



# THREADNEEDLE UK PROPERTY AUTHORISED TRUST

## Contents

Definitions.....	3
1. Details of the Trust.....	5
2. The structure of the Trust .....	5
3. Classes of Units .....	5
4. Investment objective, policy and other details of the Trust .....	6
5. Buying, selling and switching Units .....	6
6. Fees and expenses.....	12
7. Valuation of the Trust.....	15
8. Risk factors .....	17
9. Management and administration .....	21
10. Unitholder meetings and voting rights .....	24
11. Taxation .....	25
12. Winding up of the Trust.....	27
13. General information .....	28
Appendix I Eligible Securities and Derivatives Markets.....	34
Appendix II Investment Objectives and Policy of the Company .....	35
Appendix III Unit Class Characteristics – Unit Classes .....	37
Appendix IV Investment management and borrowing powers .....	38
Appendix V Valuation Provisions .....	39
Appendix VI Performance of the Trust Performance of the Trust.....	40
Directory .....	41

## **Important: if you are in any doubt about the contents of this Prospectus you should consult your financial adviser.**

**This Prospectus is intended for distribution in the United Kingdom only. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation. Potential investors should inform themselves about and observe the legal requirements within their own countries for the acquisition of Units of Threadneedle UK Property Authorised Trust and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities.**

Threadneedle Investment Services Limited, the manager and AIFM of the Trust (the 'Manager'), is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken reasonable care to ensure that it is the case) the information contained in it does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it. Threadneedle Investment Services Limited accepts responsibility accordingly.

## **Prospectus of Threadneedle UK Property Authorised Trust**

Threadneedle UK Property Authorised Trust (the 'Trust') is an authorised unit trust scheme for the purposes section 243(1) of the Financial Services and Markets Act 2000. This document constitutes the Prospectus for Threadneedle UK Property Authorised Trust (the 'Trust'), which has been prepared in accordance with the FCA Rules. The Trust Deed of the Trust is registered with the Financial Conduct Authority (the 'FCA'). The FCA product reference number for the Company is 599657.

This Prospectus is dated, and is valid as at, 1 August 2019.

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

No person has been authorised by the Trust or the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in the Prospectus and, if given or made,

such information or representations must not be relied on as having been made by the Trust or 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 the Trust have not changed since the date of the Prospectus.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Trust and the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

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 Trust's Trust Deed are binding on each of its Unitholders (who are taken to have notice of them).

This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 (the 'Act') by the Manager.

This Prospectus is based on information, law and practice at the date of the Prospectus. The Trust 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.

Copies of this Prospectus can be provided in large print or electronic format.

Units in the Trust are not available for offer or sale in any state in the United States, or to persons (including companies, partnerships, trusts or other entities) who are 'US Persons', nor may Units be owned or otherwise held by such persons. Accordingly, this Prospectus may not be distributed in the United States or to a US Person. The Manager reserves the right to give notice to any Unitholder that is or that subsequently becomes incorporated in the United States or to a US Person to (i) transfer the Units to a person that is not a US Person or (ii) request a redemption or cancellation of the Units and the Manager may redeem or cancel the Units if the Unitholder fails to make such transfer or request within 30 days of that notice provided by the Manager.

## Definitions

'Accumulation Units' means Gross Paying Units (of whatever Class) in the Trust as may be in issue from time to time in respect of which income allocated to them is credited periodically to capital pursuant to the FCA Rules.

'ACD' means Threadneedle Investment Services Limited, the authorised corporate director of the Company.

'AIFM' means the legal person appointed on behalf of the Trust, which (through this appointment) is responsible for managing the Trust in accordance with the AIFM Directive and the Alternative Investment Fund Managers Regulations 2013, which at the date of this Prospectus is the Manager.

'AIFM Directive' means the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time.

'Approved Bank' means one of certain institutions as defined in the glossary to the FCA Handbook.

'Business Day' shall constitute a "Dealing Day".

'Class' or 'Classes' means, in relation to Units (according to the context), a particular class or classes of Unit related to the Trust or all of the Units related to the Trust.

'Class' or 'Classes' in relation to Shares (according to the context) all of the Shares related to the Company or a particular class or classes of Share related to the Company.

'Class F' or 'Class F Gross Accumulation Shares' means Shares of the Company that have been designated specifically for investment by the Trust and which are available only for investment by it.

'COLL' means the appropriate chapter or rule in the FCA Rules.

'COLL Sourcebook' means the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.

'Company' means Threadneedle UK Property Authorised Investment Fund (FCA product reference number 599656).

'Custodian' means Citibank N.A.

'Dealing Day' means Monday to Friday excluding public and bank holidays in England and Wales and other days at the Manager's discretion.

'EEA State' means a member state of the European Union and any other state which is within the European Economic Area.

'Eligible Institution' one of certain credit institutions as defined in the glossary to the FCA Handbook.

'Eligible Unitholder' means a Unitholder or potential Unitholder who is eligible to invest in the appropriate Class.

'Efficient Portfolio Management' or 'EPM' means the use of techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way; and
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.

'FCA' means the Financial Conduct Authority or any successor organisation.

'FCA Handbook' means the FCA Handbook of Rules and Guidance, as amended from time to time.

'FCA Rules' means the rules contained in the COLL Sourcebook and the Investment Funds Sourcebook, as amended, published as part of the FCA Handbook which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in those Sourcebooks.

'Fraction' means a fraction of a Unit (which may not be less than one ten-thousandth of a Unit).

'Gross Paying Units' means Units (of whatever Class) in the Trust as may be in issue from time to time in respect of which income allocated to holders is credited (i) in the case of Accumulation Units credited periodically to capital, or (ii) in the case of Income Units distributed periodically to the holders thereof in either case in accordance with relevant tax law without any tax being deducted or accounted for by the Trust.

'Income Units' means Units (of whatever Class) in the Trust as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders pursuant to the FCA Rules.

'Investment Manager' means Threadneedle Asset Management Limited, the investment manager to the Manager.

'Investment Funds Sourcebook' means the Investment Funds Sourcebook issued by the FCA as amended from time to time.

'Manager' means Threadneedle Investment Services Limited, the manager of the Trust.

'near cash' means money, deposits or investments which, in each case, fall within the definition of "Near Cash" and/or "Money-Market Instrument" set out in the FCA Handbook.

'Net Asset Value' or 'NAV' means the value of the Scheme Property of the Trust less the liabilities of the Trust as calculated in accordance with the Trust's Trust Deed.

'Non-UCITS Retail Scheme' or 'NURS' means a scheme which is not construed in accordance with the UCITS Directive (a European directive relating to undertakings for collective investments in transferable securities which has been adopted in the UK) but which is authorised by the FCA and which is available to retail investors.

'PAIF' means an open-ended investment company or a sub-fund which is a Property Authorised Investment Fund, as defined in Part 4A of the PAIF Tax Regulations and the Glossary to the FCA Handbook. At the date of this Prospectus, the Company qualifies as a PAIF.

'PAIF Tax Regulations' means the Authorised Trusts (Tax) Regulations 2006 (SI 2006/964), as amended from time to time.

'Property' means all of the following terms that are used in the FCA Handbook or in the industry: "property", "real property", "real estate" and "immovables".

'Scheme Property' means the property of the Trust required under the FCA Rules to be given for safe-keeping to the Trustee.

'Shares' means a share or shares in the Company.

'Special Valuation Point' is the point at which the Manager carries out a valuation of the property of the Trust for the purposes of switches between the Trust and the Company. The Special Valuation Point is 12.02 p.m. UK time on a Dealing Day with agreement of the Trustee. Details of the Special Valuation Point will be available from the Manager on request.

'Switch' means the exchange of Units of one Class for Units of another Class.

'Trust' means Threadneedle UK Property Authorised Trust.

'Trust Deed' means the deed, as amended from time to time, between the Manager and Citibank International Limited effective 21 January 2015, and transferred to the Trustee pursuant to a restructuring event which took place under Directive 2005/56/EC on 1 January 2016.

'Trustee' means Citibank Europe plc, UK Branch, the trustee of the Trust.

'Unit' or 'Units' means a unit or units in the Trust. A unitholding may include a Fraction.

'Unitholder' means a holder for the time being of the Units.

'US Person' means, for the purposes of Foreign Account Tax Compliance Act, a US citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any State thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgements concerning substantially all issues regarding administration of the trust, and (ii) one or more US person has the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with sections 1471 to 1474 of the US Internal Revenue Code of 1986.

'Valuation Point' is the point, whether on a periodic basis or for a particular valuation, decided by the Manager, at which the Manager carries out a valuation of the property of the Trust for the purpose of determining the price at which Units of a Class may be issued, cancelled, sold or redeemed. The current Valuation Point is 12 noon UK time on each Dealing Day. Therefore if a request is received after the Valuation Point or the cut-off point relating to the Special Valuation Point, on a Dealing Day it will be dealt with at a price determined at the next Valuation Point. There is also a Special Valuation Point, details of which are provided at section 7.4.

Further details and explanations appear later in this document. Unless otherwise expressly provided, terms in this Prospectus have the meanings used in the FCA Rules.

