a scenario where the cost of filing treaty claims would outweigh the tax benefit for Unitholders.

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, where appropriate, to protect against amounts being withheld in those jurisdictions where relief at source is available in the first place, as the case may be. It is intended that, where practical and appropriate, reduced rates of withholding tax on foreign source income will be claimed at source. Any

economic benefit from such claims will be attributed to the appropriate Class of Units in the relevant 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. It will be the responsibility of the Unitholder to notify the ACS Manager promptly should there be a change in such status.

It is the intention of the ACS Manager that all Unitholders in a given Class of Units will possess the same tax attributes for the purposes of making appropriate treaty claims. If a Unitholder's tax status changes (for example, where its withholding tax rate or tax reclaim rate diverges from that of the other Unitholders in a Class of Units 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 such Unitholder's tax status, the ACS Manager may in its sole discretion exchange that Unitholder's Units for Units of a separate Class of Units in the same Sub-fund, or compulsorily redeem such Unitholder's Units.

Unitholders may not be able to benefit from a reduction in the rate of withholding taxes and may not therefore be able to prevent withholding taxes being deducted or be able to reclaim withholding taxes suffered in particular countries. If this position changes in the future and the application for a higher or lower rate results in an additional payment of tax or a repayment to the relevant Sub-fund respectively, the NAV of the relevant Sub-fund will not be restated and the benefit or the cost will be allocated to the existing Unitholders of the relevant Sub-fund on a pro-rata basis at the time of the adjustment. Please also refer to clause 5.12 ("Taxation Risk") and clause 5.13 ("Tax Status of the Scheme").

10.5 Non-UK tax resident Unitholders

The tax consequences of any investment may vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, the ACS Manager strongly recommends that Unitholders obtain tax advice from an appropriate source in relation to the tax treatment of their holding of Units in the ACS and any investment returns from those Units.

10.6 Stamp Duty

No UK stamp duty or stamp duty reserve tax (SDRT) will be due on initial subscriptions for Units in a Sub-fund. Surrenders (i.e. the redemption or Switching) of Units in a Sub-fund are not subject to UK stamp duty or SDRT provided the surrender does not form part of arrangements of which the main purpose, or one of the main purposes, is the avoidance of stamp duty or SDRT.

SDRT or other transfer or financial transaction taxes may be payable on the purchase of securities, depending on their jurisdiction.

10.7 Disclosure of Information

Where required by law, or where it is believed in good faith to be in the interests of a 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 that Sub-fund identified on the register of Unitholders of the relevant Sub-fund and the chain of ownership of such Unitholder to any tax authority.

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 relevant 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.

10.8 Taxation Liability and Indemnity

The ACS Deed provides that to the extent the ACS Manager, the Depositary, the Investment Manager, the Administrator, any other of the service providers to the ACS, any Sub-fund, or any of their respective delegates or agents and any Unitholder or former Unitholder is liable to pay any Taxation because of the ownership, directly or indirectly, by any holder of Units, and such Taxation is not paid by the relevant Unitholder on its own account, the Unitholder will 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 relevant affected person. To the extent not so paid, the Unitholder will indemnify the ACS Manager, the Depositary, the relevant Sub-fund or any of the other persons mentioned affected

by such Taxation in relation to all such amounts of Taxation. Additionally, to the extent not so paid, the ACS Manager, the Depositary or any of its delegates or agents in relation to the relevant Sub-fund will have the right to deduct and set off the amount of such Taxation from any amounts available to be distributed in respect of any Units owned by a Unitholder or former Unitholder. Additionally, 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 the ACS Deed, compulsorily redeem any Units of a Unitholder who holds Units in the relevant Sub-fund and use the proceeds of such redemption to pay any relevant Taxation.

The indemnity covers any amounts as described in 10.3.1 in relation to tax reclaims and other payments following the redemption of Units.

In the event that a Unitholder's tax status is unclear or not known and the ACS Manager applies the applicable statutory withholding tax rate which is subsequently found to be incorrect, the Unitholder may suffer incorrect Taxation which may not be recoverable. It is at the ACS Manager's discretion as to whether attempts would be made to recover such tax.

10.9 International tax compliance (including FATCA and CRS)

In order to comply with legislation implementing UK obligations under intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA, and the OECD's Common Reporting Standard known as CRS) the ACS Manager will collect and report information about Unitholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the ACS Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and to any relevant overseas tax authorities.

11. Winding Up of the ACS or Termination of a Sub-fund

11.1 General

The ACS may be wound up, or a Sub-fund terminated, under the rules in the COLL Sourcebook only when the ACS or the relevant Sub-fund is solvent. If the ACS is insolvent it may only be wound up under Part V of the Insolvency Act 1986 as though it were an unregistered company.

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

11.2 Winding up of the ACS

The ACS may be wound up under the COLL Sourcebook:

- (a) if the FCA authorisation order of the ACS is revoked;
- (b) if an extraordinary resolution of Unitholders winding up the ACS is passed provided the FCA's prior consent to the resolution has been obtained;
- (c) in response to a request to the FCA by the ACS Manager or the Depositary for the revocation of the authorisation order, the FCA has agreed that, subject to there being no material change in any relevant factor, on the conclusion of the winding up of the ACS, the FCA will agree to the revocation;
- (d) the expiration of any period specified in the ACS Deed as the period at the end of which the ACS is to be wound up or a Sub-fund is to be terminated;
- (e) the effective date of a duly approved scheme of arrangement, which is to result in the ACS being left with no property;

- (f) the date on which all or the last Sub-funds fall within (e) above or have otherwise ceased to hold any Scheme Property, notwithstanding that the ACS may have assets and liabilities that are not attributable exclusively to any particular Sub-fund; or
- (g) if the ACS Manager and the Depositary are directed to do so by the FCA in the exercise of their powers under FSMA, as amended from time to time.

11.3 Termination of a Sub-fund

A Sub-fund may be terminated:

- (a) if an extraordinary resolution of Unitholders terminating the Sub-fund is passed provided the FCA's prior consent to the resolution has been obtained;
- (b) on the date of effect stated in any agreement with the FCA to a request by the ACS Manager or the Depositary for the termination; or
- (c) on the effective date of a duly approved scheme of arrangement, which is to result in the relevant Sub-fund being left with no property.

11.4 Events on termination

On the occurrence of any of the above:

- (a) 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 relevant Sub-fund;
- (b) the Depositary will cease to issue and cancel Units in the ACS or the relevant Sub-fund (except in respect of the final cancellation);
- (c) the ACS Manager shall cease to sell or redeem Units;
- (d) the ACS Manager shall cease to arrange the issue or cancellation of Units in the ACS or the relevant Sub-fund (except in respect of the final cancellation);
- (e) no change to the register of Unitholders may be made without the approval of the ACS Manager;
- (f) the Depositary must proceed to wind up the ACS or terminate the Sub-fund in accordance with the COLL Sourcebook.

The ACS Manager shall, as soon as practicable after it is decided that the ACS is to be wound up or the Sub-fund terminated, realise the assets and meet the liabilities of the ACS or 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 termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Unitholders proportionately to their rights to participate in the Scheme Property.

If the ACS Manager has not previously notified Unitholders of the proposal to wind up the ACS or terminate the Sub-fund, the ACS Manager shall, as soon as practicable after the commencement of winding up of the ACS or the termination of the Sub-fund, give written notice of the commencement to Unitholders.

When the ACS Manager has caused all of the Scheme Property to be realised and all of the liabilities of the ACS or the particular Sub-fund to be realised, the ACS Manager shall arrange for the Depositary to make a final distribution to Unitholders on or prior to the date on which the final account is sent to Unitholders of any balance remaining in proportion to their holdings in the ACS or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the ACS or the particular Sub-fund, the Depositary shall notify the FCA that the winding up has been completed.

On completion of a winding up of the ACS or the termination of a Sub-fund, any unclaimed net proceeds or other cash (including unclaimed distributions) held by the Depositary after one year from the date on which they become payable must be paid by the Depositary into court.

Following the completion of a winding up of either the ACS or a Sub-fund, the ACS Manager must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditors of the ACS shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA and to each Unitholder within two months of the completion of the winding up or termination.

12. General Information

12.1 Accounting Periods

The annual accounting period of the ACS ends each year on 30 June (the accounting reference date) with an interim accounting period ending on 31 December. The first annual accounting period of the ACS will end on 30 June 2017 and the first interim accounting period will end on 31 December 2016.

12.2 Income Allocations

Currently the Sub-fund(s) in issue has/have annual accounting periods.

The Sub-fund's income is allocated in respect of the income available at each accounting reference date (being 30 June of each year, starting from 30 June 2017) or such other date as may be notified by the ACS Manager to Unitholders.

For Sub-funds in which 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 accounting period.

The amount available for allocation in any accounting period is calculated by taking the aggregate of the income received or receivable (in respect of all the Unitholders in the relevant Sub-fund) for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant 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.

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 relevant Sub-fund (or, if that no longer exists, to the ACS).

12.3 Equalisation

Part of the purchase price of a Unit may reflect the relevant share of accrued income of the relevant Sub-fund. Any allocation of income in respect of a Unit issued during an accounting period may include a capital sum by way of income equalisation in which case the amount of income equalisation would be calculated accurately for each Unit issued during the period.

12.4 Annual Reports

The annual report of the ACS will normally be published within four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. A report containing the accounts is available on the ACS Manager's website at ssga.com to any person free of charge.

12.5 Documents of the ACS

The following documents may be inspected free of charge during normal business hours on any London Business Day at the offices of the ACS Manager at 20 Churchill Place, Canary Wharf, London E14 5HJ:

- (a) the Prospectus;
- (b) the most recent annual and half yearly reports of the ACS; and
- (c) 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 annual and half yearly reports of the ACS and the Prospectus which are available free of charge to any person).

