
PROSPECTUS

State Street Europe ex UK Equity Tracker Fund (PRN: 436718)

State Street North America Equity Tracker Fund (PRN: 436719)

State Street Japan Equity Tracker Fund
(PRN: 436720)

State Street Asia Pacific Ex-Japan Equity Tracker Fund (PRN:
436722)

State Street UK Equity Tracker Fund
(PRN: 428242)

14 November 2019

Important Information

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the 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 any Scheme 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 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.

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.

Units in the Schemes 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 Schemes have 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 relevant Trust Deed are binding on each of the Unitholders and a copy of the relevant Trust Deed is available on request from the Manager.

This Prospectus has been issued for the purpose of section 21 of the FSMA by the Manager. This Prospectus is based on information, English law and practice at the date hereof. The Manager shall not be bound by an out of date Prospectus when it has issued a new Prospectus and investors should check with the 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 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 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 in a Scheme, each Unitholder is agreeing to provide such information upon request at any time from the Manager or its delegate. The 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 Manager with the information the 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 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 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 Adviser and the 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.

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1. INTRODUCTION

This is the Prospectus of 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 and State Street UK Equity Tracker Fund, valid as at 14 November 2019. This Prospectus has been prepared in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

2. DEFINITIONS

Accumulation Unit means a Unit in respect of which income of the relevant Scheme is not distributed;

ADR means American depositary receipts;

Associate is as defined in the glossary to the FCA Handbook;

Business Day means Monday to Friday except for a bank holiday in England and Wales or any other day on which the London Stock Exchange is closed;

Custodian means 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 Day means any Business Day except for (i) the last Business Day before Christmas or (ii) any other days when the Manager considers that a significant proportion of the underlying markets in which the Scheme is invested are closed or (iii) in exceptional circumstances, any other day at the Manager's discretion;

Depositary means means HSBC Bank plc;

FCA means the Financial Conduct Authority;

FCA Handbook means the FCA Handbook of Rules and Guidance made by the FCA pursuant to the Financial Services and Markets Act 2000, as amended or re-issued from time to time;

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

GDR means global depositary receipts;

Index Provider in relation to a Scheme, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the relevant Key Investor Information Document;

Investment Adviser means State Street Global Advisors Limited;

IOSCO means the International Organisation of Securities Commissions;

Lending Agent means State Street Bank and Trust Company, London Branch;

Lending Scheme means a Scheme that permits securities lending, as listed in Appendix II – Lending Schemes;

Manager means State Street Unit Trust Management Limited and, where the context so requires, any authorised delegate of the Manager;

Net Asset Value means the value of the relevant Scheme property less the liabilities of the relevant Scheme;

OECD means the Organisation for Economic Co-operation and Development;

Privacy Statement means the privacy statement adopted by the Manager as amended from time to time. The current version is available on www.ssga.com

Prospectus means this document as amended or supplemented from time to time;

PRA means the Prudential Regulation Authority;

PRN means the product reference number attributed to each Scheme by the FCA;

Registrar means State Street Global Advisors Limited;

Regulations means 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;

Schemes means the State Street Europe ex UK Equity Tracker Fund, the State Street North America Equity Tracker Fund, the State Street Japan Equity Tracker Fund, the State Street Asia Pacific Ex-Japan Equity Tracker Fund and the State Street UK Equity Tracker Fund and **Scheme** means any one of them, as the context so requires;

Scheme Property means the scheme property of a Scheme or of all Schemes (as appropriate);

Sourcebook means the Collective Investment Schemes Sourcebook issued by the FCA as part of the FCA Handbook, as amended or re-issued from time to time, which shall, for the avoidance of doubt, not include the guidance or evidential requirements it contains;

Trust Deeds means the trust deeds constituting the Schemes as amended from time to time and **Trust Deed** means any one of them, as the context so requires;

Trustee means HSBC Bank plc;

UCITS means an Undertaking for Collective Investments in Transferable Securities;

UCITS Directive means the European directive (Directive EC/2009/65/EC) relating to undertakings for collective investment in transferable securities (as amended);

Unit or **Units** means a unit or units in the relevant Scheme (including, as the context may require, fractions of a unit);

Unitholder means a holder of Units; and

Valuation Point means the time, whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the relevant Scheme property for the purpose of determining the price at which Units may be issued, cancelled or redeemed.

References to times in this Prospectus are to local times in London unless otherwise stated.

3. SCHEME DETAILS

The Schemes are authorised by the FCA with effect from 6 September 2005, except the State Street UK Equity Tracker Fund which is authorised by the FCA with effect from 5 April 2005. Please note that approval by the FCA in this context refers only to approval under FSMA and does not in any way indicate or suggest endorsement or approval of the Scheme(s) as an investment.

The Schemes each have an unlimited duration. The Schemes are authorised unit trusts and UCITS schemes. Each Scheme will be charged with the liabilities, expenses, costs and charges of that Scheme. Unitholders are not liable for the debts of the Schemes.

The base currency of each Scheme is Pounds Sterling.

4. THE MANAGER

The Manager of the Schemes is State Street Unit Trust Management Limited. It is a private limited liability company incorporated in England on 10 December 1991 with registered number 2669933 and with a share capital of £500,000 (which is fully paid up) and is authorised and regulated by the FCA in the conduct of its designated investment business as defined in the FCA Handbook. The Manager's registered office is 20 Churchill Place, Canary Wharf, London E14 5HJ.

The Manager's directors are Victoria Parry, Alex Castle and Nigel Wightman. The directors' principal business activities include acting as directors of other investment companies within (and other schemes managed by members of) the State Street group of companies which includes the Investment Adviser.

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

The Manager has appointed State Street Global Advisors Limited as the distributor of the Schemes 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 Schemes. The 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 Schemes.

Details of distributors can be provided by the Manager or State Street Global Advisors Limited upon request.

5. THE REGISTRAR

State Street Global Advisors Limited is the Registrar of the Schemes and is responsible for the maintenance of the registers of Unitholders. It will keep the registers at its office at 20 Churchill Place, Canary Wharf, London, E14 5HJ where they are open to inspection by Unitholders between 9:00am and 5:00pm on any Business Day.

6. THE AUDITORS

The auditors of the Schemes are PricewaterhouseCoopers LLP whose registered office is at 1 Embankment Place, London, WC2N 6RH.

7. INVESTMENT ADVISER

The Investment Adviser to the Schemes 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 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.

Pursuant to an agreement between the Manager and the Investment Adviser, the Investment Adviser has agreed to manage the assets of the Schemes on a discretionary basis. The terms of the agreement between the Investment Adviser and the Manager allow the Investment Adviser to sub-delegate the exercise of its investment management discretion.

8. DEPOSITARY

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 UCITS Legislation, The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015, Commission Delegated Regulation (EU) No. Commission Delegated Regulation (EU) of 17 December 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 Regulations, the Depositary has been appointed as depositary to the Schemes.

The Depositary, HSBC Bank plc, 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.

Duties

The Depositary provides services to the Schemes as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Legislation and the Regulations.

The Depositary's duties include the following:

- (i) Ensuring that the Scheme cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Units of the Schemes have been received.
- (ii) Safekeeping the Scheme Property, 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 Scheme are carried out in accordance with applicable law, the relevant Regulations and the Scheme's deed of trust.
- (iv) Ensuring that the value of the Units is calculated in accordance with applicable law, the relevant Regulations and the Scheme's deed of trust.
- (v) Carrying out the instructions of the Manager, unless they conflict with applicable law, the relevant Regulations and the Scheme's constitutional documents.
- (vi) Ensuring that in transactions involving the Scheme Property any consideration is remitted to the Scheme, as appropriate within the usual time limits.
- (vii) Ensuring that the Scheme income is applied in accordance with applicable law, the relevant Regulations and the Scheme's deed of trust.

The Depositary may delegate its safekeeping functions in relation to safekeeping of the Scheme Property, subject to the terms of the Depositary Services Agreement and with agreement of the 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 Schemes 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 Scheme for the loss of financial instruments of the Schemes which are held in its custody. The Depositary will not be indemnified out of the Scheme Property for the loss of financial instruments. 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, the Regulations or the relevant Regulations, the Manager will inform Unitholders of such changes without delay.

The Depositary has delegated to the Custodian the Scheme Property for safekeeping in accordance with the terms of written agreements between the Depositary and the Custodian. A list of sub-custodians used by the Custodian is contained in Appendix I. From time to time, custody of financial instruments comprising Scheme Property 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 Scheme 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 Scheme. The Depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Schemes, the Unitholders or the 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 Scheme and the 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 Schemes, or may have other clients whose interests may conflict with those of the Schemes, the Unitholders or the Manager.

In particular, HSBC Bank plc may provide foreign exchange services to a Scheme for which they are remunerated out of the property of the Scheme. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Scheme in question; provides broking services to the Schemes 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 Schemes 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 Schemes; 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 Manager or the relevant Scheme 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 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 delegations of the Depositary's safekeeping functions will be made available to Unitholders on request.

9. THE OBJECTIVES, POLICY AND PRINCIPAL STRATEGIES AND INVESTMENTS OF THE SCHEMES

9.1 Investment Objectives and Policy

The objectives of the Schemes are as follows:

- (a) State Street Europe ex UK Equity Tracker Fund: to replicate, as closely as possible and on a "gross of fees" basis, the return of the Europe ex UK equity market as represented by the FTSE Developed Europe ex UK Index, net of unavoidable withholding taxes (or its recognised replacement or equivalent);
- (b) State Street North America Equity Tracker Fund: to replicate, as closely as possible and on a "gross of fees" basis, the return of the North America equity market as represented by the FTSE North America Index, net of unavoidable withholding taxes (or its recognised replacement or equivalent);
- (c) State Street Japan Equity Tracker Fund: to replicate, as closely as possible and on a "gross of fees" basis, the return of the Japan equity market as represented by the FTSE Japan Index, net of unavoidable withholding taxes (or its recognised replacement or equivalent);
- (d) State Street Asia Pacific Ex-Japan Equity Tracker Fund: to replicate, as closely as possible and on a "gross of fees" basis, the return of the Asia Pacific ex-Japan equity market as represented by the FTSE Developed Asia Pacific ex Japan Index, net of unavoidable withholding taxes (or its recognised replacement or equivalent); and
- (e) State Street UK Equity Tracker Fund: to replicate, as closely as possible and on a "gross-of-fees" basis, the return of the United Kingdom equity market as represented by the FTSE All-Share Index (or its recognised replacement or equivalent).

The FTSE Developed Europe ex UK Index, FTSE North America Index, FTSE Japan Index, FTSE Developed Asia Pacific ex Japan Index and FTSE All-Share Index are each referred to as an "**Index**" in this Prospectus.