## 1. Details of the Trust

- 1.1. THREADNEEDLE UK PROPERTY AUTHORISED TRUST is a unit trust authorised by the FCA with effect from 11 October 2013.
- 1.2. The Trust is a Non-UCITS Retail Scheme for the purposes of the FCA Rules and an alternative investment fund for the purposes of the AIFM Directive.
2. At the referendum held in June 2016, the United Kingdom voted to leave the European Union. The UK invoked Article 50 of the Lisbon Treaty to negotiate the exit from the European Union. There is a significant degree of uncertainty about how negotiations relating to the UK's withdrawal will be concluded, as well as the potential consequences and precise timeframe for this. The full scope of the changes and the consequences on the legal framework is currently not known.
3. A Unitholder's right in respect of the Trust as represented by its Units is that of a beneficial interest under a trust. Unitholders of the Trust are not liable for the debts of the Trust.
4. Head office of the Manager: Cannon Place, 78 Cannon Street, London EC4N 6AG.
5. Address for service: The head office is the address of the place in the United Kingdom for service on the Manager of notices or other documents required or authorised to be served on it.
6. Base currency: The base currency of the Trust is pounds sterling. Each Class is designated in pounds sterling.
7. The Manager makes the details of the target market for the Trust available on the website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). This will include the types of investor the Trust is targeted at, their knowledge and experience and risk tolerance. This information can also be obtained by contacting the Manager using the contact details set out in the Directory.

## 2. The structure of the Trust

- 2.1. The Trust is a standalone Non-UCITS Retail Scheme (NURS). The Trust will be managed so that it is a feeder fund for Threadneedle UK Property Authorised Investment Fund (the "Company"). The Company is an open-ended investment company constituted as a Non-UCITS Retail Scheme and which qualifies as a PAIF.
- 2.2. The operation of the Trust is governed by the FCA Rules together with the Trust Deed and this Prospectus.
- 2.3. A detailed statement of the general investment and borrowing restrictions in respect of the Trust is set out in Appendix IV. The eligible securities markets and eligible derivatives markets on which the Trust may invest are set out in Appendix I.
- 2.4. Where any changes are proposed to be made to the Trust the Manager will assess whether the change is fundamental, significant

or notifiable in accordance with COLL 4.3.R. If the change is regarded as fundamental, Unitholder approval will be required. If the change is regarded as significant, at least 60 days' prior written notice will be given to relevant Unitholders. If the change is regarded as notifiable, relevant Unitholders will receive suitable notice of the change.

- 2.5. This Trust will be managed so as to be eligible as an ISA investment for the purposes of the Individual Savings Account Regulations 1998 (as amended from time to time).

## 3. Classes of Units

- 3.1. Several Classes of Unit may be issued in respect of the Trust. The Classes of Unit presently available are contained in Appendix III. Subject to compliance with the FCA Rules, the Manager may create new Classes of Unit.
- 3.2. The Trust may make available Net Income Units and Net Accumulation Units. The types of Unit presently available are set out in Appendix III.
- 3.3. Holders of Net Income Units are entitled to be paid the income attributed to such Units on the relevant interim and annual allocation dates.
- 3.4. Holders of Net Accumulation Units are not entitled to be paid the income attributable to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Trust on the relevant interim and/or annual allocation dates. The price of Net Accumulation Units increases to reflect this.
- 3.5. The Classes attract different charges and expenses so monies may be deducted from Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within the Trust will be adjusted accordingly. Typically, Class 1 Units are available to retail investors and Class 2 Units are available to non-retail investors.
- 3.6. Unitholders are entitled (subject to certain restrictions) to Switch all or part of their Units in a Class for Units in another Class for which they are eligible. Details of this switching facility and the restrictions relating to it are set out in the section of this Prospectus with the heading "Buying, selling and switching Units".
- 3.7. Units are not currently listed on any investment exchange.
- 3.8. The Manager may, at any time in the future, decide to limit the issue of Units in respect of a Trust or one or more particular Unit Classes of the Trust if the Manager is of the opinion that it is appropriate to do so. The Manager will notify Unitholders if it makes such a determination, setting out the reasons for so limiting the capacity of the Trust or Unit Class. The reasons may include situations where, for example, the Manager considers that substantially all of the subscriptions relating to a Dealing Day, if accepted, could not be efficiently invested; could not be invested without compromising the

investment objectives and policies of the Trust; or might materially prejudice the interests of existing Unitholders.

## 4. Investment objective, policy and other details of the Trust

### 4.1. Investment objective and policy

- 4.1.1. It is intended that the Trust be a feeder fund for the Company at all times. At the date of this Prospectus, the Company, an open-ended investment company, is constituted as a Non-UCITS Retail Scheme and qualifies as a PAIF.
- 4.1.2. The objective of the Trust is to obtain a total return based on income and capital appreciation by investing solely in the Company.
- 4.1.3. The investment policy of the Trust means that it may be appropriate for the Trust to hold cash or near cash where the Manager reasonably regards it to be necessary to enable the pursuit of the Trust's objective, redemption of Units, efficient management of the Trust in accordance with its objective, or for purposes ancillary to its objective.
- 4.1.4. The investment objective and policy of the Company are set out in Appendix II.

### 4.2. Other Information

- 4.2.1. **The following benchmarks are currently used as a point of reference against which the Trust's performance may be compared:**
  - 4.2.1.1. **Peer Group: Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups). The Trust is currently included in the IA Direct Property sector**
  - 4.2.1.2. **Index: The MSCI UK Monthly Property Index is a performance benchmark of directly held UK property investment measuring total returns from one valuation to the next for currently more than 2,000 property investments.**
- 4.2.2. A detailed description of the investment management and borrowing provisions of the Trust are set out in Appendix IV.
- 4.2.3. Currently the Trust invests in Class F Gross Accumulation Shares of the Company.

### 4.3. Investor profile

The Trust may be suitable for investors with a medium to long-term investment horizon (i.e. more than 5 years) seeking growth and income in the property market who are prepared to tolerate large price fluctuations. If investors are uncertain if the Trust is suitable for them, they are advised to contact a financial adviser.

### 4.4. Risk factors

- 4.4.1. Investors should note the section of this prospectus with the heading "Risk factors" in terms of risks applicable to investing in the Trust.
- 4.4.2. The sole investment of the Trust is Shares in the Company. If the value of the Company declines, or is otherwise adversely affected, this will have an adverse effect on the value of the Trust. The key risks affecting the Company are set out in Appendix II.
- 4.4.3. Potential investors should note that capital is at risk and submissions for Units should be made with a medium to long-term investment horizon, although there is no guarantee that the Trust will achieve a positive return over that specific, or any, time period.

## 5. Buying, selling and switching Units

### 5.1. General

- 5.1.1. The dealing office of the Manager is open from at least 8 a.m. until at least 6 p.m. UK time on each Dealing Day to receive requests for the issue, redemption and switching of Units.
- 5.1.2. Prices for the Trust are calculated every Dealing Day at 12 noon UK time. Units in the Trust that are bought or sold before 12 noon will obtain the price calculated on that Dealing Day. Units in Trust that are bought or sold after 12 noon will obtain the price calculated at 12 noon on the next Dealing Day.
- 5.1.3. Requests for the issue, redemption and switching of Units are normally dealt with by the issue or cancellation of Units by the Trustee on the instructions of the Manager. However, in certain circumstances the Manager may, in accordance with COLL, deal with such requests by selling Units to, and/or repurchasing them from, the applicant as appropriate. The Manager is entitled to hold Units for its own account and to satisfy requests for the sale of Units from its own holding; it is required by COLL to procure the issue or cancellation of Units by the Trust where necessary to meet any obligation to sell or redeem Units.
- 5.1.4. If, on receiving instructions from the Manager to issue or cancel Units, the Trustee is of the opinion that it is not in the interests of the Unitholders that the Units should be issued or cancelled either at all or in the number instructed by the Manager, the Trustee must give notice to the Manager that it refuses to issue, or as the case may be cancel, all, or a specified number of the Units.

- 5.1.5. The Manager may not sell a Unit at a higher price, or redeem a Unit at a lower price (in both cases before application of any dilution levy), than the price notified to the Trustee in respect of the Valuation Point concerned.
- 5.1.6. Please note that the Manager may reject a request to buy, sell or switch Units if the investor is unable to demonstrate to the satisfaction of the Manager (acting reasonably) that the investor has complied with applicable law and regulation. By way of example only, such circumstances may include an inability to provide appropriate anti-money laundering documentation or confirmation that the investor has received the most recently available non-UCITS Retail Scheme Key Investor Information document for the Trust.
- 5.1.7. At the Special Valuation Point, there is a cut-off time of 12.00 noon UK time on that Dealing Day to receive dealing requests to be dealt with at the price calculated at that Special Valuation Point. Dealing requests received after 12.00 noon will be dealt with at the price calculated at the Valuation Point on the next Dealing Day. It is envisaged that the prices calculated at the Special Valuation Point and the Valuation Point on the same Dealing Day will only differ where the dealing requests received at the Special Valuation Point solely relate to certain switches between the Trust and the Company.
- 5.1.8. It should be noted that if the Trust puts in place limited issue arrangements as described in section 3.8 above, restrictions will apply for new subscriptions. At present the Trust is not a limited issue fund.
- 5.1.9. Information in respect of the Calculation of the Net Asset Value and Price per Unit in each Class in the Trust is detailed in 3. Valuation of the Trust.