12.6 Complaints

Complaints concerning the operation or marketing of the ACS may be referred to the Compliance Officer of the ACS Manager at 20 Churchill Place, Canary Wharf, London E14 5HJ or, if eligible, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

12.7 Risk Management

The ACS Manager will provide upon the request of a Unitholder further information relating to:

- (a) the quantitative limits applying in the risk management of any Sub-fund;
- (b) the methods used in relation to(a); and
- (c) any recent development of the risk and yields of the main categories of investment.

12.8 Benchmark Contingency Plan

Unitholders should note that, in accordance with the requirements of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”), the ACS Manager has adopted a benchmark contingency plan to set out the actions which the ACS Manager would take in the event that a benchmark used by a Sub-fund materially changes or ceases to be provided (the “**Benchmark Contingency Plan**”). Actions taken by the ACS Manager under the Benchmark Contingency Plan may result in changes to the investment objectives or investment policies of a Sub-fund and any such changes will be implemented in accordance with the requirements of the FCA and the terms of this Prospectus.

For further details of the benchmark applicable to a Sub-fund, please refer to the “Investment Objective” section of Appendix I applicable to that Sub-fund.

As of the date of this Prospectus, FTSE International Limited is listed on the ESMA register referred to in article 36 of the Benchmark Regulation as an administrator authorised pursuant to article 34 of the Benchmark Regulation.

As of the date of this Prospectus, MSCI Limited is listed on the ESMA register referred to in article 36 of the Benchmark Regulation as an administrator authorised pursuant to article 34 of the Benchmark Regulation.

12.9 Remuneration

State Street operates a group-wide compensation strategy that also applies to all State Street employees that provide services in respect of the ACS, including those categories of employees whose activities have a material impact on the risk profile of the ACS Manager or the ACS.

The Executive Compensation Committee (“ECC”) of State Street Corporation has ultimate oversight of the overall compensation system at State Street and has oversight of all compensation plans, policies and programs in which senior executives participate. It also oversees the alignment of the incentive compensation arrangements with State Street’s financial safety and soundness, consistent with applicable regulatory rules and guidance.

The global State Street group remuneration policy, (the “Remuneration Policy”) is consistent with and promotes sound and effective risk management and does not encourage risk taking that is inconsistent with the risk profile of the UCITS funds that are managed by the ACS Manager.

State Street’s overall aim is to attract and retain high-performing employees via its compensation strategy. For the business to succeed, it must remain competitive and cultivate an environment that encourages employees to learn and grow in their careers. Under the Remuneration Policy, the key principles that align State Street’s remuneration system with the business strategy are as follows:

1. An emphasis on total compensation.

2. A pay-for-performance philosophy. Group, business unit and individual performance drive overall compensation levels.
3. A competitive compensation package to attract, retain and reward key talent. State Street targets the aggregate annual value of our total compensation program to the median of the corporate peer group.
4. An alignment with shareholder interests as reflected through the mix of cash, instruments and equity compensation.

Compliance with applicable regulations and related guidance, including removing incentives to take excessive risks. Through a process of structured discretion in determining IC pool funding and individual incentive award decisions and the use of deferred awards (e.g., Deferred Stock Awards (“DSAs”), Deferred Value Awards (“DVAs”), SSGA Long Term Incentive (“SSGA LTI”) as a pay delivery vehicle (with ex post adjustments during the deferral period), State Street’s compensation system is made appropriately risk-sensitive and links current decisions and actions to future risk outcomes. A comprehensive set of factors such as risk and capital are considered in addition to business performance and competitiveness.

More details regarding State Street’s remuneration approach including (but not limited to) information on the decision-making process to determine the remuneration policy, its basic characteristics and the linkage between pay and performance, are published separately in State Street’s Proxy Statement at www.statestreet.com and the UK Pillar 3 Remuneration disclosure at www.statestreet.com/utility/united-kingdom/legal-disclosure.html. A copy of either of these documents can be requested free of charge from the ACS Manager.

12.10 Notices

All notices or documents required to be served on Unitholders shall be served by post to the address of the Unitholder as evidenced on the Register. All documents and remittances are sent at the risk of the Unitholder.

12.11 Telephone recordings

Please note that the ACS Manager and the Investment Manager will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the ACS or the management of the ACS. The ACS Manager may also record calls for security, training and monitoring purposes, to confirm investors’ instructions and for any other regulatory reason. Recordings will be provided on request for a period of at least five years from the date of such recording or, where requested by a competent authority, for a period of seven years.

Appendix I

Sub-fund Details 1

Name:	State Street ACS North America Index Equity Fund
Product Reference Number:	735531
Launch date:	9 March 2016
First Dealing Day:	9 March 2016
Investment objective:	<p>The Sub-fund aims to track as closely as possible the performance of the FTSE North America Index (the “Benchmark Index”) (or any other index which the ACS Manager determines from time to time tracks substantially the same market as the Benchmark Index). The Benchmark Index is adjusted for irrecoverable dividend withholding tax.</p> <p>The Sub-fund seeks to minimise, as far as possible, the tracking difference between the Sub-fund’s performance and that of the Benchmark Index.</p> <p>The Benchmark Index is a broad based index comprised of large and mid-cap companies in the United States and Canada. Investors wishing to obtain more information about the Benchmark Index, including information on the underlying components and weightings can obtain this at:</p> <p>http://www.ftse.com/Analytics/factsheets/Home/ConstituentsWeights?fromftse=true</p>
Investment policy:	<p>The Investment Manager, on behalf of the Sub-fund and subject to the investment restrictions set out in the Prospectus, will invest using a replication strategy such as to seek to physically hold all or close to all of the securities of the Benchmark Index with the approximate weightings in that Benchmark Index.</p> <p>Subject to the investment restrictions set out in the Prospectus, the below are permitted investments:</p> <p>Equities: The securities in which the Sub-fund invests may include equities, or equity-related securities such as American Depositary Receipts (ADRs) or Global Depositary Receipts (GDRs). ADRs and GDRs are typically used instead of local shares, where owning the local shares represented in the Index is not possible or prohibitively expensive. The Sub-fund may also invest in warrants relating to securities. The Sub-fund may invest in securities which, in the opinion of the Investment Manager from time to time, are likely to become part of the Benchmark Index or securities acquired through corporate activity relating to securities held by the Sub-fund. If the Sub-fund holds a security that ceases to be in the Benchmark Index the Sub-fund may, at the Investment Manager’s discretion, continue to hold such security. The Investment Manager also may, in exceptional circumstances, invest the Sub-fund in securities not included in the Benchmark Index but that it believes closely reflect the risk and distribution characteristics of securities of the Benchmark Index. The Sub-fund may enter into partly-paid securities.</p> <p>Other Funds / Liquid Assets: the Sub-fund may invest up to 10% of its net assets in other regulated open-ended funds where the objectives of such funds are consistent with the objective of the Sub-fund and where such funds are authorised in the United Kingdom, an EEA State, USA, Jersey, Guernsey or the Isle of Man and where such funds comply in all material respects with the provisions of the UCITS Regulations. The Sub-fund may hold ancillary liquid assets such as deposits in accordance with the UCITS Directive.</p> <p>Derivatives: The Sub-fund may, for Efficient Portfolio Management purposes only, use financial derivative instruments. Any use of financial derivative instruments by the Sub-fund</p>

shall be limited to futures and forward foreign exchange contracts in respect of currencies that are a component of the Benchmark Index.

Securities Lending: the Sub-fund may participate in a securities lending programme.

Spot FX: the Sub-fund may enter into spot foreign exchange transactions in respect of currencies that are a component of the Benchmark Index.

Cash: the Sub-fund may hold cash, (revolving) deposit accounts and cash equivalents in a currency prevailing in the local markets in which the securities held within the Sub-fund are ordinarily traded.

Borrowing: the Sub-fund may, on a temporary basis, borrow money for the use of the Sub-fund.

Limit on investment in other collective investment schemes:	10% of the Sub-fund's Net Asset Value.
Information on Tracking Error:	In normal market conditions the targeted maximum level of ex-ante tracking error for the Sub-fund is 100 basis points per annum.
Final accounting date:	30 June of each year.
Interim accounting date:	31 December of each year.
Income allocation dates:	30 June of each year (starting from 30 June 2017) or such other date as may be notified by the ACS Manager to Unitholders.
Valuation Point:	10 pm London time on each Dealing Day.
Business Day:	Monday to Friday and being a day on which both the London Stock Exchange and New York Stock Exchange are open for trading.
Dealing Day:	Any Business Day.
Dealing Cut Off Point:	11 am London time on Dealing Day
Dealing frequency:	Daily on a Dealing Day
Subscription Settlement Time:	Dealing Day + 2 Cleared funds must be received and accepted by the ACS Manager within 2 Business Days following the relevant Dealing Day or otherwise at the ACS Manager's discretion. The ACS Manager reserves the right to charge interest at up to 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the relevant Subscription Settlement Time.
Redemption Settlement Time:	Within 2 Business Days of the later of (a) receipt by the Registrar and Transfer Agent of a duly completed dealing form which has been reviewed and approved by the Registrar and Transfer Agent, together with any other documentation required by the Registrar and Transfer Agent (e.g. appropriate evidence of title, any required anti-money laundering related documentation), and (b) the Valuation Point following receipt by the ACS Manager of the request to redeem
Types of Unit available:	Accumulation