The Manager will seek to achieve the objective of each Scheme principally by investing in the shares of certain companies included from time to time in the Index of the relevant Scheme considered by the Investment Adviser to reflect accurately the performance of that Index. Each Scheme may also invest in transferable securities, money market instruments, warrants, units in collective investment schemes, deposits and derivatives. Each Scheme may invest in collective investment schemes managed or operated by companies in the same group as the Manager or the Investment Adviser.

9.2 Profile of typical investor

The Schemes are designed for, and available only to, institutional and individual investors who are professional clients or eligible counterparties for the purposes of the FCA Handbook.

9.3 Principal Investment Strategies

Generally, the Scheme will seek to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Scheme's performance and that of its applicable Index. The Scheme will seek to achieve this objective by using a replication strategy, a stratified sampling strategy or an optimisation strategy, as determined to be the most appropriate strategy for the Scheme by the Investment Adviser. The Key Investor Information Document will specify and describe the strategy the Scheme intends to use and provide details of where information on the Index tracked by that Scheme may be obtained. The following is a summary description of each of the replication strategy, optimisation strategy and stratified sampling strategy.

- Replication Strategy – this strategy seeks to hold all of the securities of the particular Index, with the approximate weightings as in that Index. Currently all of the Schemes apply a replication strategy.
- Optimisation Strategy – this strategy seeks to build a representative portfolio that provides a return comparable to that of the applicable Index. This strategy is used for certain equity index tracking Schemes when the Index is too broad to replicate (i.e., the Index contains too many securities to efficiently purchase) and/or the securities included in the Index are difficult to purchase in the open markets. Consequently, a Scheme using this strategy will typically hold only a subset of the securities included in the Index. Currently none of the Schemes apply an optimisation strategy.
- Stratified Sampling Strategy - this strategy seeks to build a representative portfolio that provides a return comparable to that of the applicable Index. This strategy is used for certain fixed income index tracking Schemes when the Index is too broad to replicate (i.e., the Index contains too many securities to efficiently purchase) and/or the securities included in the Index are difficult to purchase in the open markets. Consequently, a Scheme using this strategy will typically hold only a subset of the securities included in the Index. Currently none of the Schemes apply a stratified sampling strategy.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked by a Scheme will ordinarily require that Scheme to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Adviser will accordingly seek to rebalance the composition and/or weighting of the securities held by a Scheme from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of the Index. A Scheme may also, on occasion, hold securities which are not comprised in its Index where the Investment Adviser believes this to be appropriate in light of the investment objective and investment restrictions of the Scheme, or other factors. The potential for any such proposed investment by a Scheme will be disclosed in the Key Investor Information Document. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Scheme and the performance of the Index. For further details on the factors which may limit the ability of the Scheme to track the performance of an index exactly, Investors should also read the risk warning headed "Index Tracking Risk" in the section "Risk Characteristics of the Scheme". Information on the anticipated level of tracking error in respect of a Scheme can be found in the relevant Key Investor Information Document and information on the level of tracking error experienced by a Scheme will be contained in the most recent financial statements published by the Investment Adviser.

The Investment Adviser will rely solely on each Index Provider for information as to the composition and/or weighting of the securities that constitute each Index ("Index Securities"). If the Investment Adviser is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments. Because a passive investment strategy seeks to approximate an index return, the return will be determined by the return on the Index.

From time to time securities are added to or removed from the Index. The Manager may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index.

A Scheme may at times purchase or sell futures contracts on the Index or other indexes or securities, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index. Such a Scheme might do so, for example, in order to increase its investment exposure pending investment of cash in the securities comprising the Index or as part of an index replication strategy. Alternatively, a Scheme might use such instruments to reduce its investment exposure in situations where it intends to sell a portion of the

securities in its portfolio but the sale has not yet been completed. Use of futures or other derivatives allows a Scheme to be fully equitised while accommodating cash flows into and out of the Scheme and to equitise dividend receivables and other cash items to achieve closer tracking to the Index.

A Scheme's return may not match the return of the Index for a number of reasons. For example, there may be differences between withholding tax rates applicable to the Scheme compared to those used by the Index. In addition, the return on the securities and other investments selected by the Manager may not precisely match the return on the Index due to misweights and the substitution of securities or because the Index provider makes an error in the calculation of the Index which is not subsequently corrected or because the Index provider makes an error in the calculation of the Index which is incorporated into the Scheme and the Index provider then restates the Index. A Scheme incurs a number of operating expenses not applicable to the Index, and incurs costs in buying and selling securities and margin costs in connection with its derivatives investments. A Scheme may not be fully invested at times, as a result of cash flows into or out of that Scheme. The return on the sample of securities purchased by the Manager, or futures or other derivative positions taken by a Scheme, to approximate the performance of the Index may not correlate precisely with the return on the Index.

Because a Scheme seeks to achieve a return based on the return of the Index, it will continue to pursue the investment strategies described above, even during times when the Manager expects the level of the Index to decline.

Investors wishing to obtain more information about an Index, including information on the underlying components and weightings can obtain this at:

<http://www.ftse.com/products/indices/geis-series> and <http://www.ftse.com/products/indices/uk>

The Schemes are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of an Index (upon which a Scheme is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Scheme. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to the Investment Adviser or to its clients. The Index is calculated by FTSE or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

All rights in the Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

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.

9.4 Principal Investments

A Scheme will normally invest most of its assets in the shares of certain companies included from time to time in the Index of the relevant Scheme. That Scheme will not necessarily own all of the companies included in the Index. A Scheme may hold a portion of its assets in cash and cash instruments, including short-term investment vehicles managed by the Manager or an affiliate.

A Scheme may buy and sell equity-related futures contracts and options, and may enter into other exchange-traded and over-the-counter derivatives transactions, and a Lending Scheme may enter into securities lending agreements.

9.5 Liquidity

Cash or near cash will generally not be held by a Scheme unless this may reasonably be regarded as necessary in order to enable:

- the pursuit of that Scheme's investment objectives;
- the redemption of Units;
- the efficient management of that Scheme in accordance with its investment objectives;
- other purposes which may reasonably be regarded as ancillary to the objectives of that Scheme.

Normally no more than 10% of the value of the property of a Scheme will comprise cash or near cash, although in exceptional circumstances this level may be exceeded.

9.6 Qualification

The Manager's policy for achieving the investment objective of each Scheme includes ensuring that Units are and remain qualifying investments for the purpose of the Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) as amended, replaced or re-enacted from time to time.

9.7 Permitted types of property which may be included in the Schemes

(a) Transferable Securities and Approved Money Market Instruments.

These are transferable securities and money market instruments that are either admitted to or dealt in on an eligible market, as described below.

However, up to 10% in value of the property of a Scheme may be invested in transferable securities and approved money market instruments that do not meet these eligibility criteria.

Not more than 5% of the value of the property of a Scheme may normally be invested in transferable securities or money market instruments issued by any single body, but this limit may be increased to 10% of the value of the property of the relevant Scheme, provided that the total value of such securities exceeding the 5% limit does not exceed 40% of the value of the property of that Scheme. (Where it would be appropriate in relation to the investment objective of a Scheme to exceed the above limits recourse will normally be made to any available issue of another issuer which provides the required exposure).

Notwithstanding the preceding paragraph, (i) where the Manager considers it to be in the interests of a Scheme and (ii) provided the Index is sufficiently diversified, is a representative benchmark for the market to which it refers, and is published in an appropriate manner, **the Manager may invest up to 20% in value of that Scheme property in shares and debt instruments issued by the same body.** This limit may be increased up to 35% in value of Scheme property but only in respect of one body and where justified by exceptional market conditions.

Not more than 20% of the value of the property of a Scheme may be invested in transferable securities or money market instruments issued by the same group.

A Scheme will not acquire more than 10% of the non-voting securities issued by a body corporate, more than 10% of the debt securities issued by any single body or more than 10% of the money market instruments issued by a single body.

Neither the Manager nor a Scheme will acquire transferable securities carrying voting rights issued by a body corporate if the acquisition, together with the aggregate of such securities already held by other authorised unit trusts managed by the Manager, enables the Manager to exercise or control 20% or more of the voting rights of the body corporate so as to have the power significantly to influence the body corporate's conduct of business.

Eligible Securities and Derivatives Markets

Markets which are regulated markets (as defined for the purposes of the FCA Handbook) or which are markets established in any EEA State which are regulated, operate regularly and are open to the public are deemed to be eligible markets under the Sourcebook. In addition, any securities or derivatives market may be treated as eligible where the Manager, after notification to and consultation with the Trustee, decides that the market is appropriate for investment of or dealing in the property of the relevant Scheme. The Trustee must have taken reasonable care to determine that adequate custody arrangements can be provided for the investments dealt on such markets and that all reasonable steps have been taken by the Manager in deciding whether that market is eligible. Any such market may not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and allows the unimpeded transmission of income or capital to investors.

The Manager has decided after consultation with and notification to the Trustee, that the following markets shall be treated as eligible markets:

1. A stock exchange or market in Australia, Canada, Japan, New Zealand, Norway, Singapore, Switzerland, United States of America, Iceland, Hong Kong and Korea, which is regulated, operating regularly, recognised

as a market or exchange or as a self-regulating organisation by a regulator, is open to the public and is adequately liquid.

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.

(b) Warrants and Nil Paid and Partly Paid Securities

Warrants are transferable securities that can be converted into further transferable securities at a predetermined price.

Warrants may only be included in the property of a Scheme if (on certain assumptions) it is reasonably foreseeable that the right conferred by the warrant could be exercised by that Scheme without contravening certain rules in the Sourcebook.

A transferable security on which any sum is unpaid may only be included in the property of a Scheme if it is reasonably foreseeable that the amount of any call for the unpaid sum could be paid by that Scheme at the time when payment is required without contravening certain rules in the Sourcebook.

Warrants may be denominated in currencies other than the base currency of the relevant Scheme, and should a Scheme hold warrants that are so denominated, an element of risk in these currencies may be imported into the relevant Scheme.

Not more than 5% in value of the property of a Scheme may consist of warrants.

(c) Other Transferable Securities

Not more than 10% in value of the property of a Scheme may consist of transferable securities which are not approved securities. Approved securities are transferable securities which are admitted to official listing in an EEA State, or are traded in or under the rules of an eligible securities market (see *Eligible Securities and Derivatives Markets* above).