## 5.2. Minimum subscriptions and holdings

- 5.2.1. Details of the minimum investment amounts, subsequent investment amounts and minimum holding for each of the Trust is set out below. These minimum amounts may be waived at the Manager's discretion.

Class	Minimum Investment	Minimum Holding
Class 1 Accumulation Units	£1,000	£500
Class 1 Income Units	£1,000	£500
Class 2 Accumulation Units	£500,000	£25,000
Class 2 Income Units	£500,000	£25,000
Class F Accumulation Units	£1 million	£1 million

- 5.2.2. The Manager may at its discretion accept subscriptions lower than the minimum amount. If a holding is below the minimum holding, the Manager has the discretion to require redemption of the entire holding. The value of Units for these purposes is calculated by reference to their current price, and before any application of a dilution levy.
- 5.2.3. The minimum holding requirements will not be treated as being breached if the value of Units held falls below the relevant minimum solely as a result of a fall in the Unit price.

## 5.3. Client money

- 5.3.1. The Manager does not treat monies received for the issuance of units or monies payable to the investor upon redemption as client money as long as: (i) in relation to monies for the issuance of units, the Manager has paid the subscription monies in exchange for units to the Trustee by the close of business on the day following receipt of monies from the investor; or (ii) in relation to proceeds from a redemption, paid the redemption monies to the investor within four business days of receipt by the Manager of the fully authorised form of renunciation (or other sufficient instruction) and in any event by the close of business on the day following receipt of the monies from the Trustee.
- 5.3.2. In the event that the above time limits are not met by the Manager, the Manager will treat the relevant sum received with respect to subscriptions and redemptions as client money as defined under the FCA Rules. This means that the money is held in an account separate from that the Manager uses to hold its own money. The Manager will not calculate or pay to the investor any interest that might arise on those monies.

## 5.4. Procedure for buying Units

- 5.4.1. Units can be bought by:
- (i) calling the Manager (followed by written confirmation);
  - (ii) sending an instruction to the Manager by fax; or
  - (iii) sending an instruction by post to the Manager.
- 5.4.2. Contact details can be found in the section of this Prospectus with the heading "Directory" (Client Services Details).
- 5.4.3. Any initial purchase of Units must be accompanied by a completed application form, which can be obtained from the Manager. Completed forms should be sent by fax or by post to the Manager. Subsequent investments can be made by telephone, but still require written confirmation.



Unless the Manager receives instructions to the contrary, all deals will be processed on receipt and payment immediately becoming due.

5.4.4. Settlement is the relevant Dealing Day plus four business days. As part of its credit control policy, the Manager reserves the right to cancel any contract without notice where payment has not been received by the relevant settlement date and will be entitled to recover any losses incurred, as well as interest.

5.4.5. The Manager has the right to reject any application for Units in whole or part, provided it has reasonable grounds for doing so. If the Manager exercises this right, the Manager will return any money sent, or the balance of such monies to the applicant, at the applicant's risk.

**5.5. Documents the purchaser will receive:**

5.5.1. A contract note giving details of the Units purchased and the price obtained will be issued by the end of the business day following the later of (i) receipt of the application to purchase Units or (ii) the Valuation Point by reference to which the purchase price is determined, together with a notice of the applicant's right to cancel (where appropriate).

5.5.2. Share certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Trust's register of Unitholders. Statements in respect of periodic distributions will show the number of Units held or accumulated by the Unitholder. Individual statements of a Unitholder's (or, when Units are jointly held, the first-named holder's) Units will also be issued at any time on request by the registered Unitholder.

**5.6. Selling Units**

5.6.1. Every Unitholder has the right to require that their Units be redeemed on any Dealing Day. However, where the value of Units held by a Unitholder will be less than the minimum value of Units for the Trust set out in section 5.2.1 above, the Manager may require that the Unitholder redeems their full holding.

5.6.2. Requests to redeem Units may be made by:

- (i) calling the Manager (followed by written confirmation);
- (ii) sending an instruction to the Manager by fax; or
- (iii) sending an instruction by post to the Manager.

5.6.3. Contact details can be found in the section of this Prospectus with the heading "Directory" (Client Services Details).

5.6.4. The Manager will make an electronic fund transfer in payment for Units within four business days of receiving instructions to redeem or the later of (a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title and (b) the Valuation Point following receipt by the Manager of the request to redeem. The Manager will only issue a cheque in payment for Units upon request.

5.6.5. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny.

**5.7. Documents the seller will receive:**

5.7.1. A contract note setting out the number and price of Units sold will be sent to the selling Unitholder (to the first-named, in the case of joint Unitholders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Unitholder(s) by no later than the end of the business day following the later of the request to redeem Units or the Valuation Point by reference to which the redemption price is determined.

5.7.2. Neither the Trustee, the Manager nor the Registrar is required to make payment in respect of a redemption of Units where the money due on the earlier issue of those Units has not yet been received or where the Registrar considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation.

**5.8. Switching/Converting**

5.8.1. Units in the Trust may be switched from one class of Unit to another class of Unit on any Dealing Day. Units to be switched pursuant to a switch request received before the Valuation Point on a Dealing Day will be switched at the respective prices based on that day's Valuation Point. Units to be switched pursuant to a switch request received after that time, or on a day which is not a Dealing Day, will be switched at a price calculated at the Valuation Point on the next Dealing Day. Any Business Day will constitute a "Dealing Day".

5.8.2. There is currently no fee on a Switch between Classes.

5.8.3. A Unitholder may at any time Switch all or some of their Units of one Class ('Original Units') for Units of another Class ('New Units') provided they meet the eligibility criteria for the New Units. The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable

at the time the Original Units are repurchased and the New Units are issued. Switching may be effected by:

- (i) calling the Manager (followed by written confirmation);
- (ii) sending an instruction to the Manager by fax; or
- (iii) sending an instruction by post to the Manager.

5.8.4. Contact details can be found in the section of the Prospectus with the heading "Directory" of this Prospectus (Client Services Details).

5.8.5. Unitholder(s) may be required to complete a switching form.

5.8.6. Where the value of Original Units held by a Unitholder will be less than the minimum value of Units, the Manager may, at its discretion, convert the Unitholder's full holding of Original Units to New Units or refuse to effect any Switch.

5.8.7. No Switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended (as described in the section with the heading "Suspension of dealing in the Trust". The general provisions on procedures relating to redemption will apply equally to a Switch. A duly completed switching form must be received by the Manager before the Valuation Point on a Dealing Day in the Trust to be dealt with at the prices at those Valuation Points on that Dealing Day, or at such other date as may be approved by the Manager. Switching requests received after a Valuation Point will be held over until the next Dealing Day in the relevant Class.

5.8.8. The Manager may adjust the number of New Units to be issued to reflect any switching fee together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Original Units as may be permitted pursuant to the FCA Rules. A Switch of Units from one Class to another Class in the same Trust is not, in general, a disposal for the purposes of capital gains taxation.

5.8.9. A contract note will be sent on or before the business day next following the relevant Dealing Day, together with a form of renunciation for completion and execution by the Unitholders. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny.

5.8.10. In order to help Unitholders to comply with their legal and regulatory obligations including complying with the FCA's Retail Distribution Review a Unitholder may convert (as opposed to Switch) Units of one Class of the Trust for

Units in another class of the Trust at the absolute discretion of the Manager.

## 5.9. Transfer

5.9.1. A Unitholder is entitled (subject as mentioned below) to transfer Units by an instrument of transfer in any usual or common form or in any other form approved by the Manager. The Manager is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of Units. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

5.9.2. The Manager or the Registrar may require the payment of such reasonable fee as the Manager and the Trustee may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any Unit.

## 5.10. Dealing charges

5.10.1. The Manager may impose charges for the issue, redemption and switching of Units in the Trust. Details of such fees are set out in the section with the heading "Fees and Expenses".

## 5.11. Restrictions and compulsory transfer and redemption

5.11.1. The ACD works to a 9.5% limit to provide a tolerance to safeguard the position of the Company. If the shareholder acquires 9.5% or more of the net asset value of the Company, the ACD will move part or all of the entire holding to the Trust. As set out in the Prospectus of the Company, this movement to the Trust will be effected through a switch of affected shares in the Company in exchange for the issue of Units in the Trust. The issue of Units in the Trust may, at the discretion of the Manager, be carried out at a bid price to minimise dealing spread. The issue price of Units for the purpose of that switch may be calculated at the Special Valuation Point.

5.11.2. The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that Units are not directly or indirectly acquired or held by any person in breach of any law or governmental rule or regulation (or any interpretation of a law or governmental rule or regulation by a competent authority or entity with equivalent status) of any country or territory, or which would (or would if other Units were acquired or held in like circumstances) result in the Trust incurring any liability to taxation which the Trust is not able to recoup itself or suffering any other adverse consequence, including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory.