Charges:	Unit Class U1	Unit Class U2
Maximum Initial charge	Maximum of 3%	Maximum of 3%
Maximum Switching charge	N/A	N/A
Annual Management Charge	0.12%	0.12%
Dilution Levy	As dilution is directly related to inflows and outflows of monies from the Sub-fund, it is not possible to predict accurately whether dilution is likely to occur and the actual charge may vary. However the maximum dilution levy is estimated to be 2% of the net asset value of the Units being acquired or redeemed.	
Charges taken from income or capital:	Income (charges will be taken from capital if there is insufficient income).	
Income Equalisation:	Yes	
Past performance:	Past performance information is set out in Appendix VI	
Initial offer period:	1 day	
Base Currency:	Pound Sterling	
Initial price:	£10	
Eligible Markets:	As per Appendix II	
Hedged Unit Class	Currency exchange rate exposures in Unit Class U1 and Unit Class U2 are not hedged.	
Minimum holding of Units of any Class in a Sub-Fund:	<p>The minimum initial investment in Units in any Class of a Sub-fund is Units having a value of £10 million (£10,000,000) and the minimum subsequent investment in Units of any Class in a Sub-fund is Units having a value of £1 million (£1 million).</p> <p>The minimum holding of Units in any Class of a Sub-fund is Units having a value of £1 million. If the value falls below this figure the ACS Manager reserves the right compulsorily to redeem the holding.</p> <p>The ACS Manager reserves the right to apply lower minima than those stated above.</p>	
Unit Class U1	Available for investment only by pension schemes which are (i) registered with HMRC under Part 4 of Finance Act 2004 and (ii) resident for tax purposes in the United Kingdom ("Registered Pension Schemes") including Registered Pension Schemes investing through tax transparent contractual schemes where the unitholders of the investing sub-fund of the tax transparent contractual scheme are restricted to Registered Pension Schemes only.	
Unit Class U2	<p>Available for investment only by insurance companies in the specific circumstance of the Units being held in respect of the Unitholders' pension business, as defined at section 58 of the United Kingdom's Finance Act 2012, where such business has been written on a unit linked basis such that the applicable rate of withholding tax on the investment income received from certain jurisdictions is that applicable to Registered Pension Schemes.</p> <p>The State Street ACS North America Index Equity Fund (the "Sub-fund") is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group").</p> <p>All rights in the FTSE North America Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any</p>	

person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-fund or the suitability of the Index for the purpose to which it is being put by the ACS Manager.

Sub-fund Details 2

Name:	State Street ACS Japan Index Equity Fund
Product Reference Number:	815239
Launch date:	Not yet launched.
First Dealing Day:	Not yet launched.
Investment objective:	<p>The Sub-fund aims to track as closely as possible the performance of the FTSE Japan Index (the “Benchmark Index”) (or any other index which the ACS Manager determines from time to time tracks substantially the same market as the Benchmark Index). The Benchmark Index is adjusted for irrecoverable dividend withholding tax.</p> <p>The Sub-fund seeks to minimise, as far as possible, the tracking difference between the Sub-fund’s performance and that of the Benchmark Index.</p> <p>The Benchmark Index is comprised of large and mid-cap Japanese companies. Investors wishing to obtain more information about the Benchmark Index, including information on the underlying components and weightings can obtain this at:</p> <p>http://www.ftse.com/Analytics/factsheets/Home/ConstituentsWeights?fromftse=true</p>
Investment policy:	<p>The Investment Manager, on behalf of the Sub-fund and subject to the investment restrictions set out in the Prospectus, will invest using a replication strategy such as to seek to physically hold all or close to all of the securities of the Benchmark Index with the approximate weightings in that Benchmark Index.</p> <p>Subject to the investment restrictions set out in the Prospectus, the below are permitted investments:</p> <p>Equities: The securities in which the Sub-fund invests may include equities, or equity-related securities such as American Depositary Receipts (ADRs) or Global Depositary Receipts (GDRs). ADRs and GDRs are typically used instead of local shares, where owning the local shares represented in the Index is not possible or prohibitively expensive. The Sub-fund may also invest in warrants relating to securities. The Sub-fund may invest in securities which, in the opinion of the Investment Manager from time to time, are likely to become part of the Benchmark Index or securities acquired through corporate activity relating to securities held by the Sub-fund. If the Sub-fund holds a security that ceases to be in the Benchmark Index the Sub-fund may, at the Investment Manager’s discretion, continue to hold such security. The Investment Manager also may, in exceptional circumstances, invest the Sub-fund in securities not included in the Benchmark Index but that it believes closely reflect the risk and distribution characteristics of securities of the Benchmark Index. The Sub-fund may enter into partly-paid securities.</p> <p>Other Funds / Liquid Assets: the Sub-fund may invest up to 10% of its net assets in other regulated open-ended funds where the objectives of such funds are consistent with the objective of the Sub-fund and where such funds are authorised in the United Kingdom, an EEA State, USA, Jersey, Guernsey or the Isle of Man and where such funds comply in all material respects with the provisions of the UCITS Regulations. The Sub-fund may hold ancillary liquid assets such as deposits in accordance with the UCITS Directive.</p> <p>Derivatives: The Sub-fund may, for Efficient Portfolio Management purposes only, use financial derivative instruments. Any use of financial derivative instruments by the Sub-fund shall be limited to futures and forward foreign exchange contracts in respect of currencies that are a component of the Benchmark Index.</p> <p>Securities Lending: the Sub-fund may participate in a securities lending programme.</p>

Spot FX: the Sub-fund may enter into spot foreign exchange transactions in respect of currencies that are a component of the Benchmark Index.

Cash: the Sub-fund may hold cash, (revolving) deposit accounts and cash equivalents in a currency prevailing in the local markets in which the securities held within the Sub-fund are ordinarily traded.

Borrowing: the Sub-fund may, on a temporary basis, borrow money for the use of the Sub-fund.

Limit on investment in other collective investment schemes: 10% of the Sub-fund's Net Asset Value.

Information on Tracking Error: In normal market conditions the targeted maximum level of ex-ante tracking error for the Sub-fund is 100 basis points per annum.

Final accounting date: 30 June of each year.

Interim accounting date: 31 December of each year.

Income allocation dates: 30 June of each year (starting from 30 June 2019) or such other date as may be notified by the ACS Manager to Unitholders.

Valuation Point: 10 pm London time on each Dealing Day.

Business Day: Monday to Friday and being a day on which both the London Stock Exchange and Tokyo Stock Exchange are open for trading.

Dealing Day: Any Business Day.

Dealing Cut Off Point: 1 p.m. London Time on the Business Day immediately preceding a Dealing Day

Dealing frequency: Daily on a Dealing Day

Subscription Settlement Time: Dealing Day + 2

Cleared funds must be received and accepted by the ACS Manager within 2 Business Days following the relevant Dealing Day or otherwise at the ACS Manager's discretion.

The ACS Manager reserves the right to charge interest at up to 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the relevant Subscription Settlement Time.

Redemption Settlement Time: Within 2 Business Days of the later of (a) receipt by the Registrar and Transfer Agent of a duly completed dealing form which has been reviewed and approved by the Registrar and Transfer Agent, together with any other documentation required by the Registrar and Transfer Agent (e.g. appropriate evidence of title, any required anti-money laundering related documentation), and (b) the Valuation Point following receipt by the ACS Manager of the request to redeem

Types of Unit available: Accumulation

Charges:	Unit Class U1	Unit Class U2
Maximum Initial charge	Maximum of 3%	Maximum of 3%
Maximum Switching charge	N/A	N/A
Annual Management Charge	0.12%	0.12%

Dilution Levy	As dilution is directly related to inflows and outflows of monies from the Sub-fund, it is not possible to predict accurately whether dilution is likely to occur and the actual charge may vary. However the maximum dilution levy is estimated to be 2% of the net asset value of the Units being acquired or redeemed.
Charges taken from income or capital:	Income (charges will be taken from capital if there is insufficient income).
Income Equalisation:	Yes
Past performance:	Past performance information is set out in Appendix VI
Initial offer period:	1 day
Base Currency:	Pound Sterling
Initial price:	£10
Eligible Markets:	As per Appendix II
Hedged Unit Class	Currency exchange rate exposures in Unit Class U1 and Unit Class U2 are not hedged.
Minimum holding of Units of any Class in a Sub-Fund:	<p>The minimum initial investment in Units in any Class of a Sub-fund is Units having a value of £10 million (£10,000,000) and the minimum subsequent investment in Units of any Class in a Sub-fund is Units having a value of £1 million (£1 million).</p> <p>The minimum holding of Units in any Class of a Sub-fund is Units having a value of £1 million. If the value falls below this figure the ACS Manager reserves the right compulsorily to redeem the holding.</p> <p>The ACS Manager reserves the right to apply lower minima than those stated above.</p>
Unit Class U1	Available for investment only by pension schemes which are (i) registered with HMRC under Part 4 of Finance Act 2004 and (ii) resident for tax purposes in the United Kingdom ("Registered Pension Schemes") including Registered Pension Schemes investing through tax transparent contractual schemes where the unitholders of the investing sub-fund of the tax transparent contractual scheme are restricted to Registered Pension Schemes only.
Unit Class U2	<p>Available for investment only by insurance companies in the specific circumstance of the Units being held in respect of the Unitholders' pension business, as defined at section 58 of the United Kingdom's Finance Act 2012, where such business has been written on a unit linked basis such that the applicable rate of withholding tax on the investment income received from certain jurisdictions is that applicable to Registered Pension Schemes.</p> <p>The State Street ACS Japan Index Equity Fund (the "Sub-fund") is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group").</p> <p>All rights in the FTSE Japan Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under license.</p> <p>The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-fund or the suitability of the Index for the purpose to which it is being put by the ACS Manager.</p>