(d) Units in Collective Investment Schemes

Units in collective investment schemes which either:

- (i) meet the conditions necessary to enjoy the rights conferred by the UCITS Directive; or
- (ii) are recognised under the provisions of section 270 of the Financial Services and Markets Act 2000; or
- (iii) are non-UCITS retail schemes or schemes authorised in another EEA state which meet certain criteria under the UCITS Directive; or
- (iv) are authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - (A) signed the IOSCO Multilateral Memorandum of Understanding and;
 - (B) approved the scheme's management company, rules and depositary/custody arrangementsand which meet certain criteria under the UCITS Directive.

Up to 10% of the property of a Scheme may consist of units in other collective investment schemes. These collective investment schemes may be UCITS schemes or other collective investment schemes which are not UCITS schemes. To be eligible for investment, the terms of any collective investment scheme must prohibit more than

10% of its assets consisting of units in other collective investment schemes. A Scheme will not acquire more than 25% of the units of a collective investment scheme.

Subject to the rules in the Sourcebook the property of a Scheme may be invested in collective investment schemes which are managed or operated by (or if it is an Investment Company with Variable Capital, has as its Authorised Corporate Director) the Manager or an Associate of the Manager.

Investment may only be made in other collective investment schemes where the maximum annual management charge does not exceed 2%.

(e) Deposits

Deposits with an approved bank (as defined for the purpose of the Sourcebook) which are repayable on demand or have the right to be withdrawn, and which mature in no more than 12 months.

Not more than 20% of the value of the property of a Scheme may be deposited with a single body.

(f) Derivatives

Subject to compliance with the rules in the Sourcebook, the Manager may consider entering into derivative transactions for the purpose of meeting the investment objectives of a Scheme. Such transactions will principally be in futures and contracts for differences which, in the Manager's reasonable opinion, are appropriate in light of the investment objectives and policy of the relevant Scheme and the terms of this Prospectus. The Manager does not expect the use of derivatives to have a significant effect on the risk profile of a Scheme.

A Scheme may invest in derivatives and forward transactions as part of its investment policy provided its global exposure relating to derivatives and forward transactions held in the Scheme does not exceed the Net Asset Value of the Scheme's property; and the Scheme's exposure to the underlying assets does not exceed the investment limits laid down in this Clause 9.7 and the FCA Handbook.

The Manager currently uses derivatives only for the purpose of efficient portfolio management and not for meeting the investment objectives of any of the Schemes.

(g) Efficient Portfolio Management

The Schemes may use Scheme property to enter into transactions for the purposes of efficient portfolio management ("**EPM**"). Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve the Lending Schemes entering into securities lending transactions. The Manager must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates); or (ii) the reduction of the relevant costs; and/or (iii) the generation of additional capital or income for the Schemes with a risk level which is consistent with the risk profile of the Scheme and the risk diversification rules laid down in the FCA Handbook.

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

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

The Lending Schemes receive collateral in relation to securities lending transactions and section 16 of the Prospectus provides details of the collateral that is accepted in relation to such transactions.

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

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

(h) Other Investment limits

Not more than 20% of the value of the property of a Scheme may be invested in any combination of two or more of the following:

(i) transferable securities or money market instruments issued by; or

(ii) deposits made with; or

(iii) exposures from OTC derivatives transactions made with;

a single body.

(i) Calculation of global exposure

The Manager must calculate the global exposure of each Scheme on at least a daily basis. The Manager must calculate the global exposure of any Scheme it manages either as:

(a) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in the Sourcebook), which may not exceed 100% of the net value of the Scheme's property; or

(b) the market risk of the Scheme's property.

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.

The Manager must calculate the global exposure of a Scheme by using the commitment approach or the value at risk approach. The Manager must ensure that the method selected is appropriate, taking into account the investment strategy pursued by the Scheme, the types and complexities of the derivatives and forward transactions used, and the proportion of the Scheme property comprising derivatives and forward transactions. The Manager currently calculates the global exposure of a Scheme using the commitment approach.

Where a Lending Scheme employs stock lending transactions in accordance with paragraph 15 below in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

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

9.8 Borrowing

The Trustee may, on the instructions of the Manager, borrow from an eligible institution or approved bank (as each is defined for the purposes of the Sourcebook) up to 10% of the value of the property of a Scheme. Such borrowing, which will be repayable out of the property of that Scheme, may only be on a temporary basis and must not be persistent. The duration of any borrowing must not exceed 3 months unless the Trustee so consents. Such consent may only be given by the Trustee on such conditions as appear to the Trustee to be appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

9.9 Supplemental information

The Manager will, upon request from a Unitholder, provide supplemental information as to:

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

9.10 Longer-term investment

The Schemes are designed and managed to support longer-term investment and active trading into or out of a Scheme is discouraged. Short-term or excessive trading into and out of a Scheme may harm performance by disrupting the investment management strategy and by increasing expenses. The Manager may at its discretion refuse to accept applications for, or conversion of, Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Schemes. For these purposes, the Manager may consider an investor's trading history in the particular Scheme or other funds managed by the Manager and accounts under common ownership or control.

9.11 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 Manager has adopted a benchmark contingency plan to set out the actions which the Manager would take in the event that a benchmark used by Scheme materially changes or ceases to be provided (the "**Benchmark Contingency Plan**"). Actions taken by the Manager under the Benchmark Contingency Plan may result in changes to the investment objectives or investment policies of a Scheme 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 Scheme, please refer to Clause 9.1, above.

10. CHARACTERISTICS OF UNITS IN THE SCHEMES

Currently only Accumulation Units are available in respect of each of the Schemes. The Manager may make other classes of Unit available in due course with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Class, a revised Prospectus will be prepared, setting out the details of each Class.

Holders of Accumulation Units are not entitled to be paid the income attributed to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Scheme. This is reflected in the price of an Accumulation Unit.

The register of Unitholders of each Scheme is conclusive evidence of the title to Units except in the case of any default in payment or transfer to the relevant Scheme of cash or other property due and the Trustee and the Manager are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Units.

Certificates will not be issued in respect of Units.

The interest of a Unitholder is that of a beneficiary under a trust.

The Trustee or the Manager may, at any time, convene a meeting of Unitholders. The Trustee must, on the request in writing of Unitholders registered as holding not less than one tenth in value of the Units in issue, convene a meeting of Unitholders. Subject to the rules in the Sourcebook, a meeting of Unitholders, duly convened, is competent to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the rules of the FCA.

A quorum at a meeting of Unitholders is two Unitholders present, in person or by proxy or, in the case of a body corporate, by a duly authorised representative. If a quorum is not present the meeting will stand adjourned and at the following

adjourned meeting, if a quorum is not present within 15 minutes from the appointed time for such meeting, one person present and entitled to be counted in a quorum will constitute a quorum.

At a meeting of Unitholders a resolution put to the vote will be decided on a show of hands unless a poll is demanded by the chairman, by the Trustee or by at least two Unitholders present in person or by proxy. The entitlement to vote at any meeting of Unitholders is in accordance with the Sourcebook. On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by its duly authorised representative has one vote. On a poll every Unitholder who is present in person or by proxy or (being a corporation) is present by its duly authorised representative has one vote for every undivided Unit and a further part of one vote proportionate to any fraction of an undivided Unit. A person entitled to more than one vote need not 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 first named in the register who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint Unitholders.

The Manager and any Associate may hold Units and are entitled to receive notice of and attend any meeting. However, the Manager is not entitled to vote or be counted in the quorum and its Units are not regarded as being in issue in relation to such meetings. An Associate of the Manager may be counted in the quorum and may only vote in respect of Units he holds on behalf of a person who, if himself the registered Unitholder, would be entitled to vote and from whom he has received voting instructions.

No objection may be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting will be valid for all purposes. Any such objection will be referred to the chairman of the meeting whose decision will be final and conclusive.

An instrument appointing a proxy must be in writing in any usual or common form or in any other form which the Manager may approve or in its absolute discretion accept (including as to how it may be signed or sealed). The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument appointing the proxy pursuant to the next following paragraph, failing which the instrument may be treated as invalid.

An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to or at the Manager's head office) within forty-eight hours prior to the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy will, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

A vote cast by proxy will not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of the title to the Units concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation has been received by the Manager at its head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

11. RISK CHARACTERISTICS OF THE SCHEMES

The following are important risk factors and potential investors should consider them before investing in a Scheme.

11.1 General

Each Scheme is designed as a long-term investment. A Scheme does not constitute a complete investment program. Due to the uncertainty in all investments, there can be no assurance that a Scheme will achieve its investment objective. A Scheme may lose money.

There are inherent risks in investment markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events and rumours. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive less than the original amount invested.

No asset or financial instrument will allow an Index to be automatically replicated and, in particular, a Scheme's ability to replicate its Index's performance may be further impeded in the event of a temporary unavailability of certain securities comprising that Index or because of exceptional circumstances that may distort the weightings of that Index. The changes made to Scheme property and the changing weightings of the relevant Index may bring about various transaction and other costs and the total return generated by investments in the securities comprising the relevant Index may be reduced because of certain costs and expenses that are not included in the calculation of the Index return.

It is important to note that past performance is not a guide to future returns or growth.

Investors will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

11.2 Charges (Management and other Charges)

Where appropriate, the Manager's initial charge and any other charges (if applicable) are added to the cost of Units. Hence Unitholders, having paid such charges, who redeem their Units in the short term may not (even in the absence of a fall in the value of the relevant Units) realise the original amount invested.

11.3 Conflicts of Interest Risk

The Manager or its affiliates may provide services to the Schemes, such as custodial, administrative, bookkeeping, and accounting services, transfer agency and shareholder servicing, securities lending and other services for which they will receive remuneration. A Scheme may enter into securities lending transactions and derivatives transactions with or through the Manager or one of its affiliates. A Scheme may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with the Manager, in which event that Scheme will bear a share of the expenses of those other pooled investment vehicles; those investment vehicles may pay fees and other amounts to the Manager or its affiliates, which might have the effect of increasing the expenses of that Scheme. It is possible that other clients of the Manager will purchase or sell interests in such other pooled investments at prices and at times more favourable than those at which a Scheme does so. There is no assurance that the rates at which that Scheme pays fees or expenses to the Manager or its affiliates, or the terms on which it enters into transactions with the 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 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 Manager may have an incentive to enter into transactions or arrangements on behalf of a Scheme 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 Manager or its affiliates will however be effected in accordance with the FCA Handbook.

The Manager and its affiliates serve as an investment adviser 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 Manager on behalf of a Scheme. In particular, the 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 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 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 a Scheme and other clients. Subject to the foregoing, (i) the 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 a Scheme; and (ii) the Manager may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for a Scheme 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 Manager and its affiliates may buy securities from or sell securities to a Scheme, if permitted by applicable law. These other relationships may also result in securities laws restrictions on transactions in these instruments by a Scheme and otherwise create potential conflicts of interest for the Manager.