- 5.11.3. If Units ('affected Units') are directly or indirectly owned, acquired or controlled in any of the circumstances described above, or if the Manager believes this to be the case, the Manager may give notice to the holder(s) of the affected Units requiring (1) the transfer of such Units to a person who is qualified or entitled to own them without causing any of the adverse consequences outlined above or (2) that a request in writing be given for the redemption or cancellation of such Units in accordance with the FCA Rules. If the recipient of such a notice does not within 30 days after the date of receipt of such notice so transfer their affected Units to a person qualified to own them without causing any of the adverse consequences outlined above, or establish to the satisfaction of the Manager (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Units without causing any of the adverse consequences outlined above, the Manager will compulsorily redeem the affected Units having relied on the failure to respond to the notice as a request in writing to redeem or cancel all of the affected Units pursuant to the FCA Rules and from that date, such person will no longer be the beneficial owner of the Units.
- 5.11.4. A person who becomes aware that they have directly or indirectly acquired or hold affected Units in a manner that may cause one of the adverse consequences outlined above, shall forthwith, unless they have received a notice from the Manager as aforesaid, either forthwith transfer all their affected Units to a person qualified to own them without causing any of the adverse consequences outlined above or give a request in writing for the redemption or cancellation of all their affected Units pursuant to the FCA Rules.
- 5.11.5. For the avoidance of doubt, and by way of example only, the rights afforded to the Manager as set out above apply in the event that a person that holds Units (beneficially or otherwise) is, or is reasonably believed by the Manager to be, a 'US Person' at any time during the life of the investment. Accordingly, the Manager reserves the right to give notice to such Unitholders to request a transfer of the Units, or the redemption or cancellation of the Units. The Manager further reserves the right to compulsorily redeem such Units 30 days after giving notice to the Unitholder that he is required to transfer or redeem or cancel the Units.
- 5.12. Issue of Units in exchange for in specie assets**
- 5.12.1. The Manager may arrange for the issue of Units in exchange for assets other than money. In such circumstances, and provided the Trustee has taken reasonable care to determine that the acquisition of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of the Unitholders or potential Unitholders (and the authorised corporate director and depositary of the Company consider that the transfer of such property into the Company would not result in material prejudice to the interests of its shareholders), the Manager may arrange for the Trustee to issue Units in exchange for Shares in the relevant class of the Company.
- 5.12.2. The Manager will ensure that the beneficial interest in the assets is transferred to the Trustee with effect from the issue of the Units.
- 5.12.3. The Manager will not issue Units in the Trust in exchange for assets the holding of which would be inconsistent with the investment objective of the Company.
- 5.13. In specie redemptions**
- 5.13.1. The Manager does not generally intend to permit in specie redemptions of Units. The Manager may, however, provided the Trustee considers that the transfer of property would not be likely to result in any material prejudice to the interests of Unitholders, but otherwise at its exclusive discretion where it considers the redemption to be substantial in relation to the total size of the Trust or in some way detrimental to the Company or otherwise at its discretion, arrange that in place of payment of the price of the Units in cash, the Trustee cancels the Units and transfers Scheme Property or arranges for the transfer of scheme property of the Company or alternatively, if required by the Unitholder, its net proceeds of sale, to the Unitholder.
- 5.13.2. Before the redemption proceeds of the Units become payable (unless the in specie redemption was at the request of the Unitholder), the Manager must give written notice to the Unitholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Unitholder so that the Unitholder can require the net proceeds of sale rather than the relevant property if he so desires.
- 5.14. Deferred redemptions**
- 5.14.1. The Manager may introduce provisions allowing it, in times of high redemptions, where requested redemptions exceed 10% of the Trust's value, to protect the interests of continuing Unitholders, the Manager may defer redemptions at a particular Valuation Point on a Dealing Day, to the Valuation Point on the next Dealing Day. This will allow the Manager to match the sale of Scheme Property to the level of redemptions.
- 5.14.2. In addition, where on a Dealing Day in the Company, a redemption request from the Trust is deferred by the ACD of the Company, the Manager may likewise defer in whole or in part the corresponding redemption

requests by Unitholders in the Trust to the Valuation Point on the next Dealing Day.

- 5.14.3. Subject to sufficient liquidity being raised at the next Valuation Point, all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

#### 5.15. **Switching between the Trust and the Company**

- 5.15.1. The Manager is aware that certain holders who are eligible to invest in the Company are unable to do so for administrative reasons and currently invest through the Trust. When such investors are in a position to invest directly in the Company, such holders may, at the discretion of the Manager, be able to Switch their holdings of Units in the Trust for Shares in the Company. The ACD intends to facilitate switching between the Trust and the Company every three months, shortly after the ex-distribution date for the Trust. Eligible investors using these switching arrangements would benefit from income and capital gains tax advantages. The Switch would take place when there is little accrued income in the Company to avoid income tax consequences and it would be with the agreement of the Manager/authorised corporate director so that the disposal would qualify for capital gains tax rollover relief. The new Shares issued to the investors would therefore have the same acquisition cost and acquisition date for capital gains tax purposes as their original holding of Units in the Trust.
- 5.15.2. Units will be redeemed in the Trust at the bid price (which may be calculated at the Special Valuation Point) and Shares in the Company will be issued at the bid price (which may be calculated at the special valuation point of the Company).
- 5.15.3. A Unitholder who Switches Units in one Class of Units for Shares in the Company will not be given a right by law to withdraw from or cancel the transaction. Switching may be effected by fax or in writing to the Manager's/authorised corporate director's Client Services Department at the contact details provided in the Directory. Unitholders will be required to complete a switching form.

#### 5.16. **Suspension of dealing in the Trust**

- 5.16.1. The Manager may, with the prior agreement of the Trustee, and shall if the Trustee so requires, without prior notice to Unitholders, temporarily suspend the issue, cancellation, sale and redemption of Units where, due to exceptional circumstances, it is in the interests of all Unitholders to do so. Suspension will continue only for so long as it is justified having regard to the interests of the Unitholders. In particular, if the Company

suspends the issue, cancellation, sale and redemption of its Class F Gross Accumulation Shares, then the Manager intends that the Trust will suspend the issue, cancellation, sale and redemption (as appropriate) of Units in the Trust.

- 5.16.2. The Manager or the Trustee (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA.
- 5.16.3. The Manager shall notify Unitholders as soon as is practicable after the commencement of the suspension, including giving details of the exceptional circumstances which led to the suspension in a clear, fair and not misleading way and details of how Unitholders may find out further information about the suspension. In the event of suspension, the Manager shall 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.
- 5.16.4. The Manager and the Trustee will formally review the suspension at least every 28 days and will inform the FCA of such review and any change to the information supplied to Unitholders.
- 5.16.5. Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. On a resumption of dealings following suspension, it is anticipated that pricing and dealing will take place at the Dealing Days and times stated in this Prospectus.
- 5.16.6. The circumstances under which suspension of dealing may occur include, for example, those where the Manager cannot reasonably ascertain the value of the assets or realise assets of the Trust, or the closure or suspension of dealing on a relevant exchange.
- 5.16.7. During any suspension, a holder may withdraw their redemption notice provided that such withdrawal is in writing and is received before the end of the suspension. Any notice not withdrawn will be dealt with on the Dealing Day next following the end of the suspension.

#### 5.17. **Liquidity risk management**

- 5.17.1. The Trust is managed so that the liquidity profile of the Trust is aligned with the requirement in relation to the Trust to meet redemption requests from Unitholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out in the section with the heading "Selling Units".

5.17.2. The Manager has tools to deal with temporary liquidity constraints in relation to the Trust. The Trust may (i) borrow cash to meet redemptions within the limits in Appendix IV; or (ii) apply the deferral of redemptions provisions in the section with the heading "Deferred redemption".

5.17.3. To manage and monitor liquidity risk, the Manager maintains liquidity risk management policies and procedures. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Trust and periodic stress testing of the liquidity risk of the Trust under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.

5.17.4. If the Trust's policy for managing liquidity should change, this will be set out in the annual report.

5.17.5. If the Trust's policy for managing liquidity should change, this will be set out in the annual report or will otherwise be appropriately notified to Unitholders.

#### 5.18. Anti-money laundering

5.18.1. Deals in Units and deals otherwise in connection with the Trust will be covered by United Kingdom statutory and other requirements, including but not limited to the Criminal Justice Act 2003, the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007, the Terrorism Act 2000, the relevant regulations made by the FCA and the Guidance Notes for The Financial Sector, as amended from time to time (the 'UK Money Laundering and Countering the Financing of Terrorism Requirements'), and investors may be asked to assist the Manager in its efforts to ensure compliance by the Trust and the Manager with the UK Money Laundering and Countering the Financing of Terrorism Requirements.

5.18.2. Until satisfactory proof of identity is provided (as stipulated by the UK Money Laundering and Countering the Financing of Terrorism Requirements) the Manager reserves the right to refuse to sell Units or to delay processing and/or withhold any payments due to investors in respect of their investment and to discontinue any deals it is conducting on behalf of those investors.