Sub-fund Details 3

Name:	State Street ACS Multi-Factor Global ESG Index Equity Fund
Product Reference Number:	815240
Launch date:	11December 2018
First Dealing Day:	11 December 2018
Investment objective:	<p>The Sub-fund aims to track as closely as possible the performance of the MSCI World Select 5-Factor ESG Low Carbon Target Index (the “Benchmark Index”) (or any other index which the ACS Manager determines from time to time tracks substantially the same market as the Benchmark Index). “ESG” refers to making investments taking into account environmental, social and corporate governance criteria.</p> <p>The Sub-fund seeks to minimise, as far as possible, the tracking difference between the Sub-fund’s performance and that of the Benchmark Index.</p> <p>The Benchmark Index is based on the MSCI World Index (the “Parent Index”), the Benchmark Index’s parent index, which includes large and mid-cap stocks in developed market countries around the world. The Benchmark Index is designed to represent the performance of a strategy that seeks systematic integration of environmental, social and governance (ESG) norms and carbon exposure in factor investing, by seeking higher exposure to a combination of five style factors (i.e. value, momentum, quality, low size, low volatility) along with the improvement in the ESG profile and reduction in carbon exposure of the Benchmark Index relative to the Parent Index.</p> <p>Investors wishing to obtain more information about the Benchmark Index, including information on the underlying components and weightings can obtain this at:</p> <p>https://www.msci.com/indexes</p>
Investment policy:	<p>The Investment Manager, on behalf of the Sub-fund and subject to the investment restrictions set out in the Prospectus, intends to invest using a replication strategy such as to seek to physically hold all or close to all of the securities of the Benchmark Index with the approximate weightings in that Benchmark Index. However, if the Sub-fund is not sufficiently large in order for the Sub-fund to be able to efficiently purchase securities contained in the Benchmark Index, the Investment Manager may instead invest in respect of the Sub-fund using an optimisation strategy such as to invest in a way that builds a representative portfolio that is intended to match the risk and return characteristics of the Benchmark Index, including risks related to currencies, countries, sectors, industries and size.</p> <p>Subject to the investment restrictions set out in the Prospectus, the below are permitted investments:</p> <p>Equities: The securities in which the Sub-fund invests may include equities, or equity-related securities such as American Depositary Receipts (ADRs) or Global Depositary Receipts (GDRs). ADRs and GDRs are typically used instead of local shares, where owning the local shares represented in the Benchmark Index is not possible or prohibitively expensive. The Sub-fund may also invest in warrants relating to securities. The Sub-fund may invest in securities which, in the opinion of the Investment Manager from time to time, are likely to become part of the Benchmark Index or securities acquired through corporate activity relating to securities held by the Sub-fund. If the Sub-fund holds a security that ceases to be in the Benchmark Index the Sub-fund may, at the Investment Manager’s discretion, continue to hold such security. The Investment Manager also may, in exceptional circumstances, invest the Sub-fund in securities not included in the Benchmark Index but that it believes closely reflect the risk and distribution characteristics of</p>

securities of the Benchmark Index. The Sub-fund may enter into partly-paid securities.

Other Funds / Liquid Assets: the Sub-fund may invest up to 10% of its net assets in other regulated open-ended funds where the objectives of such funds are consistent with the objective of the Sub-fund and where such funds are authorised in the United Kingdom, an EEA State, USA, Jersey, Guernsey or the Isle of Man and where such funds comply in all material respects with the provisions of the UCITS Regulations. The Sub-fund may hold ancillary liquid assets such as deposits in accordance with the UCITS Directive.

Derivatives: The Sub-fund may, for Efficient Portfolio Management purposes only, use financial derivative instruments. Any use of financial derivative instruments by the Sub-fund shall be limited to futures and forward foreign exchange contracts in respect of currencies that are a component of the Benchmark Index.

Securities Lending: the Sub-fund may participate in a securities lending programme.

Spot FX: the Sub-fund may enter into spot foreign exchange transactions in respect of currencies that are a component of the Benchmark Index.

Cash: the Sub-fund may hold cash, (revolving) deposit accounts and cash equivalents in a currency prevailing in the local markets in which the securities held within the Sub-fund are ordinarily traded.

Borrowing: the Sub-fund may, on a temporary basis, borrow money for the use of the Sub-fund.

Limit on investment in other collective investment schemes:

10% of the Sub-fund's Net Asset Value.

Further information on the Benchmark Index

The Benchmark Index uses the following four MSCI ESG research products: MSCI ESG Ratings Score, MSCI ESG Controversies Score, MSCI Carbon Emission Data and MSCI ESG Business Involvement Screening Research (to exclude Controversial Weapons) in order to select the companies which make up the Benchmark Index. A short summary of each product is below and further information is available from the ACS Manager on request:

- 1) The MSCI ESG Ratings Score provides research, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating - a seven point scale from 'AAA' to 'CCC'. In addition, the product provides scores and percentiles indicating how well a company manages each key issue relative to industry peers.
- 2) The MSCI ESG Controversies Score provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy. Companies having faced very severe, often structural, controversies pertaining to ESG issues are assigned an ESG Controversy Score of 0 and will be excluded from the Benchmark Index.
- 3) The MSCI Carbon Emission Data is used as part of the Benchmark Index construction using optimisation at each rebalance, the Benchmark Index targets a 50% reduction in carbon emissions (current and potential - the latter from fossil fuel reserves) relative to the Parent Index.
- 4) MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions reliably and efficiently. Companies which meet the controversial weapons criteria are currently excluded from the Benchmark Index.

Information on Tracking Error:	In normal market conditions the targeted maximum level of ex-ante tracking error for the Sub-fund is 1% points per annum.
Final accounting date:	30 June of each year.
Interim accounting date:	31 December of each year.
Income allocation dates:	30 June of each year (starting from 30 June 2019) or such other date as may be notified by the ACS Manager to Unitholders.
Valuation Point:	12 pm London time on each Dealing Day.
Business Day:	Monday to Friday and being a day on which both the London Stock Exchange and New York Stock Exchange are open for trading.
Dealing Day:	Any Business Day.
Dealing Cut Off Point:	10 am London time on Dealing Day
Dealing frequency:	Daily on a Dealing Day
Subscription Settlement Time:	Dealing Day + 2 Cleared funds must be received and accepted by the ACS Manager within 2 Business Days following the relevant Dealing Day or otherwise at the ACS Manager's discretion. The ACS Manager reserves the right to charge interest at up to 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the relevant Subscription Settlement Time.
Redemption Settlement Time:	Within 2 Business Days of the later of (a) receipt by the Registrar and Transfer Agent of a duly completed dealing form which has been reviewed and approved by the Registrar and Transfer Agent, together with any other documentation required by the Registrar and Transfer Agent (e.g. appropriate evidence of title, any required anti-money laundering related documentation), and (b) the Valuation Point following receipt by the ACS Manager of the request to redeem
Types of Unit available:	Accumulation

Unit Class	Maximum Initial Charge	Maximum Switching charge	Annual Management Charge
U1	Maximum of 3%	N/A	0.18%
U2	Maximum of 3%	N/A	0.18%
U1H	Maximum of 3%	N/A	0.21%
U2H	Maximum of 3%	N/A	0.21%
B1	Maximum of 3%	N/A	0.08% plus the additional Annual Management Charge amount agreed to in the application form. Such agreed additional Annual Management Charge amount is payable by the investor outside of the Sub-fund.
B2	Maximum of 3%	N/A	
B1H	Maximum of 3%	N/A	
B2H	Maximum of 3%	N/A	

Dilution Adjustment	As dilution is directly related to inflows and outflows of monies from the Sub-fund, it is not possible to predict accurately whether dilution is likely to occur and the actual charge may vary. Generally, the estimated rate of dilution adjustment shall not exceed 2% of the Net Asset Value per Unit of the relevant Sub-fund.
Charges taken from income or capital:	Income (charges will be taken from capital if there is insufficient income).
Income Equalisation:	Yes
Past performance:	Past performance information is set out in Appendix VI
Initial offer period:	1 day
Base Currency:	Pound Sterling
Initial price:	£10
Eligible Markets:	As per Appendix II
Minimum holding of Units of any Class in a Sub-Fund:	<p>The minimum initial investment in Units in any Class of a Sub-fund is Units having a value of £10 million (£10,000,000) and the minimum subsequent investment in Units of any Class in a Sub-fund is Units having a value of £1 million (£1 million).</p> <p>The minimum holding of Units in any Class of a Sub-fund is Units having a value of £1 million. If the value falls below this figure the ACS Manager reserves the right compulsorily to redeem the holding.</p> <p>The ACS Manager reserves the right to apply lower minima than those stated above.</p>
Hedged Unit Class	<p>Currency exchange rate exposures in Unit Class U1, U2, B1, B2 are not hedged.</p> <p>Currency exchange rate exposures in Unit Class U1H, U2H, B1H, B2H are hedged to Pound Sterling.</p>
Unit Class U1, U1H, B1, B1H	Available for investment only by pension schemes which are (i) registered with HMRC under Part 4 of Finance Act 2004 and (ii) resident for tax purposes in the United Kingdom ("Registered Pension Schemes") including Registered Pension Schemes investing through tax transparent contractual schemes where the unitholders of the investing sub-fund of the tax transparent contractual scheme are restricted to Registered Pension Schemes only.

**Unit Class U2, U2H, B2,
B2H**

Available for investment only by insurance companies in the specific circumstance of the Units being held in respect of the Unitholders' pension business, as defined at section 58 of the United Kingdom's Finance Act 2012, where such business has been written on a unit linked basis such that the applicable rate of withholding tax on the investment income received from certain jurisdictions is that applicable to Registered Pension Schemes.

THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY STATE STREET CORPORATION. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND OR THE ISSUER OR OWNERS OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND, OWNERS OF THE STATE STREET ACS MULTI-FACTOR GLOBAL ESGINDEX EQUITY FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Appendix II

Eligible Securities Markets and Eligible Derivatives Markets

1. A stock exchange in Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United States of America, United Kingdom, Hong Kong and Korea.
2. A regulated stock exchange or market in any EEA State which operates regularly and is open to the public.
3. In relation to derivative instruments, the following markets:

Chicago Mercantile Exchange, Chicago Stock Exchange, Montreal Exchange, NASDAQ, ICE Futures U.S.
Hong Kong Futures Exchange, Japan Exchange Group (Osaka Exchange & Tokyo Stock Exchange), Singapore Exchange,
Korea Exchange, ASX, NZX Derivatives
Eurex Exchange (Eurex Deutschland & Eurex Zurich AG), ICE Futures Europe, NASDAQ OMX.

Appendix III

Investment and Borrowing Powers of the ACS

1. General investment powers

- 1.1 The property of the ACS will be invested with the aim of achieving the investment objective of each Sub-fund but subject to the limits on investment set out in Chapter 5 of the COLL Sourcebook (COLL 5.2 to COLL 5.5) that are applicable to UCITS schemes. These limits apply to each of the Sub-funds as summarised below.
- 1.2 The ACS Manager's investment policy may mean that at times, where it is considered appropriate, the property of the Sub-fund will not be fully invested and that prudent levels of liquidity will be maintained.

2. Prudent spread of risk

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

3. Treatment of obligations

- 3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only if possible obligations arising out of the transaction or out of the retention would not cause the 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 a transaction to be entered into or an investment to be retained only if that 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. UCITS schemes – permitted types of Scheme Property

- 4.1 The Scheme Property of the Sub-fund must, subject to its investment objective and policy and, except where otherwise noted below or provided in COLL 5, only consist of any or all of:
 - 4.1.1 transferable securities;
 - 4.1.2 approved money-market instruments;
 - 4.1.3 permitted units or shares in permitted collective investment schemes;
 - 4.1.4 permitted derivatives and forward transactions; and
 - 4.1.5 permitted deposits.
- 4.2 The requirements on spread of investments do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Sub-fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.
- 4.3 It is not intended that the Sub-fund will have an interest in any immovable property or tangible movable property.
- 4.4 In addition to the general restrictions set out above, the following limits apply to each of the Sub-funds.

5. Transferable Securities

5.1 A transferable security is an investment which is any of the following:

- 5.1.1 a share;
- 5.1.2 a debenture;
- 5.1.3 an alternative debenture;
- 5.1.4 a government and public security;
- 5.1.5 a warrant; or
- 5.1.6 a certificate representing certain securities.

5.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

5.3 In applying paragraph 5.2 to an investment which is issued by a body corporate, and which is a share or a debenture the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

5.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

5.5 No more than 5% of the value of the Scheme Property may be invested in warrants.

6. Investment in transferable securities

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

- 6.1.1 the potential loss which the Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- 6.1.2 its liquidity does not compromise the ability of the ACS Manager to comply with its obligation to redeem shares at the request of any qualifying Unitholder under the COLL Sourcebook;
- 6.1.3 reliable valuation is available for it as follows:
 - 6.1.3.1 in the case of a transferable security admitted to or dealt in 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;
 - 6.1.3.2 in the case of a transferable security not admitted to or dealt in 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;
- 6.1.4 appropriate information is available for it as follows:
 - 6.1.4.1 in the case of a transferable security admitted to or dealt in 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;
 - 6.1.4.2 in the case of a transferable security not admitted to or dealt in 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;
- 6.1.5 it is negotiable; and
- 6.1.6 its risks are adequately captured by the risk management process of the ACS Manager.

6.2 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 in on an eligible market shall be presumed:

6.2.1 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

6.2.2 to be negotiable.

7. Closed end funds constituting transferable securities

7.1 A unit 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 5, and either:

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

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

7.1.1.2 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

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

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

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

8. Transferable securities linked to other assets

8.1 A 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:

8.1.1 fulfils the criteria for transferable securities set out in paragraph 5; and

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

8.2 Where an investment in paragraph 8.1 contains an embedded derivative component, the requirements of this Appendix with respect to derivatives and forwards will apply to that component.

9. Approved money-market instruments

9.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

9.2.1 has a maturity at issuance of up to and including 397 days;

9.2.2 has a residual maturity of up to and including 397 days;

9.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

9.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in paragraph 8.2.3.

9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACS Manager to redeem units at the request of any qualifying Unitholder.

9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

9.4.1 enabling the ACS Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

9.4.2 based either on market data or on valuation models including systems based on amortised costs.

9.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACS Manager that would lead to a different determination.

10. Transferable securities and approved money-market instruments generally to be admitted to or dealt in on an eligible market

10.1 Transferable securities and approved money-market instruments held within the Sub-fund must be:

10.1.1 admitted to or dealt on an eligible market; or

10.1.2 dealt on an eligible market; or

10.1.3 for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 11.2; or

10.1.4 recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).

10.2 Not more than 10% in value of the Scheme Property of the Sub-fund is to consist of transferable securities and approved money-market instruments other than those referred to in paragraph 10.1.

11. Eligible markets requirements

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

11.1.1 a regulated market; or

11.1.2 a market in an EEA State which is regulated, operates regularly and is open to the public; or

11.1.3 any market within paragraph 11.2.

11.2 A market not falling within paragraph 11.1.1 or 11.1.2 is eligible for the purposes of COLL if:

11.2.1 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;

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

11.2.3 the Depositary has taken reasonable care to determine that:

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

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

11.3 In paragraph 11.2.1, the 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, 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.

11.4 The eligible markets in which the Sub-funds may invest are set out in Appendix II.

12. Money-market instruments with a regulated issuer

- 12.1** A Sub-fund may invest in money-market instruments in accordance with the provisions of this Appendix.
- 12.2** 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 following requirements:
- 12.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 12.2.2 the instrument is issued or guaranteed in accordance with paragraph 13.
- 12.3** 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:
- 12.3.1 the instrument is an approved money-market instrument;
 - 12.3.2 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 14; and
 - 12.3.3 the instrument is freely transferable.

13. Issuers and guarantors of money-market instruments

- 13.1** A Sub-fund may invest in an approved money-market instrument if it is:
- 13.1.1 issued or guaranteed by any one of the following:
 - 13.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - 13.1.1.2 a regional or local authority of an EEA State;
 - 13.1.1.3 the European Central Bank or a central bank of an EEA State;
 - 13.1.1.4 the European Union or the European Investment Bank;
 - 13.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - 13.1.1.6 a public international body to which one or more EEA States belong; or
 - 13.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
 - 13.1.3 issued or guaranteed by an establishment which is:
 - 13.1.3.1 subject to prudential supervision in accordance with criteria defined by the laws of the European Union; or
 - 13.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by the laws of the European Union.
- 13.2** An establishment shall be considered to satisfy the requirement in 13.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 13.2.1 it is located in the European Economic Area;
 - 13.2.2 it is located in an Organisation for Economic Co-operation and Development country belonging to the Group of Ten;
 - 13.2.3 it has at least investment grade rating;

13.2.4 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 Community law.

14. Appropriate information for money-market instruments

14.1 In the case of an approved money-market instrument within paragraph 13.1.2 or which is issued by an authority within paragraph 13.1.1.2 or a public international body within paragraph 13.1.1.6 but is not guaranteed by a central authority within paragraph 13.1.1.1, the following information must be available:

14.1.1 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;

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

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

14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 13.1.3, the following information must be available:

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

14.2.2 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.

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

14.3.1 within paragraphs 13.1.1.1, 13.1.1.4 or 13.1.1.5; or

14.3.2 which is issued by an authority within paragraph 13.1.1.2 or a public international body within paragraph 13.1.1.6 and is guaranteed by a central authority within paragraph 13.1.1.1;

14.3.3 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.

15. Spread: general

15.1 This paragraph 15 does not apply in respect of a transferable security or an approved money market instrument to which COLL 5.2.12R applies (see paragraph 17 below).

15.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

15.3 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

15.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or money-market instruments issued by any single body.

15.5 The limit of 5% in paragraph 15.4 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purposes of applying the limit of 40%.

15.6 The limit of 5% in paragraph 15.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when the Sub-fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

15.7 In applying paragraphs 15.4 and 15.5 certificates representing certain securities are treated as equivalent to the underlying security.

15.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of Scheme Property; this limit is raised to 10% where the counterparty is an Approved Bank.

- 15.9 Not more than 20% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by the same group (as referred to in paragraph 15.2).
- 15.10 Subject to any limits specified in Appendix I, not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- 15.11 In applying the limits in paragraphs 15.3 to 15.8 and subject to paragraph 15.6 not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
 - 15.11.1 transferable securities (including covered bonds) or approved or money-market instruments issued by; or
 - 15.11.2 deposits made with; or
 - 15.11.3 exposures from OTC derivatives transactions made with a single body.

16. Counterparty risk and issuer concentration

- 16.1 The ACS Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 15.8 and 15.11 above.
- 16.2 When calculating the exposure of a Sub-fund to a counterparty in accordance with the limits in paragraph 15.8 the ACS Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 16.3 The ACS Manager may net the OTC derivative positions of a Sub-fund with the same counterparty, provided:
 - 16.3.1 it is able legally to enforce netting agreements with the counterparty on behalf of the Sub-fund; and
 - 16.3.2 the netting agreements in paragraph 16.3.1 do not apply in relation to any other exposures the Sub-fund may have with that same counterparty.
- 16.4 The ACS Manager may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 16.5 The ACS Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 15.8 when it passes collateral to an OTC counterparty on behalf of a Sub-fund.
- 16.6 Collateral passed in accordance with paragraph 16.5 may be taken into account on a net basis only if the ACS Manager is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-fund.
- 16.7 The ACS Manager must calculate the issuer concentration limits referred to in paragraph 15 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 16.8 In relation to the exposure arising from OTC derivatives as referred to in paragraph 15.8 the ACS Manager must include any exposure to OTC derivative counterparty risk in the calculation.