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

The 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 Schemes or their Unitholders will be prevented. Should any such situations arise, the 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.

11.4 Counterparty Risk

Each Scheme will be subject to credit risk with respect to the counterparties with which it enters into derivatives contracts and other transactions. If a counterparty becomes insolvent or otherwise fails to perform its obligations, a Scheme may experience significant delays in obtaining a recovery in an insolvency, bankruptcy, or other reorganisation proceeding. Such a Scheme may obtain only a limited recovery or may obtain no recovery in such circumstances. Under applicable law or contractual provisions, including if a Scheme 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 Scheme 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 Scheme. Further, the Scheme 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 Scheme 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.

11.5 Currency Risk

Investments in companies from different countries are often denominated in different currencies. Changes in the values of those currencies relative to a Scheme’s base currency may have a positive or negative effect on the values of that Scheme’s investments denominated in those currencies. A Scheme may, but will not necessarily, invest in currency exchange contracts to reduce exposure to different currencies. These contracts may reduce or eliminate some or all of the benefit that a Scheme may experience from favourable currency fluctuations. The values of other currencies relative to a Scheme’s base currency fluctuate in response to, among other factors, interest rate changes, intervention (or failure to intervene) by national governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, and other political or regulatory developments. Currency values can decrease significantly both in the short term and over the long term in response to these and other developments.

11.6 Custodial Risk

There are risks involved in dealing with the custodians or brokers who hold or settle a Scheme’s trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, a Scheme would be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets where the claim is for cash on deposit or in relation to assets where the segregation of client money has been ineffective. Affiliates of the Manager may serve as the custodian of a Scheme. See “Conflicts of Interest Risk.”

11.7 Depositary Receipts Risk

ADRs are typically trust receipts issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a foreign entity. GDRs and other types of depositary receipts are typically issued by non-U.S. banks or financial institutions and evidence ownership of underlying securities issued by either a U.S. or a non-U.S. entity. See “Overseas Investment Risk.” Depositary receipts may not necessarily be denominated in the same currency as their underlying securities, and a Scheme may be subject to the currency risk of an investment in both a depositary receipt itself and the underlying security. There may not be as much publicly available information regarding the issuer of the securities underlying a depositary receipt as if the underlying securities were traded directly certain other securities markets. Some depositary receipts are sponsored by the issuers of the underlying securities, while others are not. Information regarding issuers of securities underlying unsponsored depositary receipts may be even more limited than for sponsored depositary receipts.

11.8 Derivatives Risk

A Scheme’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 the 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. Derivative transactions can create investment leverage and may be highly volatile. Use of derivatives other than for hedging purposes may be considered speculative. When a Scheme invests in a derivative instrument, it could lose more than the principal amount invested. Many derivative transactions are entered into “over the counter” (not on an exchange or contract market); as a result, the value of such a derivative transaction will depend on the ability and the willingness of a Scheme’s counterparty to perform its obligations under the transaction. A liquid secondary market may not always exist for a Scheme’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 a Scheme’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 and Counterparty Risk.

11.9 Efficient Portfolio Management

As stated in Clause 9.7(g) of this Prospectus, a Scheme may enter into transactions for EPM purposes which may include entering into derivatives transactions and securities lending transactions.

It is not intended that entering into transactions for EPM purposes will increase the volatility of a Scheme. In adverse situations, however, a Scheme’s use of derivatives may become ineffective in hedging a risk and a Scheme may suffer significant loss as a result. A Scheme’s ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. Please also refer to Clause 11.26 below (“**Securities Lending Risk**”).

Any income or capital generated by EPM techniques will be paid to the relevant Scheme.

11.10 Emerging Markets Risk

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well-developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation, and social, political, and economic instability are greater in emerging markets than in more developed markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:

Fraudulent securities — Given the lack of an adequate regulatory structure it is possible that securities in which a Scheme invests may be found to be fraudulent.

Lack of liquidity — The accumulation and disposal of holdings may be more expensive, time-consuming, and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity, and significant price volatility.

Currency fluctuations — Significant changes may occur in the relative values of the currencies in which investments are denominated versus the base currency of a Scheme. These changes may impact the total return of that Scheme to a significant degree. It may not be possible to undertake currency hedging techniques in respect of certain emerging market currencies. Some emerging market countries have a higher risk of currency devaluations, and some of these countries may experience periods of high inflation or rapid changes in inflation rates.

Settlement and custody risks — Settlement and custody systems in emerging markets are not as well-developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement will be delayed and that cash or securities will be disadvantaged.

Investment and remittance restrictions — In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Scheme because, for example, the maximum permitted number of or aggregate investment by foreign shareholders has been reached. In addition, the outward remittance to foreign investors of their share of net profits, capital, and dividends may be restricted or require governmental approval.

Accounting — Accounting, auditing, and financial reporting standards, practices, and disclosure requirements applicable to companies in emerging countries differ from those applicable in more developed countries in respect of the nature, quality, and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to assess properly.

11.11 Equity Risk

The market prices of equity securities owned by a Scheme 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. A Scheme may invest in equity warrants, and the holding of warrants may result in increased volatility of that Scheme's Net Asset Value per share. A Scheme may continue to accept new subscriptions and to make additional investments in equity securities even under general market conditions that the Manager views as unfavourable for equity securities.

11.12 Geographic Concentration Risk

If, depending upon the strategy, a Scheme 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, that Scheme'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.

11.13 Index Tracking Risk

There is no guarantee that the investment objective of any Scheme will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly. Changes in the investments of any Scheme and re-weightings of the Scheme's Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Scheme's tracking of the performance of the Scheme's Index. Furthermore, the total return on investment in the shares held by a Scheme will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing a Scheme's investment portfolio may not be possible and may result in deviations from the return of the Scheme's Index.

In normal market conditions the targeted maximum level of tracking error for the Schemes is:

- State Street Europe Ex UK Equity Tracker Fund: 100 basis points per annum
- State Street North America Equity Tracker Fund: 100 basis points per annum
- State Street Asia Pacific Ex-Japan Equity Tracker Fund: 100 basis points per annum
- State Street Japan Equity Tracker Fund: 100 basis points per annum
- State Street UK Equity Tracker Fund: 100 basis points per annum

11.14 Investment Risk

Investment risk includes the possible loss of the entire principal amount that you invest. Your investment in a Scheme represents an indirect investment in the securities owned by that Scheme. The values of these securities may increase or decrease, at times rapidly and unexpectedly. Your investment in a Scheme may at any point in the future be worth less than your original investment.

11.15 Issuer Risk

The values of securities may decline for a number of reasons which directly relate to the issuers, such as, for example, management performance, financial leverage, and reduced demand for the issuer's goods and services.

11.16 Limited Investment Programme Risk

A Scheme is not intended to be a complete investment programme, but rather is intended for investment as part of a diversified investment portfolio. Investors should consult their own advisers as to the role of a Scheme in their overall investment programmes.

11.17 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 Scheme to value illiquid securities accurately. Also, a Scheme may not be able to dispose of illiquid securities readily at a favourable time or price or at prices approximating those at which that Scheme 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 Scheme's securities is restricted or compromised, the Manager has the ability and may deem it necessary to place restrictions or limit client redemptions from that Scheme or alternatively to process client redemption in-kind, partially in-kind or delay or postpone payment of redemptions.

11.18 Leveraging Risk

Certain transactions and the use of some derivatives can result in leverage. Leverage generally has the effect of increasing the amounts of loss or gain a Scheme might realise. The Investment Adviser will not borrow money or use derivatives for a Scheme in a manner that the Investment Adviser considers to have the purpose of creating investment leverage. Investments made by the Investment Adviser with the intention to hedge or reduce risk or to enhance a Scheme's correlation with the Index will not be considered to have been made for the purpose of creating investment leverage. It is possible that an investment pool in which a Scheme invests will make use of leverage, including investment leverage, either by borrowing money or through the use of derivatives.

11.19 Market Risk

Your investment in a Scheme will be affected by general economic conditions such as prevailing economic growth, inflation, and interest rates. For example, when economic growth slows, equity securities tend to decline in value; when interest rates rise, fixed income securities generally decline in value. Even if general economic conditions do not change, the value of your investment could decline if the particular industries, sectors, or companies in which that Scheme invests do not perform well or are adversely affected by events.

A Scheme 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 Scheme could be subject to losses especially after charges are deducted.

11.20 Overseas Investment Risk

If investments are made in securities denominated with different currencies to a Scheme's base currency, the value of that Scheme's assets may be affected favourably or unfavourably by currency exchange rates, exchange control regulations, and restrictions or prohibitions on the repatriation of currencies. Income and gains with respect to investments in certain countries may be subject to withholding and other taxes. There may be less information publicly available about companies in certain countries than in other countries and the accounting, auditing, and financial reporting standards and practices can differ significantly between countries. The securities of companies in certain countries may be less liquid and at times more volatile than securities of companies in other countries. In addition, there may be a possibility of nationalisation or expropriation of assets, imposition of currency exchange controls, confiscatory taxation, political or financial instability, and diplomatic developments that could adversely affect the values of a Scheme's investments in certain countries.

11.21 Risk of Investment in Other Pools

If a Scheme (the 'first Scheme') invests in another pooled investment vehicle, it is exposed to the risk that the other pool will not perform as expected. The first Scheme is exposed indirectly to all of the risks applicable to an investment in the other pool. The investment policies and limitations of the other pool may not be the same as those of the first Scheme; as a result, the first Scheme may be subject to additional or different risks, or may achieve a reduced investment return, as a result of its investment in another pool. Investors are also referred to the "Conflicts of Interest Risk" section.

11.22 Scheme Turnover Risk

Scheme turnover generally involves a number of direct and indirect costs and expenses to a Scheme, including, for example, brokerage commissions, dealer mark-ups and bid/offer spreads, and transaction costs on the sale of securities and reinvestment in other securities. Such costs have the effect of reducing a Scheme's investment return. Such sales may result in the realisation of taxable capital gains, including short-term capital gains.

11.23 Small Companies Risk

Small companies may offer greater opportunities for capital appreciation than larger companies, but they tend to be more vulnerable to adverse developments than larger companies, and investments in such companies may involve certain special risks. Such companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. In addition, such companies may have been recently organised and have little or no track record of success. Also, the Manager may not have had an opportunity to evaluate such newer companies' performance in adverse or fluctuating market conditions. The securities of small companies may trade less frequently and in smaller volumes than more widely held securities. The prices of these securities may fluctuate more sharply than those of other securities, and a Scheme may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, both of which can cause significant price volatility. Some securities of smaller issuers may be illiquid or may be restricted as to resale.