#### 5.19. Market Timing and Late Trading

5.19.1. The repeated purchasing and selling of Units in response to short-term market fluctuations is known as "market timing". The processing of subscriptions after the dealing cut off time and/or valuation point is known as "late trading". Units in the Trust are not intended for market

timing or late trading. The Manager has a policy in relation to market timing and late trading. As part of its policy, the Manager may refuse to accept an application for Units from persons that they reasonably believe are engaged in market timing or late trading and the Manager will actively monitor trading patterns to assist it in maintaining the stability and integrity of the prices of Units.

## 6. Fees and expenses

### 6.1. General

6.1.1. The fees and charges for each Class of Unit are set out in Appendix III to this Prospectus. The Manager will give prior written notice to the Unitholders for a time period in accordance with the FCA Rules before any increase to the annual management fees set out below and the Manager will make available a Prospectus to reflect the increased rates.

### 6.2. Fees taken from the Trusts

6.2.1. The fees, costs and expenses relating to the authorisation and establishment of the Trust, the offer of Units, and the fees of the professional advisers to the Trust in connection with the offer may be borne by the Trust.

6.2.2. All fees, costs, charges or expenses payable by a Unitholder or out of the property of the Trust are set out in this section. The Trust may, so far as the COLL Sourcebook allows, also pay out of the property of the Trust all relevant fees, costs, charges and expenses incurred by the Trust, which may include the following, to the extent that they are not paid for under the terms of paragraph 6.5:

- (a) the fees, charges and expenses payable by the Manager (which will include the fees and expenses payable to the Investment Manager (and their respective delegates);
- (b) the fees, charges and expenses payable to the Trustee and any custodian and any sub-custodians;
- (c) expenses incurred in acquiring, registering and disposing of investments generally;
- (d) all costs and expenses incurred by or approved by the Manager, in respect of the Trust's activities;
- (e) the fees and expenses of the auditors of the Trust;
- (f) the costs of convening and holding Unitholder meetings (including meetings of Unitholders in any particular Class);
- (g) costs incurred in taking out and maintaining any insurance policy in relation to the Trust;

- (h) expenses incurred in secretarial duties, including the cost of minute books and other documentation required to be maintained by the Trust;
  - (i) tax and duties payable by the Trust;
  - (j) interest on and charges incurred in borrowings including charges incurred in terminating such borrowings or in negotiating or varying the terms of such borrowings;
  - (k) any amount payable by the Trust under any indemnity provisions contained in the Trust Deed or any agreement with any functionary of the Trust;
  - (l) fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units are or may lawfully be marketed;
  - (m) any payments otherwise due by virtue of changes to the Regulations;
  - (n) costs (apart from promotional payments) in respect of communications with investors;
  - (o) fees of any paying agents, representative agents or other agents of the Trustee or the Manager;
  - (p) any costs in modifying any relevant document required under the Regulations;
  - (q) all fees and expenses incurred in relation to the addition and internal organisation of any new funds, the listing of Units on any stock exchange, any offer of Units (including the preparation, translation, printing and distribution of any prospectus (apart from the costs and expenses of distributing any simplified prospectus) and listing documents) and the creation, conversion and cancellation of Units and any costs and expenses incurred in registering, having recognised or going through any other process in relation to the Trust in any territory outside the UK for the purpose of marketing the Units in such territory, including any translation costs; and
  - (r) royalties, licensing fees and other like payments in relation to the use of intellectual property.
  - (s) broker's commission, fiscal charges and other disbursements which are:
    - (i) necessary to be incurred in effecting transactions for the Trust; and
    - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;
  - (t) taxation and duties payable in respect of the property of the Trust, the Trust Deed or the issue of Units;
  - (u) any payments otherwise due by virtue of COLL;
  - (v) all other costs and expenses of the Trust; and
  - (w) any VAT payable on any of the above charges and expenses.
- 6.3. Annual management charge**
- 6.3.1. As remuneration for carrying out its duties and responsibilities for Class 1 Units and Class 2 Units out of the Trust, the Manager is paid an annual fee out of the Trust. Details of the asset management charge for each Class is set out in Appendix III. These periodic charges are payable out of the Trust's assets together with any Value Added Tax on these charges where applicable. This fee accrues daily and is payable to the Manager monthly.
- 6.3.2. The Manager is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty on transactions in Units.
- 6.4. Registration fee**
- 6.4.1. All Units bear the registration fee, which is accrued daily and paid monthly. The fees of all classes of Units are calculated by reference to the NAV of the Class. The Manager or companies in its group will pay, on behalf of the Trust, the following ongoing registration and general expenses:
- (i) fees and expenses in respect of establishing and maintaining the register of Unitholders and related functions including the fees of the registrar;
  - (ii) expenses incurred in distributing income to Unitholders;
  - (iii) fees in respect of the publication and circulation of details of the NAV and prices;
  - (iv) the fees and expenses of tax, legal and other professional advisers of the Trust;
  - (v) the costs of convening and holding Unitholder meetings;
  - (vi) the costs of printing and distributing contract notes,



reports, accounts and this Prospectus, any Non-UCITS Key Investor Information Document or similar document, the Trust Deed and any costs incurred as a result of preparing, modifying and updating the Prospectus, any non-UCITS Key Investor Information Document or similar document, the Trust Deed and any other related administrative expense; and

(vii) the fees connected with listing of Units, if applicable.

6.4.2. It is not currently proposed to seek a listing for the Units on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Trust.

6.4.3. In return for paying or satisfying (i)-(vii) above, the ACD currently collects from the Company the Registrar's Fee set out in Appendix III. Such a charge provides greater transparency for investors and certainty as to the level of such costs that they will bear as well as providing for simpler administration. The Manager will give written notice to the Unitholders in accordance with the FCA Rules before any increase to the rates specified above and the Manager will make available a Prospectus to reflect the increased rates. At any particular time the actual amount of ongoing registration and general expenses listed in (i)-(vii) above may be more or less than the Manager collects from the Trust, however, the Manager is under no obligation to account to the Trustee or the Unitholders for any surplus it retains in relation to the payment it receives.

6.4.4. Exceptionally, the Manager may pay out of the Scheme Property any liabilities arising on the unitisation, amalgamation or reconstruction of the Trust.

6.4.5. Value Added Tax is payable on these charges where applicable. Expenses are allocated between capital and income in accordance with the FCA Rules.

#### 6.5. **Switching fee**

6.5.1. There is currently no fee charged on a Switch from one Class to another Class. The introduction by the Manager of a fee on a Switch from one Class to another Class would need to comply with the requirements of the FCA Rules.

#### 6.6. **Redemption charge**

6.6.1. The Manager may make a charge on the redemption of Units. At present no redemption charge is levied by the Manager on the redemption of Units. Units issued while this Prospectus is in force will not be subject to any redemption charge in the future.

6.6.2. A redemption charge can only be introduced by the Manager in accordance with the requirements of the FCA Rules.

#### 6.7. **Prohibition of "double-dipping"**

If the Trust acquires units of collective investment schemes that are managed directly or indirectly by the Manager itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, no management fee may be charged to the fund's assets in respect of such investments. Moreover, the Manager may not charge to the investment fund any issuing or redemption commissions of the linked target funds.

#### 6.8. **Investment Manager**

6.8.1. All fees of the Investment Manager are payable by the Manager and are not charged directly to the Trust. The Manager will give prior written notice to the Unitholders in accordance with the FCA Rules before any increase to the annual management charges and the Manager will make available a Prospectus to reflect the increased charges.

#### 6.9. **Trustee's fee**

6.9.1. The Trustee's remuneration is currently payable by the Manager. The remuneration of the Trustee consists of a periodic charge (and VAT, if any) as set out below and is payable on such basis as may be agreed between the Trustee and the Manager from time to time. Currently the Manager and Trustee have agreed that the Trustee's remuneration in respect of the Trust shall be £5,000 per annum.

6.9.2. The Trustee is permitted to increase its remuneration subject to the agreement of the Manager and in accordance with FCA Rules. The Trustee is also entitled to receive out of the property of the Trust remuneration for performing or arranging for the performance of such functions as the Manager and the Trustee may from time to time agree, being functions conferred on the Trustee by the Trust Deed, the FCA Rules or by general law. The Trustee's remuneration under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Trustee's periodic charge is to be made or as soon as practicable thereafter. Currently the Trustee does not receive any remuneration under this paragraph. The introduction of any payment under this paragraph would be subject to the approval of the Unitholders by way of resolution.

#### 6.10. **Trustee's expenses**

6.10.1. In addition to the remuneration referred to above, the Trustee is entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation

to the Trust, subject to approval by the Manager. This reimbursement, if any, will be paid out of the property of the Trust.

6.10.2. The following further expenses may also be paid out of the property of the Trust:

6.10.2.1. all charges imposed by, and any expenses of, any agents appointed by the Trustee to assist in the discharge of its duties;

6.10.2.2. all charges and expenses incurred in connection with the collection and distribution of income; and

6.10.2.3. all charges and expenses incurred in relation to the preparation of the Trustee's annual report to Unitholders; and

6.10.2.4. all charges and expenses incurred in relation to stock lending, if any.