17. Spread: Government and public securities

- 17.1 The restrictions in paragraph 15 do not apply to a transferable security or an approved money-market instrument (“such securities”) that is issued by:
 - 17.1.1 an EEA State;
 - 17.1.2 a local authority of an EEA State;
 - 17.1.3 a non-EEA State; or
 - 17.1.4 a public international body to which one or more EEA States belong.

The restrictions in relation to such securities are set out below.

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

- 17.3** A Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any single body provided that:
- 17.3.1 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 objectives of the Sub-fund;
 - 17.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
 - 17.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
 - 17.3.4 the disclosures in the Prospectus required by the FCA have been made.
- 17.4** In accordance with paragraph 17.3, the Sub-funds may invest more than 35% of Scheme Property in such securities issued by a relevant issuer. Please see Appendix I for the relevant list of issuers for each Sub-fund.
- 17.5** Notwithstanding the provisions of paragraph 15.1 and subject to paragraphs 17.2 and 17.3, in applying the 20% limit in paragraph 15.11 with respect to a single body, such securities issued by that body shall be taken into account.

18. Investment in collective investment schemes

- 18.1** Subject to any limits specified in Appendix I, a Sub-fund may invest in units or shares in other collective investment schemes (“Second Scheme”) that satisfy the conditions in this paragraph 18 provided that no more than 30% of the value of the Scheme Property of a Sub-fund may be invested in Second Schemes within paragraphs 18.2.2 to 18.2.5.
- 18.2** The Second Scheme must:
- 18.2.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - 18.2.2 be recognised under the provisions of section 272 of FSMA (Schemes authorised in designated countries or territories);
 - 18.2.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met);
 - 18.2.4 be authorised in another EEA State (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or
 - 18.2.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - 18.2.5.1 signed the IOSCO Multilateral Memorandum of Understanding; and
 - 18.2.5.2 approved the Second Scheme’s management company, rules and depositary/custody arrangements;
 (provided the requirements of Article 50 of the UCITS Directive are met).
- 18.3** The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 18.3, paragraph 18.4 and paragraph 15 (Spread: General) apply to each Sub-fund as if it were a separate scheme.
- 18.4** Investment may only be made in other collective investment schemes managed by the ACS Manager or an associate of the ACS Manager if the Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 18.5** The Scheme Property attributable to a Sub-fund may include shares in another Sub-fund of the ACS (a “Second Sub-fund”) subject to the requirements of paragraph 18.6 below.

- 18.6** Sub-funds in the ACS may invest in a Second Sub-fund provided that:
- 18.6.1 the Second Sub-fund does not hold shares in any other Sub-fund of the ACS;
 - 18.6.2 the requirements set out in paragraphs 18.8 and 18.9 below are complied with; and
 - 18.6.3 the investing or disposing Sub-fund must not be a feeder UCITS to the Second Sub-fund.
- 18.7** The ACS may, subject to the limits set out in paragraphs 18.2 to 18.4 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACS Manager or one of its Associates.
- 18.8** Investments may only be made in a Second Sub-fund or other collective investment scheme managed by the ACS Manager or an Associate of the ACS Manager if any rules on double charging contained in the COLL Sourcebook are complied with.
- 18.9** Where a Sub-fund of the ACS invests in or disposes of shares in a Second Sub-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 that Sub-fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale any charge made for the disposal.

19. Investment in nil and partly paid securities

- 19.1** A transferable security 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 this Appendix.

20. Use of derivatives: general

- 20.1** Derivative transactions may be used in the Sub-funds for the purposes of Efficient Portfolio Management and hedging and/or for investment purposes. Currently the Sub-funds use derivatives only for the purposes of Efficient Portfolio Management and/or hedging. It is not intended that the use of derivatives in this way will cause the Net Asset Value of the Sub-funds to have high volatility or otherwise cause its existing risk profile to change materially.

21. Derivatives: general

- 21.1** A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 22 below; and the transaction is covered, as required by paragraph 34.
- 21.2** Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 15 to 17 except for index based derivatives where paragraph 21.6 applies.
- 21.3** Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this Appendix.
- 21.4** A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 21.4.1 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;
 - 21.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 21.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 21.5** 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.

21.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within paragraph 23, the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 15 to 17. The relaxation is subject to the ACS Manager continuing to ensure that the Scheme Property provides a prudent spread of risk.

22. Permitted transactions (derivatives and forwards)

22.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 26.

22.2 A transaction in a derivative must have the underlying consisting of any or all of the following to which the scheme is dedicated:

22.2.1 permitted transferable securities,

22.2.2 permitted money-market instruments,

22.2.3 permitted deposits,

22.2.4 derivatives permitted under this paragraph,

22.2.5 collective investment scheme units permitted under paragraph 18,

22.2.6 financial indices which satisfy the criteria set out in paragraph 23,

22.2.7 interest rates,

22.2.8 foreign exchange rates; and

22.2.9 currencies.

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

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

22.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives provided that the sale is not to be considered as uncovered if the conditions in paragraph 25 are satisfied.

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

22.7 A derivative includes an instrument which fulfils the following criteria:

22.7.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

22.7.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 4 including cash;

22.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 26;

22.7.4 its risks are adequately captured by the risk management process of the ACS Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACS Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

22.8 A Sub-fund may not undertake transactions in derivatives on commodities.

23. Financial indices underlying derivatives

23.1 The financial indices referred to in paragraph 22.2.6 are those which satisfy the following criteria:

- 23.1.1 the index is sufficiently diversified;
- 23.1.2 the index represents an adequate benchmark for the market to which it refers;
- 23.1.3 the index is published in an appropriate manner; and
- 23.1.4 the index otherwise complies with the requirements in the ESMA Guidelines 2012/832.

23.2 A financial index is sufficiently diversified if:

- 23.2.1 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;
- 23.2.2 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
- 23.2.3 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.

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

- 23.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- 23.3.2 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
- 23.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

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

- 23.4.1 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
- 23.4.2 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.

23.5 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 22.2 be regarded as a combination of those underlyings.

24. 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 ACS may be entered into only if that property can be held for the account of the ACS, 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.

25. Requirement to cover sales

25.1 No agreement by or on behalf of the ACS 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 ACS by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the ACS at the time of the agreement. This requirement does not apply to a deposit.

26. OTC transactions in derivatives

26.1 Any transaction in an OTC derivative under paragraph 22.1 must be:

- 26.1.1 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; and
- 26.1.2 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 a further transaction to sell, liquidate or close out that transaction at any time, at its fair value; and
- 26.1.3 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: on the basis of an up-to-date market value which the ACS Manager and the Depositary have agreed is reliable; or, if that value 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
- 26.1.4 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 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 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.

26.2 For the purposes of paragraph 26.1.2, “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.

27. Valuation of OTC derivatives

27.1 For the purposes of paragraph 26.1.2, the ACS Manager must:

- 27.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-fund to OTC derivatives; and
- 27.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

27.2 Where the arrangements and procedures referred to in paragraph 23.1 involve the performance of certain activities by third parties, the ACS Manager must comply with the requirements in the FCA Handbook (being SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes)).

27.3 The arrangements and procedures referred to in this rule must be:

- 27.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
- 27.3.2 adequately documented.

28. Risk management

28.1 The ACS Manager uses a risk management process, enabling it to monitor and measure at any time the risk of a Sub-fund’s positions and their contribution to the overall risk profile of a Sub-fund.

28.2 The following details of the risk management process must be regularly notified by the ACS Manager to the FCA and at least on an annual basis:

- 28.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Sub-fund together with their underlying risks and any relevant quantitative limits; and

28.2.2 the methods for estimating risks in derivative and forward transactions.

29. Significant influence

29.1 The ACS Manager must not acquire or cause to be acquired transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

29.1.1 immediately before the acquisition, the aggregate of any such securities held for that ACS, taken together with any such securities already held for other authorised unit trusts or authorised contractual schemes of which the ACS Manager is the authorised contractual scheme manager, gives the ACS Manager power significantly to influence the conduct of business of that body corporate; or

29.1.2 the acquisition gives the ACS Manager that power.

29.2 The ACS Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all of the authorised unit trusts or authorised contractual schemes it manages, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

30. Concentration

A UCITS scheme:

30.1 must not acquire transferable securities (other than debt securities) which:

30.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

30.1.2 represent more than 10% of those securities issued by that body corporate;

30.2 must not acquire more than 10% of the debt securities issued by any single body;

30.3 must not acquire more than 25% of the units in a collective investment scheme;

30.4 must not acquire more than 10% of the approved money-market instruments issued by any single body; and

30.5 need not comply with the limits in paragraphs 30.2 to 30.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

31. Schemes replicating an index

31.1 Notwithstanding paragraph 15, a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by a single body where the stated investment policy is to replicate the composition of a relevant index.

31.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of Efficient Portfolio Management.