11.24 Sub-Underwriting Risk

If a strategy engages in sub-underwriting there is a risk that the relevant Scheme could be required to take up shares pursuant to that sub-underwriting because the underwriters cannot place all the rights issue shares. If a Scheme has also taken up new shares at the time of the rights issue then this could result in that Scheme being overweight in the share. If that Scheme then sells off the overweight share and the value is then less than the rights issue price that Scheme would crystallise a loss. Any agreement in respect of a Scheme to sub-underwrite is irrevocable and the underwriters will have discretion to extend the deadlines when certain conditions need to be complied with in order for that Scheme's sub-underwriting obligations to become effective.

11.25 Tax Risk

Investors' attention is drawn to the potential taxation risks as outlined in paragraph 21 (entitled "Taxation") below.

11.26 Securities Lending Risk

A Lending Scheme may participate in a securities lending program sponsored by State Street Bank and Trust Company for the purpose of lending the Lending Scheme's securities. If a Lending Scheme 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 Lending Scheme 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 Lending Scheme. The Lending Scheme'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 Lending Scheme 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 collateral, unfavourable market movements in the value of the collateral, a lack of liquidity in the market on which the collateral is traded, or a decline in the credit rating of the counterparty providing the collateral. If the relevant transaction with a counterparty is not fully collateralised, then the Lending Scheme'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 Lending Scheme were to lend its own securities without participating in the program.

11.27 Valuation Risk

For instruments that the Manager has fair valued (as described below in paragraph 12), there can be no assurance that such prices will accurately reflect the price a Scheme would receive upon sale of a security, and to the extent that Scheme sells a security at a price lower than the price it has been using to value the security, its Net Asset Value will be adversely affected. When a Scheme invests in other funds or investment pools, it will generally value its investments in those funds or pools based on the valuations determined by the funds or pools, which may not be the same as if the assets of the funds or pools had been valued using the procedures employed by that Scheme to value its own assets.

11.28 Client Assets Risk – Insolvency of Trustee

The Trustee has a duty to ensure that it safeguards and administers the Schemes' 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 Trustee or its agent for the purpose of creating Units in a Scheme, the Trustee or its agent will hold that money on deposit as banker and not as Trustee and therefore 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 Trustee will hold money for the purpose of buying investments or the proceeds of the sale of investments ("Scheme Money") as banker and not as Trustee. The Scheme Money will not therefore be protected under the Client Asset Rules. Moreover, with respect to handling the Schemes' property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the Schemes' property may not be protected under the Client Asset Rules. In the event that the Trustee 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.

12. VALUATION OF PROPERTY

12.1 General

Valuations of the property of a Scheme for the purpose of calculating issue and cancellation and sale and redemption prices will be carried out in accordance with the Sourcebook and the provisions of paragraph 12.2 below.

On the initial in specie transfer of assets into a Scheme the initial price of a Unit in that Scheme will be the mid-price.

The property of each Scheme will then be valued every Dealing Day at 10 p.m., except for the State Street UK Equity Tracker Fund which is valued every Dealing Day at 5 p.m.

On completion of each valuation the Manager will advise the Trustee of the prices of Units. The Manager will notify the Trustee daily of such prices and will publish them on its website at www.ssga.com.

For information as to Unit prices, see paragraph 20 below.

12.2 Determination of the value of the Schemes

The value of the property of a Scheme will be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

- (a) All the property of the relevant Scheme (including receivables) is to be included, subject to the following provisions.
- (b) 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) In the case of securities included in the relevant Index, the relevant Index's official close price for such securities;
 - (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 and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - (C) if, in the opinion of the 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 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 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 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 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 Manager and the Trustee;
 - (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 Manager and the Trustee;
 - (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 Manager and the Trustee.
- (e) In determining the value of the property of a Scheme, 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 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 property of the relevant Scheme 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 property of the relevant Scheme.
- (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 Manager that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

Notwithstanding the foregoing, the Manager may, at its discretion, use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value of a Scheme, 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.

12.3 Fair Value Pricing

The Manager may, in its absolute discretion and in circumstances where:

- (a) it believes that no reliable price for any part or all of the property of a Scheme exists; or
- (b) such price, if it does exist, does not reflect the Manager's best estimate of the value of such property of a Scheme,

value the property of the relevant Scheme or any part of the property of that Scheme at a price which, in its opinion, reflects a fair and reasonable price for that property in accordance with any policy for fair value pricing set out in the Prospectus.

The Manager is permitted to use fair value pricing in specific circumstances and pursuant to processes and methodologies that it must have notified to the Trustee. Examples of the circumstances in which the Manager might consider using fair value pricing include:

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

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

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

13. PAST PERFORMANCE

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 2014– 2018

	2014		2015		2016		2017		2018	
	Fund %	Index %	Fund %	Index %	Fund %	Index %	Fund %	Index %	Fund %	Index %
State Street Europe Ex UK Equity Tracker Fund	-0.53	-0.80	5.40	5.16	19.14	18.53	16.55	16.25	-9.47	-9.84
State Street North America Equity Tracker Fund	19.01	18.86	4.79	4.70	33.32	33.25	10.70	10.62	0.33	0.20
State Street Asia Pacific Ex-Japan Equity Tracker Fund	2.42	2.65	-3.53	-2.85	29.83	29.56	20.57	20.94	-8.98	-8.90
State Street Japan Equity Tracker Fund	2.13	2.41	17.00	17.24	22.16	22.27	13.89	14.08	-7.96	-7.89
State Street UK Equity Tracker Fund	1.15	1.18	0.87	0.98	16.56	16.75	12.91	13.10	-9.60	-9.47

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

Source of performance data: State Street Global Advisors Limited

14. ALLOCATION OF INCOME

14.1 Accounting Periods

The annual accounting period of each Scheme ends each year on 31 December (the accounting reference date) and the interim accounting period ends each year on 30 June.

14.2 Allocation

The amount available for allocation in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Scheme in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Scheme's auditors as appropriate) in relation to expenses, liabilities, taxation, income equalisation, 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.

The income of each Scheme available for allocation will be allocated, where there is only one class of Units in issue, to the holders of Units pro rata to the number of Units held by each Unitholder. Where there is more than one class of Unit in issue, the income of the relevant Scheme available for allocation will be allocated to each class of Unit in accordance with the number of undivided shares in the property of that Scheme that such class of Units represents. Income so allocated to a class of Units is then further allocated among the Unitholders of that class pro rata to the number of Units of that class held by each Unitholder.

The income of each Scheme available for allocation will be calculated within two months of the end of each accounting period, whether annually or half-yearly, as appropriate. The amount available for allocation in any accounting period is calculated in accordance with the allocation procedure set out above.

15. SECURITIES LENDING

Lending Schemes may enter into securities lending transactions subject to the conditions and limits set out in the FCA Handbook and the ESMA guidelines ESMA/2014/937, as these documents may be amended, supplemented or replaced from time to time. Securities lending transactions may be used for efficient portfolio management.

In a securities lending transaction, the lender makes a loan of securities to the borrower upon terms that require the borrower to return equivalent securities to the lender within a specified period and the borrower pays the lender a fee for the use of the securities during the period that they are on loan.

Each Lending Scheme may lend its portfolio securities via a securities lending program through an appointed securities Lending Agent, which is a member of the State Street group of companies, to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Participating in the securities lending program allows a Lending Scheme to receive the net income generated by lending its securities. Pursuant to the terms of the relevant securities lending agreement, the appointed State Street group entity Lending Agent is entitled to retain a portion of the securities lending revenue to cover all fees and costs associated with the securities lending activity, including the delivery of loans, the management of collateral and the provision of the securities lending indemnity and such fees will be paid at normal commercial rates. Investors should also read the risk warning headed "Securities Lending Risk" in the section "Risk Characteristics of the Schemes".

Any revenue arising from securities lending transactions will be returned to the relevant Lending Scheme net of direct and indirect operational costs and fees (which may be paid to an entity related to the Manager). Currently, the direct and indirect operational costs of entering into securities lending transactions including the fee of the securities Lending Agent amounts to 25% of the revenue deriving from such transactions, meaning that 75% of the revenue resulting from such transactions is paid to the relevant Lending Scheme.

Detailed information on this subject is available in each of the Lending Scheme's annual reports.

Subject to the following sentence, a Lending Scheme may only enter into securities lending transactions with counterparties which have a minimum short term credit rating of A-2 (Standard & Poor's), or equivalent from another internationally recognised ratings agency. Such transactions may be entered into with counterparties with a lower credit rating if the relevant Lending Scheme is, pursuant to the terms of the securities lending agreement, indemnified by State Street Bank and Trust Company against any shortfall between the value of realised collateral and the market value of replacement securities following a counterparty default and, additionally, State Street Bank and Trust Company maintains a short term credit rating of at least A-2 (Standard & Poor's) or equivalent from another internationally recognised ratings agency.

At present, up to 95% of each type of security held by each Lending Scheme may be lent.

The maximum proportion of the assets under management of each Lending Scheme that can be subject to securities lending transactions is 70%.

The expected maximum proportion of the assets under management of each Lending Scheme that, in practice, could be subject to securities lending transactions is 30%.

16. MANAGEMENT OF COLLATERAL AND COLLATERAL POLICY ("COLLATERAL MANAGEMENT POLICY")

- (a) In the context of OTC financial derivatives transactions and efficient portfolio management techniques, a Scheme may receive collateral with a view to reducing its counterparty risk. This section sets out the collateral policy applied by the Scheme in such case.
- (b) Collateral received by a Scheme may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and rules issued by the FCA from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:
 - (i) Any collateral received should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
 - (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
 - (iv) It should be sufficiently diversified in terms of country, markets and issuers, with a maximum exposure of 20% of the Scheme's net asset value to any single issuer on an aggregate basis, taking into account all collateral received; and
 - (v) It should be capable of being fully enforced by a Scheme at any time without reference to or approval from the counterparty.
- (c) Subject to the abovementioned conditions, collateral received by a Scheme may currently consist of:
- (i) Government securities issued by the US, UK, Germany, France, Canada, Belgium, Netherlands, Sweden, Japan and Switzerland or other OECD member states whose long-term ratings are at or above A- or equivalent by one or more internationally recognised rating agencies; and
 - (ii) Equity securities either admitted to official listing on a stock exchange in a Member State or non-Member State or which are traded on a market which is regulated, operating regularly, officially recognised and open to the public in a Member State or non-Member State. "Member State" means a member state of the European Union
- (d) Each Scheme will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this section 16 and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.
- (e) Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by a Scheme for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Scheme under normal and exceptional liquidity conditions. Depending on those factors, the haircut applied will be:
- Government bonds: at least 2%;
 - Equities: at least 5%.
- (f) Non-cash collateral received by a Scheme may not be sold, re-invested or pledged.