6.10.3. Value Added Tax at the prevailing rate may be payable in addition to the Trustee's remuneration and the above expenses.

#### 6.11. Charges to capital

6.11.1. The annual management charge and fees and expenses of the Trustee referred to above may be taken out of the income or the capital of the Trust. In particular, such fees and expenses may be charged to capital in order to manage the level of income paid and/or available to Unitholders. Please refer to the section of this Prospectus with the heading "Risk factors" for further information.

6.11.2. Expenses are allocated between capital and income in accordance with the FCA Rules. In particular the fees of the Manager are charged to capital and not Income. To the extent expenses are to be met from income, that income will be generated from time to time, which may be as often as monthly, through the redemption by the Manager of an appropriate number of Class F Gross Accumulation Shares in the Company.

#### 6.12. Allocation of assets and liabilities

The Trust is required to allocate (and the Manager may from time to time reallocate) any assets, costs, charges or expenses between the Units in the Trust in a manner that is fair to the Unitholders of the Trust generally.

#### 6.13. Ongoing Charges Figure ('OCF')

The OCF is the European standard method of disclosing the charges of a share class of a fund based on the last year's expenses and may vary from year to year. It includes charges such as the Trust's annual management charge, registration fee, custody fees

and distribution cost but ordinarily excludes the costs of buying or selling assets for the Trust. The non-UCITS retail scheme key investor information documents contain the current annual audited OCF.

## 7. Valuation of the Trust

### 7.1. General

7.1.1. Valuations are made at 12.00 noon (UK Time) on each Business Day for the purpose of determining the price at which Units in the Trust may be purchased or redeemed. This is the Valuation Point for the Trust. There may also be an additional valuation point, the Special Valuation Point, which is intended for determining the price at which Units are to be either issued or cancelled as part of switches between the Trust and the Company. Details of the Special Valuation Point are set out at 7.4 below.

7.1.2. The calculation of prices of Units commences at or about the Valuation Point on each Dealing Day. The Manager may carry out additional valuations in accordance with the COLL Sourcebook if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings. The Manager is required to notify Unit prices to the Trustee on completion of a valuation.

7.1.3. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction, which do not create a Valuation Point for the purposes of dealing. Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

7.1.4. The assets of the Trust are valued on the basis set out below in accordance with the NAV determination provisions of the Trust's Trust Deed, as set out in Appendix V hereto.

7.1.5. A request for dealing in Units must be received by the Valuation Point on a particular Dealing Day for the relevant Class in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day for the relevant Class using the value calculated as at the Valuation Point on that next Dealing Day.

### 7.2. Calculation of the Net Asset Value

7.2.1. The value of the property of the Trust will be the value of its assets less the value of its liabilities determined in accordance with the provisions set out in Appendix V.



### 7.3. Price per Unit in each Class in the Trust

- 7.3.1. Save as set out in section 7.4, the price of Units in the Trust is calculated as set out below.
- 7.3.2. The Company deals on a forward price basis, that is at the price for a Unit in the Trust at the next Valuation Point following receipt of a request to issue or redeem Units.
- 7.3.3. The Trust operates on the basis of "dual pricing". This means that there are different prices for the sale of Units to investors and the redemption of Units by investors.
- 7.3.4. The price at which Units will be sold to an investor ("offer price") is established by valuing the assets on the basis of the prevailing costs of acquiring those assets (including Stamp Duty Land Tax, agents fees and legal fees in respect of directly held property assets) divided by the number of Units in existence. .
- 7.3.5. The price at which Units will be sold back to an investor ("bid price") is calculated by valuing the assets on the basis of the amount that would be received if they were sold (including taking in to account agents fees and legal fees that would be incurred in respect of the sale of directly held property assets), and dividing the result by the number of Units in existence.
- 7.3.6. The difference between the offer price and the bid price is known as the "spread".
- 7.3.7. For indicative purposes, the spread, **as at the date of this prospectus**, was c6.7% for Class 1 Units and Class 2 Units. The spread is subject to change being dependent upon both the prevailing costs of acquiring and disposing of the underlying assets of the Trust and the composition of assets within the portfolio.
- 7.3.8. The price of a Unit is calculated (to at least four significant figures) by:
  - (a) taking the value of the Trust attributable to the relevant Class at the next valuation of the Trust; and
  - (b) dividing the result by the number of Units of the relevant Class in the trust in issue immediately before the valuation concerned.
- 7.3.9. Investors should note that the costs of the Company dealing in real property are significantly higher than those normally associated with equities and bonds, and as such the spread on the Trust's portfolio is typically likely to be in excess of 6.5%.
- 7.3.10. As there is more than one Class in issue in the Trust each allocation of income will be done by reference to the

relevant Unitholder's proportionate interest in the income property of the Class in question calculated in accordance with the Trust Deed.

### 7.4. Special Valuation Point

- 7.4.1. There may be an additional Valuation Point, the Special Valuation Point on certain Dealing Days with agreement of the Trustee. The Special Valuation Point is intended for determining the prices at which Units are to be cancelled for switches from the Trust into the Company under section 5.16 above. The Special Valuation Point is also intended to for determining the price at which Units are to be issued as part of switches from the Company into the Trust. It is envisaged that there should be a Special Valuation Point on the Dealing Day following each accounting date (or shortly thereafter) for the purposes of facilitating agreed switches but otherwise on such Dealing Days as the Manager considers necessary. Unitholders can enquire on when the next Special Valuation Point is by contacting the Manager.
- 7.4.2. Prices at the Special Valuation Point will be established in accordance with the provisions of Appendix V, subject to certain adjustments. These adjustments are so that the prices established reflect that there should be no underlying transactions involving the sale of assets by the Manager when processing switches between the Company and the Trust. Accordingly, it is intended that dilution related costs and expenses will not be applied when valuing the assets of the Trust at the Special Valuation Point and any dual priced assets held in the Company will be valued at a mid price. This is subject to the Manager and the Trustee being satisfied that there is no unfair prejudice for ongoing Unitholders. It is envisaged that no adjustment will be made in relation to the calculation of the prices of Units in accordance with the provisions in Appendix V where requests are received at a Special Valuation Point for other Classes other than solely relating to switches between the Company and the Trust.

### 7.5. Fair value pricing

- 7.5.1. Where the Manager has reasonable grounds to believe that:
  - (a) no reliable price for the property in question exists; or
  - (b) such price, if it does exist, does not reflect the Manager's best estimate of the value of such property, it may value the Scheme Property or any part of Scheme Property at a price which, in its opinion, reflects a fair and reasonable price for that property ("fair value pricing").
- 7.5.2. 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 depositary.

Examples of the circumstances in which the Manager might consider using fair value pricing where the Trust's Valuation Point is set during the time when markets in which its portfolio is invested are closed for trading include:

- (a) market movements above a pre-set trigger level in other correlated open markets;
- (b) war, natural disaster, terrorism;
- (c) government actions or political instability;
- (d) currency realignment or devaluation;
- (e) changes in interest rates;
- (f) corporate activity;
- (g) credit default or distress; or
- (h) litigation.

7.5.3. Even if the Trust's Valuation Point is set during the time other markets are open for trading, other scenarios might include:

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

7.5.4. This list is not intended to be exhaustive.

## 7.6. Pricing basis

7.6.1. The Manager deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Manager.

## 8. Risk factors

Potential investors should consider the following risk factors before investing in the Trust.

### 8.1. Risk factors: the Trust

#### 8.1.1. General

The sole investment of the Trust is Shares in the Company. If the value of its investment in the Company

declines, or is otherwise adversely affected, this will have an adverse effect on the value of the Trust. Past performance is no guide to the future.

There can be no assurance that any appreciation in value of the Company will occur. The value of investments and the income derived from them may fall as well as rise. Investors should note that no form of guarantee with respect to investment performance is given and no form of capital protection will apply. Investors may not recoup the original amount invested in the Trust. There is no assurance that the investment objective of the Company and therefore the Trust will actually be achieved.

Geopolitical events, such as the UK's decision to leave the European Union, can lead to greater volatility in local and or global markets.

#### 8.1.2. Tax

The value of current tax relief depends on individual circumstances. The rates of and relief from taxation may change over time. Additional tax information is set out elsewhere in this Prospectus. If you have any doubts about your tax position, you should seek professional advice.

#### 8.1.3. Suspension of dealings in Units

Investors are reminded that in certain circumstances their right to redeem Units (including a redemption by way of switching) may be suspended (see "Suspension of dealings in the Trust" in the section "Buying, selling and switching Units"). In particular, if the issue, cancellation, sale and redemption of Shares in the Company should be suspended, then the Manager will suspend the issue, cancellation, sale or redemption of Units to reflect the position in the Company.

#### 8.1.4. Redemption demands

Property funds, such as the Company, can be subject to redemption demands at times when performance is comparatively low. At such times, performance may be adversely affected by the sale of properties to meet redemption demands. If the Company is adversely affected in this way, this would have a corresponding impact on the value of the Units in the Trust.