31.3 The limit in paragraph 31.1 can be raised up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

32. Relevant indices

32.1 The indices referred to in paragraph 31 are those which satisfy the following criteria:

32.1.1 the composition is sufficiently diversified;

32.1.2 the index represents an adequate benchmark for the market to which it refers;

32.1.3 the index is published in an appropriate manner; and

- 32.1.4 the index otherwise complies with the requirements of the ESMA Guidelines 2012/832.
- 32.2** The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this Appendix.
- 32.3** An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 32.4** An index is published in an appropriate manner if:
- 32.4.1 it is accessible to the public;
- 32.4.2 the index provider is independent from the index-replicating Sub-fund; this does not preclude index providers and the Sub-fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.
- 33. Derivatives exposure**
- 33.1** A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which the Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 33.2** Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the Net Asset Value of the Scheme Property. Therefore, the Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Sub-fund is committed.
- 33.3** Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 34. Cover for investment in derivatives**
- 34.1** A Sub-fund may invest in derivatives and forward transactions as part of its investment policy provided the ACS Manager ensures that its global exposure relating to derivatives and forward transactions held in the Sub-fund does not exceed the Net Asset Value of the Scheme Property.
- 35. Daily calculation of global exposure**
- 35.1** The ACS Manager must calculate the global exposure of a Sub-fund on at least a daily basis.
- 35.2** For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- 36. Calculation of global exposure**
- 36.1** The ACS Manager must calculate the global exposure of any Sub-fund it manages either as:
- 36.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 21 (Derivatives: general), which may not exceed 100% of the Net Asset Value of the Scheme Property of a Sub-fund, by way of the commitment approach; or
- 36.1.2 the market risk of the Scheme Property of a Sub-fund, by way of the value at risk approach.
- 36.2** The ACS Manager must ensure that the method selected above is appropriate, taking into account:
- 36.2.1 the investment strategy pursued by the Sub-fund;
- 36.2.2 the types and complexities of the derivatives and forward transactions used; and
- 36.2.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

36.3 Where a Sub-fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 47 (Stock lending) in order to generate additional leverage or exposure to market risk, the ACS Manager must take those transactions into consideration when calculating global exposure.

36.4 For the purposes of paragraph 36.1, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

37. Commitment approach

37.1 Where the ACS Manager uses the commitment approach for the calculation of global exposure, it must:

37.1.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 21 (Derivatives: general)), whether used as part of the Sub-fund's general investment policy, for the purposes of risk reduction or for the purposes of Efficient Portfolio Management in accordance with paragraph 47 (Stock lending); and

37.1.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

37.2 The ACS Manager may apply other calculation methods which are equivalent to the standard commitment approach.

37.3 For the commitment approach, the ACS Manager may take account of netting and hedging arrangements when calculating global exposure of a Sub-fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

37.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Sub-fund, the underlying exposure need not be included in the commitment calculation.

37.5 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Sub-fund in accordance with paragraph 40 need not form part of the global exposure calculation.

38. Borrowing

38.1 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 not available for cover under paragraph 33 except if paragraph 38.2 applies.

38.2 Where, for the purposes of this paragraph a 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 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

39. Cash and near cash

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

39.1.1 redemption of units; or

39.1.2 efficient management of the Sub-fund in accordance with its investment objectives; or

39.1.3 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Sub-fund; or

39.1.4 the pursuit of the Sub-fund's investment objectives.

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

40. Investment in deposits

40.1 The Sub-fund may invest in deposits only if it is with an Approved Bank, or is repayable on demand, or has the right to be withdrawn, and matures in no more than 12 months.

41. General power to borrow

- 41.1** The Sub-fund may, in accordance with this paragraph and paragraph 42, borrow money for the use of the Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Sub-fund to comply with any restriction in the instrument constituting the Sub-fund.
- 41.2** The Sub-fund may borrow under paragraph 41.1 only from an Eligible Institution or an Approved Bank.
- 41.3** The ACS Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACS Manager must have regard in particular to:
- 41.3.1 the duration of any period of borrowing; and
- 41.3.2 the number of occasions on which resort is had to borrowing in any period.
- 41.4** The ACS Manager must ensure that no period of borrowing exceeds three months, without the consent of the Depositary.
- 41.5** These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.
- 41.6** The Sub-fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 41.1 to 41.5.

42. Borrowing limits

- 42.1** The ACS Manager must ensure that the Sub-fund's borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Sub-fund.
- 42.2** In this paragraph 42, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.
- 42.3** For the Sub-fund, borrowing does not include any arrangement for the Sub-fund to pay to a third party (including the ACS Manager) any set up costs which the Sub-fund is entitled to amortise and which were paid on behalf of the Sub-fund by the third party.

43. Restrictions on lending of money

- 43.1** None of the money in the Scheme Property of the Sub-fund may be lent and, for the purposes of this prohibition, 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.
- 43.2** Acquiring a debenture is not lending for the purposes of paragraph 43.1; nor is the placing of money on deposit or in a current account.
- 43.3** Paragraph 43.1 does not prevent the Sub-fund from providing an officer of the Sub-fund with funds to meet expenditure to be incurred by him for the purposes of the Sub-fund (or for the purposes of enabling him properly to perform his duties as an officer of the Sub-fund) or from doing anything to enable an officer to avoid incurring such expenditure.

44. Restrictions on lending of property other than money

- 44.1** The Scheme Property of the Sub-fund other than money must not be lent by way of deposit or otherwise.
- 44.2** Transactions permitted by paragraph 47 are not lending for the purposes of paragraph 43.1.
- 44.3** The Scheme Property of the Sub-fund must not be mortgaged.
- 44.4** Where transactions and derivatives or forward transactions are used for the account of the Sub-fund in accordance with the rules in COLL, nothing in this rule prevents the ACS or the Depositary at the request of the ACS, from:
- 44.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or

44.4.2 transferring Scheme Property under the terms of an agreement in relation to margin requirement, 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.

45. General power to accept or underwrite placings

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

45.2 This section applies, subject to paragraph 45.3, to any agreement or understanding:

45.2.1 which is an underwriting or sub-underwriting agreement; or

45.2.2 which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Sub-fund.

45.3 Paragraph 45.2 does not apply to:

45.3.1 an option; or

45.3.2 a purchase of a transferable security which confers a right:

45.3.2.1 to subscribe for or acquire a transferable security; or

45.3.2.2 to convert one transferable security into another.

45.4 The exposure of the Sub-fund to agreements and understandings within paragraph 44.2 must, on any Business Day:

45.4.1 be covered in accordance with the requirements of Rule 5.3.3R of the COLL Sourcebook; and

45.4.2 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 Chapter 5 of the COLL Sourcebook.

46. Guarantees and indemnities

46.1 The Depositary for the account of a Sub-fund must not provide any guarantee or indemnity in respect of the obligation of any person.

46.2 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.

46.3 Paragraphs 45.1 and 45.2 do not apply in respect of a Sub-fund to:

46.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules; or

46.3.2 an indemnity 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 a unitisation.

47. Stocklending

47.1 As an extension of Efficient Portfolio Management techniques explained above, the ACS Manager or the Depositary at the request of the ACS Manager, may enter into certain stocklending arrangements or repo contracts. The ACS Manager, as at the date of this prospectus, does not currently engage in stocklending arrangements, repo contracts or reverse repurchase agreements.

47.2 Any stocklending arrangements or repo contracts entered into must be of the kind described in section 263 B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263 C), but only if:

- 47.2.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the ACS are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- 47.2.2 the counterparty is:
 - 47.2.2.1 an authorised person; or
 - 47.2.2.2 a person authorised by a home state regulator; or
 - 47.2.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - 47.2.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and
- 47.2.3 Counterparties are selected taking into account criteria which include: credit rating; industry presence; quality and stability of earnings; capital adequacy; financial stability; credit quality of affiliated group of companies (if applicable); availability of any special arrangements such as guarantees or comfort letters; quality and completeness of financial reporting. All counterparties are regulated entities. Counterparties are currently located in the European Union and North America but counterparties may be selected from outside of these regions.
- 47.2.4 collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 47.1 and the collateral is:
 - 47.2.4.1 acceptable to the Depositary;
 - 47.2.4.2 adequate
 - 47.2.4.3 sufficiently immediate; and
 - 47.2.4.4 otherwise complies with the requirements of the ESMA Guidelines 2012/832.
- 47.3** The counterparty for the purpose of paragraph 47.2 is the person who is obliged under the agreement referred to in paragraph 47.2.1 to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.
- 47.4** Paragraph 47.2.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 47.5** The ACS Manager should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- 47.6** The maximum proportion of the assets under management of the Sub-fund that can be subject to securities lending transactions is 70%.
- 47.7** The expected maximum proportion of the assets under management of the Sub-fund that, in practice, could be subject to securities lending transactions is 30%.
- 47.8** Where a reverse repurchase agreement is entered into in relation to a Sub-fund, the ACS Manager must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. For a repurchase agreement entered into in relation to a Sub-fund, the ACS Manager should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ACS Manager. The Sub-funds do not currently make use of repurchase and reverse repurchase arrangements.

48. Treatment of collateral

- 48.1** For the purposes of paragraph 47.2.3.2, collateral is adequate only if it is:
- 48.1.1 transferred to the Depositary or its agent;
 - 48.1.2 at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary;
 - 48.1.3 compliant with the requirements of the ESMA Guidelines 2012/832 (which require that all collateral used must comply with a number of factors including liquidity, valuation, issuer credit quality, correlation and diversification); and
 - 48.1.4 in the form of one or more of:
 - 48.1.4.1 cash; or
 - 48.1.4.2 a certificate of deposit; or
 - 48.1.4.3 a letter of credit; or
 - 48.1.4.4 a readily realisable security ; or
 - 48.1.4.5 commercial paper with no embedded derivative content; or
 - 48.1.4.6 a qualifying money-market fund.
- 48.2** Where collateral received is invested in units in a short term money-market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACS Manager or an associate of the ACS Manager, the conditions in COLL5.2.16 R must be complied with.
- 48.3** Collateral is sufficiently immediate for the purposes of paragraph 47.2.3.3 if:
- 48.3.1 it is transferred before or at the time of the transfer of the securities by the Depositary; or
 - 48.3.2 the Depositary takes reasonable care to determine at the time referred to in paragraph 48.3.1 that it will be transferred at the latest by the close of business on the day of the transfer.
- 48.4** The Depositary must ensure that in the context of stock lending transactions by a Sub-fund under paragraph 47 the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.
- 48.5** The duty in paragraph 48.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 48.6** Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph, in relation to stock lending, may be regarded, for the purposes of valuation and pricing of the ACS or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the Scheme Property of the Sub-fund.
- 48.7** Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the rules in the COLL Sourcebook, except in the following respects:
- 48.7.1 it does not fall to be included in any calculation of Net Asset Value or this Appendix, because it is offset under paragraph 48.6 by an obligation to transfer; and
 - 48.7.2 it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.
- 48.8** Paragraphs 48.6 and 48.7.1 do not apply to any valuation of collateral itself for the purposes of this paragraph.
- 48.9** Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Sub-fund. For other types of collateral arrangement, the collateral can be held by a third

party custodian which is subject to prudential supervision, and which should be unrelated to the provider of the collateral.