Until the expiry of a securities lending arrangement, collateral received must: (a) equal or exceed, in value, at all times, the value of the amount invested or securities loaned; (b) be transferred to the Scheme's custodian, or its agent; and (c) be capable of being fully enforced by the Scheme at any time without reference to or approval from the counterparty. The requirement at (b) in the preceding sentence is not applicable in the event that the Scheme uses tri-party collateral management services of international central securities depositories or relevant institutions which are generally recognised as specialists in this type of transaction, which are subject to prudential supervision and which are unrelated to the provider of the assets. Furthermore, notwithstanding the provisions of (b) in the preceding sentence, a Scheme may enter into securities lending programmes organised by generally recognised international central securities depositories systems provided that the programme is subject to a guarantee from the system operator. The Scheme's custodian must be a named participant to the collateral arrangements.

A Scheme must have the right at any time to terminate any securities lending agreement entered into by it, and to demand the return of any or all securities lent within five (5) Business Days or such other period as normal market practice dictates. Securities lending transactions do not constitute borrowing or lending for the purposes of the UCITS Regulations.

Details of the exposures obtained through efficient portfolio management techniques, the counterparties used, the type and amount of collateral received to reduce such exposures and any income and expenses, whether direct or indirect, generated by securities lending will be disclosed in the periodic reports of the Scheme.

- (g) A Scheme does not accept cash collateral.
- (h) If a Scheme receives collateral for at least 30% of its assets, it will put in place appropriate stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions to enable a Scheme to assess the liquidity risk attached to the collateral.

17. EQUALISATION

Included in the creation price of Units (on an offer basis) and in the cancellation price of Units (on a bid basis) and so reflected as a capital sum in the issue and redemption prices will be the value of income attributable to the Unit accrued since the record date for the last income allocation.

In accordance with the Trust Deeds, such capital sum will be the average amount of the accrued net income per Unit included in the creation price of Units purchased during the income allocation period or the actual amount of income included in the issue price of a Unit. Where different classes of Units are available, that capital sum will be calculated separately for each type of Unit.

Equalisation during any income allocation period applies only to Units purchased during that income allocation period.

18. CHARGES AND EXPENSES

18.1 Anti-Dilution Levy

The actual cost of purchasing, selling or switching underlying investments in the Schemes may deviate from the mid-market value used in calculating its Unit price, due to dealing charges, taxes, market impact and any spread between buying and selling prices of the Scheme's underlying investments. These dealing costs could have an adverse effect on the value of the Schemes, known as "dilution". In order to mitigate the effect of dilution, the FCA Handbook allows the Manager to make an anti-dilution levy on the purchase, redemption, or switch of Units in a Scheme. The anti-dilution levy is intended to mitigate the dilutive effect of Unitholder transactions on the future growth of the Schemes.

Upon the acquisition or redemption or switch of Units in a Scheme the anti-dilution levy will be applied in connection with the associated costs of acquisition or liquidation (as the case may be) of the underlying Scheme investments (except to the extent that the Manager is able to match an acquisition or redemption of Units against a corresponding redemption or acquisition of such Units). The Manager does not benefit from any anti-dilution levy because any such amount will be paid into the relevant Scheme. The Manager believes that the effect of any anti-dilution levy on the future growth of the Schemes will be neutral.

The anti-dilution levy is a separate charge of such amount or at such rate as is determined by the Manager to be made for the purpose of reducing the effect of dilution. It is calculated by reference to the costs of dealing in the underlying Scheme investments, including any dealing spreads, commission, market impact and transfer taxes on dealings.

As dilution is directly related to the inflows and outflows of monies from a Scheme, it is not possible to predict accurately the amount of the anti-dilution levy which will occur at any future point in time. Based on historical data, the Manager does not expect the anti-dilution levy to exceed 2% of the net asset value of the Units being acquired or redeemed. Based on historical data, the Manager may apply the anti-dilution levy daily.

The Manager, in its absolute discretion, may waive or reduce the anti-dilution levy. The Manager may alter its current dilution policy in accordance with the procedure set out in the FCA Handbook.

Further details regarding the indicative anti-dilution levy applicable for each Scheme are set out in the Scheme fact-sheets.

18.2 Management Charges and other Charges to be Borne by the Manager

The Manager is entitled to a management charge from each Scheme which will be deducted from the assets of each Scheme and which is calculated (and accrues) daily based on the value of the relevant Scheme as at the previous day (the "Management Charge"). The Management Charge is payable to the Manager monthly as soon as practicable after the end of each calendar month.

The Manager will be responsible for discharging, from the Management Charge it receives from each Scheme, the following costs and expenses of that Scheme:

- (a) the fees of the Investment Adviser;
- (b) the fees of the Trustee and the Registrar;
- (c) the fees of the entity (if any) to whom the Manager delegates activities relating to the promotion and administration of the Scheme;
- (d) the fees of the entity (if any) to whom the Manager delegates activities relating to the accounting and pricing functions of the Scheme;
- (e) the fees of the entity (if any) to whom the Trustee delegates activities relating to the custody of the property of the Scheme;
- (f) the fees and expenses relating to the establishment of the Scheme and the fees of the advisers to the Scheme in connection with its establishment;
- (g) any fees in respect of circulating details of the Net Asset Value of the Scheme and any class of Units (including publishing prices);
- (h) the fees and expenses of the auditors, tax, legal and other professional advisers of the Scheme;
- (i) the fees and expenses in connection with the distribution of Units and costs of registration of the Scheme in jurisdictions outside the United Kingdom;
- (j) the costs of printing and distributing the Prospectus, any supplements thereto, reports, accounts and any documents associated with the Scheme;
- (k) any costs incurred as a result of periodic updates of the Prospectus and any supplements, any change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law); and
- (l) the Manager's operating expenses.

The amount of the Management Charge for each Scheme will, in the case of the Accumulation Units, be as follows:

- State Street Europe ex UK Equity Tracker Fund: 25 basis points of the Net Asset Value of the Scheme;
- State Street North America Equity Tracker Fund: 20 basis points of the Net Asset Value of the Scheme;
- State Street Japan Equity Tracker Fund: 30 basis points of the Net Asset Value of the Scheme;
- State Street Asia Pacific Ex-Japan Equity Tracker Fund: 30 basis points of the Net Asset Value of the Scheme;
- State Street UK Equity Tracker Fund: 15 basis points of the Net Asset Value of the Scheme.

This amount is exclusive of any applicable value added tax. The Manager may not increase any charge it takes from the property of the Scheme unless it does so in accordance with the Sourcebook. The Manager may, in its sole discretion, from time to time effect rebates of the Management Charge to Unitholders. Such rebates may be reinvested in Units on behalf of those Unitholders from time to time.

18.3 Subscription and Redemption Charges

The Manager is entitled to charge a subscription and/or redemption charge up to a maximum of 5% of the value of the Units purchased or redeemed, as the case may be. Any such charge will be deducted from the proceeds for purchase (or of redemption) of any Units before delivery of the Units (or payment of the redemption proceeds) to the Unitholder (as the case may be). Where required, any changes to the levels of fees referred to above will be notified to Unitholders in accordance with the provisions of the Sourcebook.

18.4 Other Charges and Expenses

The Manager may pay out of the assets of each Scheme (where relevant, attributable to the relevant class of Units) the following charges and expenses attributable to that Scheme:-

- (a) stamp duties;
- (b) taxes (including value added tax (if any) on fees payable by the Scheme) and contingent liabilities as determined from time to time by the Manager;
- (c) rating fees (if any);
- (d) brokerage expenses, dealer commissions, margin costs, registration fees or other related or similar expenses of acquiring and disposing of investments;
- (e) any other fees and expenses relating to the operation of the Scheme or attributable to the property of the Scheme; and
- (f) those other expenses of the Scheme not payable by the Manager and referred to in paragraph 16.2 above.

Where an expense is not considered by the Manager to be attributable to any one class of Units, the expenses will normally be allocated, insofar as practicable, to all classes of Units of the relevant Scheme pro rata to their Net Asset Value. In the case of any fees or expenses of a regular or recurring nature, the Manager may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Any costs and expenses (including transaction costs and the fees of the securities Lending Agent) associated with entering into securities lending transactions are paid by the applicable securities Lending Agent out of the 25% retention from the revenue generated by the securities lending activity as set out in paragraph 15.

18.5 Third Party Research

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

19. ISSUE AND REDEMPTION OF UNITS IN THE SCHEMES

19.1 Issue of Units

Units in the Schemes may be purchased by completing, as appropriate, an initial application form or a subsequent subscription form, in each case in a format acceptable to the Manager and sending it for the attention of the Registrar at 20 Churchill Place, Canary Wharf, London E14 5HJ. In addition, the Manager may, at its discretion, accept applications for subscriptions by such other means as it deems appropriate, including by fax to the Registrar on +44 (0)20 7004 2952 between 9 a.m. and 5 p.m. on Business Days. Telephone calls may be recorded.

Investors may also submit initial applications or subsequent subscriptions via dealing platforms or other electronic means which have been approved by the Manager. Investors wishing to transact through a platform or via electronic means should contact the Manager for a list of approved platforms. Investors subscribing via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

In respect of the Schemes, except for the State Street Japan Equity Tracker Fund and the State Street Asia Pacific Ex-Japan Equity Tracker Fund, completed applications for Units must be received by the Registrar by 1 p.m. on a Dealing Day. Any applications received after 1 p.m. will be treated as having been received on the next following Dealing Day.

In respect of the State Street Japan Equity Tracker Fund and the State Street Asia Pacific Ex-Japan Equity Tracker Fund, completed applications for Units must be received by the Registrar by 1 p.m. on the Business Day immediately preceding a Dealing Day. Any applications received after 1 p.m. on the Business Day immediately preceding a Dealing Day will be treated as having been received on the next following Dealing Day.

Applications for Units will not normally be acknowledged but the Registrar will despatch a contract note normally no later than the Business Day next following the day in which falls the Valuation Point by reference to which the relevant Units price is calculated. Payment in full is due immediately on receipt of the contract note. Registration will take place after receipt of payment provided that:

- (a) the purchaser of Units has supplied the Manager with all such information about the proposed Unitholder and documents as the Manager may reasonably require for the purpose of verifying the identity of the applicant or his authority or status (including as required by any applicable anti money laundering laws, as referred to in paragraph 17.4 below) and as will enable the Trustee to register the holding;
- (b) the Manager has received the purchase price or other consideration for the issue of Units; and
- (c) any period during which the purchaser has a right to cancel the agreement to purchase Units has expired.