The Company benefits from a beneficial tax status as it qualifies as a PAIF. It is possible that the tax treatment of the UK PAIF may change or the beneficial PAIF status may be lost. Any change may impact the performance of the Trust and/or the amount you receive back on your investment.

**8.1.5. Inflation risk**

Inflation will, over time, reduce the value of your investments in real terms.

**8.1.6. Risk to capital growth**

All or part of the Manager's fee will, and other fees and expenses of the Trust, may be charged against capital instead of against income. In order to generate the cash required to meet those fees and expenses, the Manager will to the extent required, sell an appropriate number of Class F Gross Accumulation Shares in the Company. The Trust will charge such fees and expenses to capital in order to manage the level of income paid and/or available to Shareholders. This may result in capital erosion or may constrain capital growth.

**8.1.7. Regulatory risk**

The Company is resident in the United Kingdom and non-United Kingdom investors should note that the regulatory protections provided by the regulatory authorities in their country of domicile may not apply. Investors should consult their financial advisers for further information in this area.

**8.2. Risk factors: the Company**

**8.2.1. General**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in Property and other assets. 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 fall as well as rise and investors may not recoup the original amount invested in the Company. Past performance is not indicative of future performance. There is no assurance that the investment objective of the Company will actually be achieved.

**8.2.2. Unitholder Concentration Risk**

A Trust with a high unitholder concentration may have compounded funding liquidity risks.

**8.2.3. Liquidity Risk**

In extreme market conditions it may be difficult for a Trust to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising their investment or may incur a dilution adjustment.

Dealings in the Trust may be limited due to issues of capacity or deferred due to high redemption levels. Large subscriptions may not be invested quickly resulting in the Trust holding cash.

**8.2.4. Property Investment Risk**

Investments in Property are relatively illiquid and more difficult to realise than equities or bonds.

Property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

The performance of the Company would be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields.

Commercial property values are affected by factors such as the level of interest rates, economic growth, fluctuations in property yields and tenant default. In the event of a default by an occupational tenant, there will be a rental shortfall and additional costs including legal expenses are likely to be incurred in maintaining, insuring and re-letting the property.

Certain significant expenses, such as operating expenses, must be met by the owner even if the property is vacant.

**8.2.5. Risk to capital growth**

All or part of the ACD's fee on the Company will, and other fees and expenses of the Company, may be charged against capital instead of against income. The Company will charge such fees and expenses to capital in order to manage the level of income paid and/or available to Shareholders. This may result in capital erosion or may constrain capital growth.

**8.2.6. Investment objectives**

Investors should be aware of the investment policy of the Company as this states that it may invest in real estate assets located outside the United Kingdom, albeit that this is not its primary objective. These other markets may act with more or less volatility than the core investment area and performance will be in part dependent on these investments. Investors should ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

**8.2.7. Investments in collective investment schemes**

The Company may invest in other collective investment schemes. Investment decisions of such underlying collective investment schemes are made at the level of such collective investment schemes. There can be no assurance that the selection of the managers of the underlying collective investment schemes will result in an effective diversification of investment styles and that

positions taken by the underlying collective investment schemes will always be consistent. The underlying collective investment schemes may not be subject to the supervision of the FCA and may be less regulated, custody and audit rules may notably differ. The valuations of the assets of the underlying collective investment schemes may not be verified by an independent third party on a regular or timely basis.

Both the Company and the underlying collective investment schemes will have costs and impose fees and commissions, which will cause a higher level of fees than if the investors invested directly in the underlying collective investment schemes. However, when the Company invests in units/shares of other collective investment schemes that are managed, either directly or by delegation, by the Investment Manager of the Company or by any other company with which the Investment Manager of the Company is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager of the Company or other company may not charge subscription or redemption fees on account of the Company's investment in the units of such other collective investment schemes.

Some underlying collective investment schemes may invest in assets that are not readily realisable or may be hard to value. The value of these assets is a matter of the relevant valuation agent's policy and the true value may not be recognised until the asset is sold. This may be an ongoing risk for collective investment schemes investing in Property, but could also include other asset classes in extreme market conditions. There may be occasions where these collective investment schemes restrict redemptions and as such the Company may not be able to liquidate a position in such collective investment schemes. In a falling market this may result in losses to the Company.

The Company may invest up to 20% of its assets in the aggregate of unregulated collective investment schemes and non-approved transferable securities. Investors should be aware that an investment in an unregulated collective investment scheme may not provide a level of investor protection equivalent to schemes authorised by the FCA and subject to the FCA Handbook.

#### **Underlying fund expenses**

Investors should be aware that – where the Trust invests in other funds that are managed by companies in the Manager's group of companies – the funds that the Trust invests in will be subject to arrangements whereby no underlying annual management charge will be made on those funds. They will remain subject to other costs in the underlying funds such as registrar fees, audit fees and the costs of investing in equities and bonds. In addition,

investors should be aware that some of the underlying funds may be subject to performance fees, which are typically a proportion of any excess return over and above a specific performance target.

There will be no initial charge payable by the Trust when acquiring shares or units in underlying funds and no exit charge payable on the disposal of shares or units in underlying funds.

#### **8.2.8. Investments in Derivatives and Forward Transactions and the Use of EPM**

**The FCA Rules for 'NURS Schemes' permit the use of derivatives and forward transactions for both EPM and investment purposes (including short-selling and leverage).** Investors should consider potential exposure to derivatives in the context of all their investments.

The Investment Manager maintains a 'Risk Management Policy' in respect of the measurement and monitoring of risks attached to financial derivative instrument positions entered into by the Company. This policy document has been sent to the Depositary and to the FCA and is available upon request. The use of the Risk Management Policy does not guarantee that the derivative strategies will work in every instance.

Derivative instruments, including but not limited to swaps, futures, and certain FX contracts, are subject to new regulations such as EMIR, MiFID II/MiFIR and similar regulatory regimes in the U.S., Asia, and other global jurisdictions. The implementation of such regulations, including new requirements requiring mandatory clearing and margining, may increase the overall costs to the Fund of entering into and maintaining such derivative instruments and may impact the Trust's returns or the ability of the Investment Manager to achieve their investment objectives. Global regulation of derivative instruments is a rapidly-changing area and, as such, the full effects of present or future legislation or regulations in this area are not known, but could be substantial and adverse.

The Company is permitted by the FCA Rules to use derivatives for both investment purposes and the purposes of EPM. The aim of any derivative or forward is to assist the Manager in meeting the investment objectives of the Company by reducing risk and/or reducing cost and/or generating additional income or capital with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules within which it operates. The use of derivatives or forwards for the purposes of EPM will not materially alter the risk profile of the Company. At the date of this Prospectus the Company intends to use derivatives for the purpose of EPM. It may

use them for investment purposes on the giving of 60 days' notice to Shareholders.

**8.2.8.1. Use of derivatives and forward transactions for EPM purposes**

**The use of derivatives and forward transactions for the purposes of EPM will not materially alter the risk profile of the Company.**

EPM is used by the Company to reduce risk and/or costs in the Company and to produce additional capital or income in the Company. The Company may use derivatives, borrowing, cash holding and stock lending for EPM. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the Company.

In adverse situations, however, the Company's use of derivatives may become ineffective in EPM (which includes hedging) and the Company may suffer significant loss as a result. The Company's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

When making use of EPM techniques, the Investment Manager may use one or more separate counterparties to undertake transactions on behalf of the Company. The Company may be required to pledge or transfer collateral paid from within the assets of the Company to secure such contracts entered into for efficient portfolio management including in relation to derivatives and stock lending. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regard to the return of collateral and any other payments due to the Company. The ACD measures the creditworthiness of counterparties as part of the risk management process. A counterparty may be an associate of the ACD or the Investment Manager, which may give rise to a conflict of interest. For further details on the ACD's conflicts of interest policy please contact the ACD.

The ACD, the Investment Manager or the Company will not be liable for their failure to implement an EPM strategy so long as they have acted reasonably and in accordance with the FCA rules.

The use of derivatives for EPM does however allow the Trust does however allow the Company to manage various risks including the following: default risk, market risk, interest rate or duration risk, currency risk and curve risk. A brief description of the ACD's interpretation of each of these risks is set out below.

- Default risk is the risk that the issuer fails to pay.
- Market risk is the risk that general market conditions impact the price of the assets owned by the Company.
- Interest rate or duration risk is the risk that the price of a bond is sensitive to a change in its yield. It should be noted that the Investment Manager may use individual derivative transactions (for example, an interest rate swap) to manage these risks or a combination of derivatives designed to act in combination with one another (for example, long and short bond futures used collectively) as a means of managing these risks and/or changing the interest rate or duration risk (for example, such as to effect the change from interest rate risk/duration risk in one country back to another).
- Currency risk is the risk that can arise when assets are denominated in a currency that is not the base currency of the Company.
- Curve risk recognises that the shape of both the credit yield curve and maturity yield curve can change significantly over time.