- 48.10** Non-cash collateral received should not be sold, re-invested or pledged.
- 48.11** Cash collateral received by the ACS may only be:
- 48.11.1 placed on deposit with an Approved Bank in accordance with paragraph 40;
 - 48.11.2 invested in high quality government bonds;
 - 48.11.3 used for the purposes of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the ACS is able to recall at any time the full amount of cash on an accrued basis;
 - 48.11.4 invested in short term money market funds as defined in the Guidelines on a Common Definition of European Money Market Sub-funds.
- 48.12** Reinvested cash collateral must be diversified in accordance with the diversification requirements applicable to non-cash collateral (i.e. it should be sufficiently diversified in terms of country, markets and issuers and the issuer concentration limit at paragraph 15.11).
- 48.13** The ACS Manager has in place a haircut policy adapted for each class of assets received as collateral which takes account of the characteristics of the assets such as credit standing and price volatility. Each decision to apply or refrain from applying a specific haircut in relation to collateral received is justified and documented by the ACS Manager. In addition, the ACS Manager also has in place a collateral policy for the ACS which includes details in relation to permitted types of collateral, level of collateral required and in the case of cash collateral, the reinvestment policy of the ACS including the risks arising from the reinvestment policy.
- 49. Collateral policy for OTC derivatives and for efficient portfolio management techniques**
- 49.1** Risk exposure to a counterparty to OTC derivatives and/or Efficient Portfolio Management techniques will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarised in this section. All assets received by the ACS on behalf of a Sub-fund in the context of Efficient Portfolio Management techniques are considered as collateral for the purpose of this section.
- 49.2** Where the ACS on behalf of a Sub-fund enters into OTC financial derivative transactions and/or Efficient Portfolio Management techniques, all collateral received by the Sub-fund must comply with the criteria listed in ESMA Guidelines 2012/832 in terms of liquidity, valuation, issuer credit quality, correlation, diversification, custody, risks linked to the management of collateral and enforceability.
- 49.3** The maximum exposure of a Sub-fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Sub-fund. Reinvested cash collateral will be diversified in accordance with this requirement.
- 49.4** Permitted types of collateral include cash and government bonds.
- 49.5** In respect of any Sub-fund which has entered into OTC derivatives and/or Efficient Portfolio Management techniques, investors in such Sub-fund may obtain free of charge, a copy of the annual report which will provide more detail of the type and amount of collateral received by the Sub-funds to reduce counterparty exposure.
- 49.6** The ACS will determine the required level of collateral for OTC derivatives and Efficient Portfolio Management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.
- 49.7** Collateral will be valued, and may be adjusted if necessary, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the ACS for each asset class based on its haircut policy. The policy takes into account, notably, the credit quality of the issuer of the collateral, price volatility and the result of liquidity stress tests carried out by the ACS under normal and exceptional liquidity conditions.
- 49.8** A Sub-fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the

cash collateral would reduce the amount of collateral available to be returned by the Sub-fund to the counterparty at the conclusion of the transaction. The Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-fund.

- 49.9** All revenues arising from securities lending, repurchase and reverse repurchase arrangements (if any) will be returned to the relevant Sub-Fund(s), net of direct and indirect operational costs and fees (which may be paid to an entity related to the ACS Manager). Currently, the direct and indirect operational costs of entering into securities lending, repurchase and reverse repurchase transactions amount to 25% of the revenue deriving from such transactions, meaning that 75% of the revenue resulting from such transactions is paid to the relevant Scheme.
- 49.10** The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2012/832 and/or any additional guidance issued from time to time by the FCA in relation to the above.

Appendix IV

Categories of Professional Clients as set out in the Markets in Financial Instruments Directive (Directive 2014/65/EU) and amending Directive 2002/92/EC and Directive 2011/61/EU (recast)

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:
 - (a) balance sheet total: EUR 20,000,000;
 - (b) net turnover: EUR 40,000,000; and
 - (c) 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.

Appendix V

Certificate of Eligibility

Dated:

We hereby certify that:

- (a) we are the trustee or other duly appointed representative acting on behalf of a pension fund which is authorised or registered in a European Economic Area State or elsewhere; or
- (b) an insurance company which is authorised or regulated in a European Economic Area State or elsewhere, investing in respect of unit linked funds of the insurance company which are restricted to pension fund investors;

and, in each case, which satisfies at least one of the following criteria:

- (i) is a professional ACS investor (being a person who is a professional client for the purpose of the Markets in Financial Instruments Directive);
- (ii) is a large ACS investor (being 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);
- (iii) is a person who already properly holds units in the ACS;

and (if appropriate)

- (c) our holding is registered in the name of a nominee and such nominee is:

.....

Signed:

Unitholder

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, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation** because of the ownership (whether current or previous) 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, unless the payment arises because of the negligence, fraud or wilful default of the party being indemnified.

To the extent the amount of the Taxation referred to in the previous paragraph is not so paid, we hereby indemnify the ACS Manager, the Depositary, the relevant Sub-fund, the Unitholders and former Unitholders and any of the other persons mentioned affected by such Taxation in relation to all such amounts of 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 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.

Finally, we acknowledge that the ACS Manager, or the Depositary as the case may be, shall have the right to deduct and set off the amount of such Taxation from any income distributed to us in relation to Sub-Funds in which we own Units, or accumulated on any Units owned by us or reflected in the price of 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 the provisions of the ACS Deed and the Prospectus, compulsorily redeem any of our Units and may use the proceeds of such redemption to pay any relevant Taxation.

** "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, 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.

Signed:

Beneficial owner

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, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation** because of the beneficial ownership (whether current or previous) 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, unless the payment arises because of the negligence, fraud or wilful default of the party being indemnified.

To the extent the amount of the Taxation referred to in the previous paragraph is not so paid, we hereby indemnify the ACS Manager, the Depositary, the relevant Sub-fund, the Unitholders and former Unitholders and any of the other persons mentioned affected by such Taxation in relation to all such amounts of 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 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.

Finally, we acknowledge that the ACS Manager, or the Depositary as the case may be, in relation to the Sub-fund 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 or reflected in the price of 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 the provisions of the ACS Deed and the Prospectus, compulsorily redeem any of our Units owned through a nominee and may use the proceeds of such redemption to pay any relevant Taxation.

** "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, 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.

Signed:

Beneficial owner

Appendix VI

Past Performance Tables and Investor Profile

Past performance is not indicative of future performance. Please note that the price of Units and the income from the funds may go down as well as up and may be affected by changes in rates of exchange.

Percentage Growth 2019

	2019	
	Fund %	Index %
State Street ACS North America Index Equity Fund	26.22%	26.46%
State Street ACS Japan Index Equity Fund	n/a	n/a
State Street ACS Multi-Factor Global ESG Index Equity Fund	19.84	19.65

Figures shown are net of any management charges set out in this Prospectus.

Source of performance data: State Street Global Advisors Limited

Appendix VII

List of other authorised collective investment schemes operated by the ACS Manager

The ACS Manager is also the authorised fund manager of the following authorised unit trusts:

- State Street Europe ex UK Equity Tracker Fund
- State Street North America Equity Tracker Fund
- State Street Japan Equity Tracker Fund
- State Street Asia Pacific Ex-Japan Equity Tracker Fund
- State Street UK Equity Tracker Fund

Appendix VIII

Directory

ACS Manager:

State Street Unit Trust Management Limited
20 Churchill Place
Canary Wharf
London E14 5HJ

Depository:

HSBC Bank plc
8 Canada Square
London E14 5HQ

Administrator:

State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Investment Manager:

State Street Global Advisors Limited
20 Churchill Place
Canary Wharf
London E14 5HJ

Registrar and Transfer Agent:

State Street Global Advisors Limited
20 Churchill Place
Canary Wharf
London E14 5HJ

Legal Advisers to the ACS:

Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Auditors:

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

Appendix IX

Sub-custodians used by the Custodian

Market	Sub-custodian
Austria	DEUTSCHE BANK AG
Australia	HSBC BANK AUSTRALIA LIMITED
Belgium	DEUTSCHE BANK AG
Canada	STATE STREET TRUST COMPANY CANADA
Denmark	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Germany	CLEARSTREAM BANKING AG
Finland	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
France	DEUTSCHE BANK AG
Hong Kong	STANDARD CHARTERED BANK (HONG KONG)
Ireland	STATE STREET BANK AND TRUST COMPANY
Israel	BANK OF HAPOALIM
Italy	DEUTSCHE BANK S.P.A.
Japan	MIZUHO BANK, LTD. (CUSTODY)
The Netherlands	DEUTSCHE BANK AG
New Zealand	HONGKONG AND SHANGHAI BANKING CORPORATION
Norway	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Portugal	DEUTSCHE BANK AG,
Singapore	CITIBANK,N.A.
Spain	DEUTSCHE BANK SOCIEDAD ANONIMA ESPA
Sweden	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Switzerland	CREDIT SUISSE (SCHWEIZ) AG
United Kingdom	STATE STREET BANK AND TRUST COMPANY
United States	DEPOSITARY TRUST AND CLEARING CORPORATION