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

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is overdue and any loss arising on such cancellation shall be the liability of the applicant. The Manager is not obliged to issue Units unless it has received cleared funds from an investor.

Applicants who have received advice may have the right to cancel their application to buy Units at any time during the 14 days after the date on which they receive a cancellation notice from the Manager. If an applicant (except for those investors who subscribe through a regular savings plan) decides to cancel the contract, and the value of the investment has fallen at the time the Manager receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through a regular savings plan will be entitled to cancel their first subscription only; if a regular saver decides to cancel their contract within 14 days after the date on which they receive the cancellation notice then they will receive back the full amount of their initial subscription. The Manager may extend cancellation rights to other investors but is under no obligation to do so.

The minimum holding of Units in a Scheme is Units having a value of £1 million. If the value falls below this figure the Manager reserves the right compulsorily to redeem the holding.

The minimum initial investment in Units in a Scheme is Units having a value of £1 million and the minimum subsequent investment in Units in a Scheme is Units having a value of £100,000.

The Manager reserves the right to apply lower minima than those stated above.

On request, Units may also be purchased by application to the Manager on the same basis as above.

Limitations may be placed on the issue of Units where deemed by the Manager to be in the best interests of the relevant Scheme and/or its Unitholders.

19.2 Redemption of Units

Unitholders may redeem Units by completing a redemption form in a format acceptable to the Manager and sending it for the attention of the Registrar at 20 Churchill Place, Canary Wharf, London E14 5HJ. In addition, the Manager may, at its discretion, accept applications for the redemption of Units by such other means as it deems appropriate, including by fax to the Registrar on +44 (0)20 7004 2952 between 9 a.m. and 5 p.m. on Business Days. Any such redemption will be subject to the policies on pricing set out in this Prospectus.

Investors may also submit redemption requests via dealing platforms or other electronic means which have been approved by the Manager. Investors wishing to transact through a platform or via electronic means should contact the Manager for a list of approved platforms. Investors redeeming via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

In respect of the Schemes, except for the State Street Japan Equity Tracker Fund and the State Street Asia Pacific Ex-Japan Equity Tracker Fund, completed applications for the redemption of Units must be received by the Registrar by 1 p.m. on a Dealing Day. Any applications received after 1 p.m. will be treated as having been received on the next following Dealing Day.

In respect of the State Street Japan Equity Tracker Fund and the State Street Asia Pacific Ex-Japan Equity Tracker Fund, completed applications for the redemption of Units must be received by the Registrar by 1 p.m. on the Business Day immediately preceding a Dealing Day. Any applications received after 1 p.m. on the Business Day immediately preceding a Dealing Day will be treated as having been received on the next following Dealing Day.

A contract note and form for the redemption of the Units will be sent normally no later than the Business Day next following the day in which falls the Valuation Point by reference to which the relevant Unit price is calculated.

The proceeds of any redemption will normally be sent by way of bank transfer to the account of the redeeming Unitholder within two Business Days following the relevant Dealing Day following receipt by the Manager of the appropriate information and documents, which will usually be the duly completed redemption form but may include such other documents as the Manager may reasonably require for the purposes of verifying information and the identity of the Unitholder or of his authority or status.

In the absence of any instruction to the contrary, Units will be sold on a last in first out basis.

The minimum number of Units that may be redeemed at any one time in respect of a Scheme is Units to the value of £1 million as long as the minimum remaining holding of Units in that Scheme has a value of at least £1 million (unless the Manager agrees otherwise, at its sole discretion). If the value of the holding in a Scheme falls below £1 million the Manager reserves the right compulsorily to redeem the holding.

Redemptions that are due to take place at a Valuation Point may be deferred to the next Valuation Point where the requested redemptions exceed 10% of the value of the relevant Scheme. All Unitholders who have sought to redeem units at a particular Valuation Point and have had their redemptions deferred will have their Units redeemed at the next Valuation Point. All such redemptions will take place before and in priority to any requests for redemption which are due to take place at that next Valuation Point.

19.3 Miscellaneous

- (a) Unitholders are entitled to transfer their Units to another person or body in the form of an instrument of transfer approved by the Registrar. Currently, transfers of title may not be effected on the authority of an electronic communication.
- (b) The Manager is not obliged to issue Units to a person if the Manager has reasonable grounds, relating to the circumstances of the person concerned, for refusing to issue Units to him.
- (c) The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances which (i) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory and/or (ii) which would (or would if other Units were acquired or held in like circumstances) result in a Scheme incurring any liability to taxation 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) and, in this connection, the Manager may, inter alia, reject at its discretion any subscription for, sale, exchange or transfer of, Units and/or compulsorily redeem or cancel Units held by one or more Unitholders.
- (d) A purchase or sale of Units in writing and/or by other means acceptable to the Manager (including by telephone) is a legally binding contract.
- (e) The Manager, Trustee, any Associate of either of them, or any investment adviser or Associate thereof (an **affected person**) may become the owner of Units and hold, dispose of or otherwise deal with such Units without that person having to account to any other affected person or to the Unitholders or to any of them for any profits or benefits made by or derived from or in connection with any transaction.
- (f) The Manager is under no obligation to account to the Trustee or Unitholders for any profit it makes on the issue or re-issue of Units or on the cancellation of Units that it has redeemed.
- (g) The Manager may, with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, and in each case in accordance with the requirements of the FCA Handbook, suspend the issue, cancellation, sale and redemption of Units in a Scheme where, due to exceptional circumstances, it is in the interest of all the Unitholders to do so. The Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to

the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension. Where such suspension takes place, the Manager will publish sufficient details on its website or by other general means, 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 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 Manager and the Trustee 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 Manager may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units. In respect of instructions outstanding because of a suspension or given during a suspension, Unitholders wishing to withdraw such instructions must give written notice to the Manager before the first dealing point following the end of the suspension.

19.4 Anti-Money Laundering

Measures aimed towards the prevention of money laundering may require a detailed verification of the identity of existing Unitholders, applicants for and potential transferees of Units.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. Corporate applicants may be required to produce a certified copy of their certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent) and the names, occupations, dates of birth and residential and business addresses of all its directors.

The Manager reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager may take such action as it sees fit including refusing to accept the application and all subscription monies or, if Units have been issued, compulsorily redeeming such Units. It may also withhold redemption proceeds and approval of transfers of Units, as the circumstances warrant.

19.5 Subscription and Redemptions in Specie

Issue of Units in exchange for in specie assets

The Manager may, at its discretion, issue Units of any class by way of exchange for non-cash assets (*Investments*) provided that:

- (a) in the case of a person who is not an existing Unitholder in the relevant Scheme, no Units shall be issued until the person concerned shall have completed an application for Units as required under this Prospectus and satisfied all the requirements of the Manager as to such application;
- (b) the nature of the Investments to be transferred into the relevant Scheme are, in the opinion of the Manager, such as would qualify as investments of that Scheme in accordance with the investment objectives, policies and restrictions of that Scheme;
- (c) no Units will be issued until the Investments have been vested in the Trustee (or any entity appointed by the Trustee to provide custody of the relevant Scheme property); and
- (d) any exchange will be effected upon such terms (including provision for paying any expenses of exchange, any preliminary charge and any anti-dilution levy as would have been payable for Units issued for cash) as provide that the number of Units issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the relevant Scheme property,

but only if the Trustee has taken reasonable care to ensure that receipt or transfer out of the property concerned would not be likely to result in any material prejudice to the interests of Unitholders

In Specie redemptions and cancellations of Units

The Manager may, at its discretion, redeem or cancel Units of any class by way of delivery of Investments, provided that:

- (e) a redemption request has been completed and delivered as required by this Prospectus and otherwise satisfies all the requirements of the Manager as to such request;
- (f) the Manager, on receiving a redemption request from a Unitholder, elects (after having consulted with the Trustee) that instead of the Units being redeemed in cash, the redemption will be satisfied in specie by the transfer to the Unitholder of Scheme investments (and all liabilities attached thereto) provided that the value thereof does not exceed the amount which otherwise would have been payable on a cash redemption. Any shortfall between the value of the Scheme investments transferred (and all liabilities attached thereto) on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption will be satisfied in cash. Any decline in the value of the Scheme investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which the Scheme investments are delivered to the redeeming Unitholder will be borne by the redeeming Unitholder.

For the avoidance of doubt, the Manager will, at its discretion, be entitled to waive and/or decide not to enforce any of the requirements which it has imposed in this paragraph 19.5.

20. PRICES

The Manager deals at forward prices, that is to say, at the price ruling at the next Valuation Point following receipt of a request to issue or redeem Units in a form acceptable to the Manager. The Valuation Point for each Scheme will be 10 p.m. on each Dealing Day except for the State Street UK Equity Tracker Fund which is valued every Dealing Day at 5 p.m.

The Manager operates single pricing, which means that, subject to applicable charges (including the anti-dilution levy referred to in paragraph 18.1 above), both the issue and the redemption price of a Unit at a particular Valuation Point will be the same.

The price per Unit at which Units may be bought or sold is the Net Asset Value of the relevant Scheme attributed to that class calculated at the relevant Valuation Point divided by the number of Units of that class in issue at that time.

The Net Asset Value of each Scheme is allocated between each class of Unit in accordance with the number of undivided shares in the property of that Scheme represented by each class of Unit. Each Accumulation Unit represents an undivided share in the property of the relevant Scheme upon the initial issue of Accumulation Units.

The most recent buying and selling prices are published daily at www.ssga.com.

21. TAXATION

The following summary is intended to offer some guidance on the United Kingdom taxation of the Schemes and their Unitholders as at the date of this Prospectus. This should not be regarded as definitive and will not necessarily be updated in the event of changes to applicable tax laws. Investors should consult their professional advisers if in any doubt as to their tax position. The levels and bases of taxation may change in the future.

For United Kingdom tax purposes the income shown in the accounts of a Scheme as available for distribution or reinvestment will be treated as distributed, whether or not any actual distribution is made. The Schemes will be mainly invested in shares and so will pay dividend distributions.

No Stamp Duty Reserve Tax (“SDRT”) currently arises on the surrender (i.e. the redemption or switching) and transfers on the register of Unitholders.

21.1 The Schemes

Each Scheme is liable to corporation tax at the rate of 20% on its taxable income net of management expenses as if it was a company resident in the United Kingdom.

Distributions received from companies whether United Kingdom or non-United Kingdom (franked investment income) are normally exempt from corporation tax in the hands of a Scheme.

Credit is normally available for foreign withholding tax (to the extent that this cannot be recovered under the provisions of double taxation agreements) on income derived from non-United Kingdom investments against the United Kingdom corporation tax liability (if any) of a Scheme thereon.

Each Scheme, as an authorised unit trust scheme, is exempt from United Kingdom tax on capital gains realised by it on the disposal of its investments.

21.2 The Unitholder

Income

As explained above, for United Kingdom tax purposes the income shown in the accounts of a Scheme as available for distribution or reinvestment will be treated as distributed, whether or not any actual distribution is made. Accordingly, holders of Accumulation Units will be subject to United Kingdom taxation on their share of the income of a Scheme even though no part of that income is distributed to them.

The liability to United Kingdom income tax of an individual in respect of distributions from a Scheme is as follows:

	Nature of Payment	Nil Rate Taxpayer	Basic Rate Taxpayer	Higher Rate Taxpayer	Additional Rate Taxpayer
Dividend Distribution	Distribution	No liability	7.5% tax due on amount of distribution, subject to a tax-free dividend allowance of £2,000	32.5% tax due on amount of distribution, subject to a tax-free dividend allowance of £2,000	38.1% tax due on amount of distribution, subject to a tax-free dividend allowance of £2,000

The first distribution received by a new Unitholder may include an amount of equalisation. This is not part of the dividend distribution and is not taxable as income. Instead, it is a return of capital, and should be deducted from the cost of the units for the purposes of any capital gains computation in relation to the units. (See paragraph 17 above for further explanation of equalisation.)

Unitholders subject to United Kingdom corporation tax may receive dividend distributions as a mix of franked and unfranked income so as to reflect the nature of the income received by a Scheme (in which case the division will be indicated on the tax voucher relating to that distribution). Any part representing exempt dividends received from a company or other income not taxable in the Scheme will be treated as dividend income (that is franked investment income) and no further tax will be due on it. The remainder will be treated as an annual payment after deduction of income tax at the basic rate, and Unitholders subject to corporation tax may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of an income tax credit attached or be able to reclaim part of the tax deemed to have been deducted as shown on the tax voucher. The amount of the tax credit that can be offset or repaid will be shown on the tax voucher.

A Unitholder subject to taxation in a country other than the United Kingdom will generally not have any United Kingdom tax liability on the income.

Gains

Unitholders who are resident in the United Kingdom for tax purposes may be liable to capital gains tax or corporation tax on chargeable gains arising from the redemption, sale or other disposal of Units. Individuals will have a liability to capital gains tax on the sale or disposal of their Units if their total gains (less relief for any losses) from all sources exceed the exemption applicable for the tax year in which the sale or disposal takes place. Where any distribution is deemed to be paid to an individual Unitholder in respect of his Accumulation Units and is subject to tax in the Unitholder's hands as income as described above, the aggregate amount of such distributions should be treated as allowable expenditure for the purposes of calculating the Unitholder's chargeable gain on the redemption, sale or other disposal of such Units.

Individual Unitholders who are not resident in the United Kingdom in the tax year when they dispose of Units are not liable to capital gains tax or corporation tax on gains arising from the redemption, sale or other disposal of Units. Exceptionally, if they have been resident in the United Kingdom for any part of at least four of the previous seven tax years and become not resident for less than five tax years then they will be liable to tax on gains on the disposal while they are abroad of

assets owned before they left the United Kingdom. All such gains in the tax year of departure are chargeable in that year. Gains on such assets arising while they are away will be charged in the tax year when they again resume tax residence.

Corporate Unitholders who are not resident in the United Kingdom are not subject to corporation tax on gains arising from the redemption, sale or other disposal of Units, unless at the time of such disposal they carry on a trade in the United Kingdom through a permanent establishment and the Units are used in or for the purposes of the trade or are acquired by or for the purposes of the permanent establishment.

If, at any time in an accounting period of any United Kingdom corporation tax-paying Unitholder, more than 60% by market value of the relevant Scheme's investments are in "qualifying investments", such Unitholder must treat their holding as a creditor relationship subject to a fair value basis of accounting and any distributions received must be included in the computation of loan relationship credits and debits.

UK legislation implementing Agreements under the Global Standard on Automatic Exchange of Information to Improve International Tax Compliance (including "FATCA")

The UK has legislation to implement agreements which is now collected in the "International Tax Compliance Regulations 2015".

These regulations require the Schemes to maintain arrangements to identify reportable accounts and report to HM Revenue & Customs information in relation to reportable accounts (as there defined).

In accordance with intergovernmental agreements such information will be passed to relevant foreign tax authorities (for example the US Internal Revenue Service where the account holder is a US Person).

22. GENERAL INFORMATION

The Manager will issue a report to Unitholders no later than two months after the end of the relevant interim accounting period and no later than four months after the end of the relevant annual accounting period and will make available a report no later than two months after the end of the relevant interim accounting period and no longer than four months after the end of the relevant annual accounting period.

The following documents may be inspected free of charge between 9.00am and 5.00pm on every Business Day at the offices of the Manager at 20 Churchill Place, Canary Wharf, London E14 5HJ:

- (a) the most recent annual and half-yearly reports of each Scheme;
- (b) the most recent Prospectus; and
- (c) the Trust Deeds and any subsequent amending documents.

Unitholders may obtain copies of the above documents from the offices of the Manager.

23. COMPLAINTS

The Manager has established a procedure to investigate any complaints, a copy of which is available to you on request to the Manager. If you wish to make a complaint regarding the Manager, then this should be addressed to:

Compliance Officer
State Street Unit Trust Management Limited
20 Churchill Place
London
E14 5HJ

In the event you are not satisfied you may also have a right of complaint direct to the Financial Ombudsman Service.

24. NOTICES

Notices and documents will be sent (i) by post to Unitholders at their registered addresses or (ii) by electronic transmission ("email") at the last email address notified to the Manager.

25. WINDING UP

A Scheme may only be wound up as provided under the FCA Handbook. The Trustee will proceed to wind-up a Scheme:

- (a) if the order declaring the Scheme to be an authorised unit trust scheme is revoked; or
- (b) if the Manager or the Trustee requests the FCA to revoke the order declaring the Scheme to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs), that on the winding up of the Scheme the FCA will accede to that request; or
- (c) on the expiration of any period specified in the Trust Deed as the period at the end of which the Scheme is to terminate; or
- (d) on the effective date of a duly approved scheme of arrangement which is to result in the Scheme being left with no property.

If any of these events occur, Chapter 5 (Investment and Borrowing Powers), and Chapter 6 (in relation to dealing and valuation and pricing) of the FCA's Collective Investment Schemes Sourcebook, will cease to apply to the relevant Scheme. The Trustee will cease the creation and cancellation of Units except in respect of the final cancellation and the Manager will stop redeeming and selling Units. In the case of a scheme of arrangement, the Trustee will wind-up the Scheme in accordance with the approved scheme of arrangement.

In any other case, the Trustee will, as soon as practicable after the Scheme falls to be wound-up, realise the assets of the Scheme and after paying, or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement).

Any unclaimed net proceeds or other cash held by the Trustee after 12 months from the date the proceeds became payable will be paid by the Trustee into Court (or, in Scotland, as the court may direct), although the Trustee will have the right to retain any expenses incurred in making and relating to that payment.

On completion of the winding-up, the Trustee will notify the FCA in writing of that fact and the Trustee or the Manager will request the FCA to revoke the order of authorisation.

26. STRATEGY FOR EXERCISE OF VOTING RIGHTS

The Investment Adviser has a strategy for determining when and how voting rights attached to ownership of Scheme property are to be exercised for the benefit of each Scheme. A summary of this strategy is available on www.ssga.com. Details of the actions taken on the basis of this strategy in relation to each Scheme are available from the Investment Adviser on request.

27. BEST EXECUTION

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

28. INDUCEMENTS

The Manager will make disclosures in relation to inducements as required by the FCA Handbook. Further details of any such inducements in relation to distribution arrangements are contained in paragraph 4 and additional information may be obtained on request from the Manager.

29. REMUNERATION

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

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 Company.

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.
5. 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 Manager.

30. TELEPHONE RECORDINGS

Please note that the Manager and the Investment Adviser will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Scheme(s) or the management of the Scheme(s). The 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.

31. ADDITIONAL INFORMATION

Any person relying on the information contained in this Prospectus, which is current at the date shown, should check with the Manager that this document is the most current version and that no revisions have been made nor corrections published to the information contained in this Prospectus since the date shown.

This document is important and you should read all the information contained in it carefully. If you are in any doubt as to the meaning of any information contained in this document you should consult either the Manager or your independent financial adviser.

Each Scheme may invest in securities of which an issue or offer for sale was underwritten, managed or arranged by the Manager or an Associate of the Manager during the preceding twelve months.

Units are not available to residents of the United States of America.

Appendix I

Sub-custodians used by the Custodian

Market	Sub-custodian
Australia	HSBC BANK AUSTRALIA LIMITED
Austria	UNICREDIT BANK AUSTRIA AG
Belgium	DEUTSCHE BANK AG
Canada	STATE STREET TRUST COMPANY CANADA
Denmark	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Finland	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
France	DEUTSCHE BANK AG, NETHERLANDS
Germany	DEUTSCHE BANK AG
Hong Kong	STANDARD CHARTERED BANK (HONG KONG)
Ireland	STATE STREET BANK AND TRUST COMPANY
Italy	DEUTSCHE BANK S.P.A.
Japan	HONGKONG AND SHANGHAI BANKING CORPORATION
Japan	MIZUHO BANK, LTD.(CUSTODY)
Korea	HONGKONG AND SHANGHAI BANKING CORPORATION
The Netherlands	DEUTSCHE BANK AG
New Zealand	HONGKONG AND SHANGHAI BANKING CORPORATION
Norway	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Poland	BANK HANDLOWY W WARSZAWIE S.A
Portugal	DEUTSCHE BANK AG, NETHERLANDS
Singapore	CITIBANK,N.A.
Spain	DEUTSCHE BANK SOCIEDAD ANONIMA ESPA
Sweden	SKANDINAVISKA ENSKILDA BANKEN AB (SEB)
Switzerland	UBS SWITZERLAND AG
United Kingdom	STATE STREET BANK AND TRUST COMPANY
United States	STATE STREET BANK AND TRUST COMPANY

Appendix II

Lending Schemes

State Street Europe ex UK Equity Tracker Fund

State Street Asia Pacific Ex-Japan Equity Tracker Fund

State Street UK Equity Tracker Fund