In addition, the FCA Rules permit the ACD to use certain techniques when investing in derivatives in order to manage the Company's exposure to particular counterparties and in relation to the use of collateral, to reduce overall exposure to OTC derivatives; for example the Company may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits.

The AIFM Directive and associated guidance on how leverage is to be calculated means that some derivative trades classified as EPM may create leverage under the commitment approach. The maximum amount is 120% of the NAV using the gross method and 110% using the commitment approach. For all derivative trades made for EPM, the ACD will mitigate the leverage by holding appropriate assets to cover the derivative exposure so that there is no material impact to the risk profile of the Company.

#### 8.2.9. **Exchange Traded Funds**

The Company may invest in exchange traded funds. Exchange traded funds represent a basket of securities that may be traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result they may trade at a price that is above or below the value of the underlying portfolio.

#### 8.2.10. **Credit risk**

The value of the Company may be adversely affected if any of the institutions in which the cash is invested or deposited suffers insolvency or other financial difficulties.

#### 8.2.11. **No guarantee of capital**

Investors should note that the Trust does not offer any form of guarantee with respect to investment performance and no form of capital protection will apply.

## 9. **Management and administration**

### 9.1. **The Manager and AIFM**

- 9.1.1. The Manager and AIFM of the Trust is Threadneedle Investment Services Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985 on 26 January 1999.
- 9.1.2. The issued and paid up share capital of the Manager is £17.02 million.
- 9.1.3. The Manager is responsible for managing and administering the Trust's affairs in compliance with the FCA Rules.
- 9.1.4. The ultimate holding company of the Manager is Ameriprise Financial, Inc., a corporation incorporated in Delaware, USA.
- 9.1.5. **Registered office and head office:**  
Cannon Place, 78 Cannon Street, London EC4N 6AG
- 9.1.6. The Manager also acts as the authorised corporate director of Threadneedle Investment Funds ICVC, Threadneedle Opportunity Investment Funds ICVC,

Threadneedle Specialist Investment Funds ICVC and Threadneedle UK Property Authorised Investment Fund and as authorised unit trust manager in respect of the following authorised unit trusts:

- Threadneedle Managed Bond Fund
- Threadneedle Managed Bond Focused Fund
- Threadneedle Managed Equity & Bond Fund
- Threadneedle Managed Equity Focused Fund
- Threadneedle Managed Equity Fund
- Threadneedle Managed Equity Income Fund

- 9.1.7. The directors of the Manager are Mr. Peter Stone, Ms. Laura Weatherup, Ms. Kath Cates (non-executive) and Ms. Ann Roughead (non-executive). The directors act as directors of companies other than the Manager (including companies that are within the same group of companies as the Manager), but do not engage in business activities that are not connected with the Trust that would be "significant" to the Trust's business in terms of the FCA Rules.

- 9.1.8. Third party administrative functions, such as customer applications and record keeping, dealing with subscriptions, switching, withdrawals and terminations, and all communication centre activity in relation to the Trust, have been delegated by the Manager to DST Financial Services Europe Ltd ("DST").

- 9.1.9. The Manager will satisfy itself on an ongoing basis that DST is competent to carry out these functions and associated responsibilities.

### 9.2. **The Trustee/Depository**

Under the terms of the Depositary Agreement in respect of the Trust, Citibank Europe plc, acting through its UK branch (the "Trustee") has been appointed as Trustee of the assets of the Trust, which have been entrusted to the Trustee for safekeeping.

The Trustee is a public limited company with registered number 132781 domiciled in Ireland whose registered office is at 1 North Wall Quay, Dublin 1. The Trustee conducts its business in Great Britain from its branch offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The branch was established on 15 September 2015. The Trustee is authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of the Trustee's authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from the Trustee on request.



**Head office and registered office:**

Citibank Europe plc, UK branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB

**Ultimate holding company:**

Citigroup Inc., a company which is incorporated in New York, USA

**Principal business activity:**

Acting as corporate trustee including trusteeship of unit trust schemes and depositary of open ended investment companies.

The appointment of the Trustee has been made under an agreement between the Manager and the Trustee effective from 21 July 2014.

The Depositary Agreement may be terminated by not less than 180 days' written notice provided that no such notice shall take effect until the appointment of a successor to the Trustee.

To the extent permitted by the FCA Handbook, the Trusts will indemnify the Trustee (or its associates) against costs, charges, losses and liabilities incurred by it (or its associates) in the proper execution, or in the purported proper execution, or exercise (reasonably and in good faith) of the Trustee's duties, powers, authorities and discretions to the Trust, except in the case of any liability for a failure to exercise due care and diligence in the discharge of its functions.

The Trustee is entitled to receive remuneration out of the Trust Property for its services, as explained in the section entitled "Trustee's Charges".

Unitholders may request an up to date statement regarding any of the information set out above from the Manager.

The key duties of the Trustee consist of:

- (i) cash monitoring and verifying the cash flows of the Trust;
- (ii) safekeeping of the Trust's assets;
- (iii) taking reasonable care to ensure the Trust is managed in accordance with its investment and borrowing restrictions;
- (iv) ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of Units are carried out in accordance with the Instrument of Incorporation and applicable law, rules and regulations;
- (v) ensuring that in transactions involving the Trust's assets any consideration is remitted to the Trust within the usual time limits;

- (vi) ensuring that the income of the Trust is applied in accordance with the Trust Deed of that Trust, applicable law, rules and regulations; and
- (vii) carrying out instructions from the Manager unless they conflict with the applicable Trust Deed or applicable law, rules and regulations.

Under the terms of the Depositary Agreement the Trustee has the power to delegate its safekeeping functions. The Trustee has delegated to Citibank N.A. the custody of financial instruments belonging to the Trust and other assets of the Trust entrusted to the Trustee for safekeeping.

As a general rule, whenever the Trustee delegates any of its custody functions to a delegate, the Trustee will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Trustee. See below for situations in which the Trustee is not liable for acts or omission of a delegate which is not an associate of the Trustee or of the Manager.

In addition, a delegate (other than an associate of the Trustee or the Manager) ("A") to which custody of a financial instrument has been delegated by the Trustee and to which the obligation to return a financial instrument of the identical type or corresponding amount, to the Trustee or the investors of the relevant Trust, has been properly transferred, will be liable to return a financial instrument of identical type or corresponding amount unless it can prove that:

- (i) the lost financial instrument was held in custody by another third party ("B");
- (ii) A had properly sub-delegated its functions to B;
- (iii) a written contract between A and B:
  - (a) expressly transfers from A to B the obligation to return a financial instrument of the identical type or corresponding amount to the relevant Trust, or the investors of that Trust; and
  - (b) enables the relevant Trust, or the Manager acting on behalf of that Trust, to make a claim against B in respect of the loss of the financial instrument, or for the Trustee to make such a claim on their behalf; and
- (iv) a written contract between A and the Trustee expressly allows a transfer of A's obligation to return a financial instrument of the identical type or corresponding amount to the relevant Trust, or the investors of that Trust, and establishes an objective reason for the transfer.

The fees to which the Trustee is entitled are set out in the section with the heading "Trustee's fee" and "Trustee's expenses" at paragraphs 6.10 and 6.11 of this Prospectus.

The Trustee is entitled to be indemnified out of the Scheme Property in respect of all liabilities and expenses properly incurred in the execution or purported execution of any powers, authorities or discretions vested in it pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anyway relating thereto (provided that such indemnity shall not apply in relation to any liability or expense attributable to the negligence, fraud or wilful default of the Trustee).

#### Liability of the Trustee

As a general rule the Trustee is liable for any losses suffered as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations except that it will not be liable for any loss where:

- (v) the event which has led to the loss is not the result of any act or omission of the Trustee or of such third party;
- (vi) the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent trustee as reflected in common industry practice; and
- (vii) despite rigorous and comprehensive due diligence, the Trustee could not have prevented the loss.

However, in the case of loss of a financial instrument by the Trustee, or by a third party who is its own associate or an associate of the Manager, the Trustee is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay.

In addition, in the case of loss of a financial instrument by the Trustee or by a third party who is neither an associate of its own nor an associate of the Manager to whom its custody has been properly delegated, the Trustee is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay, but it will not be under such an obligation:

- (viii) if it can prove that the loss arose as a result of an external event beyond the Trustee's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; or
- (ix) if it can prove that:
  - (a) the lost financial instrument was held in custody by a third party;
  - (b) the Trustee had properly delegated its functions to the third party;

- (c) a written contract between the Trustee and the third party:
  - (A) expressly transfers such obligation to the third party; and
  - (B) enables the relevant Trust, or the Manager acting on behalf of that Trust, to make a claim against the third party in respect of the loss of the financial instrument, or for the Trustee to make such a claim on their behalf; and
- (d) a written contract between the Trustee and the AIF, or the AIFM acting on behalf of the AIF, expressly allows a transfer of the Trustee's said obligation and establishes an objective reason for the transfer.
- (x) if the Trustee delegates custody functions to a custodian in any of the following circumstances:
  - (a) where the Trustee has no presence in the jurisdiction where any such financial instrument is issued or commonly held; or holding such financial instrument other than through a Sub-custodian would be inefficient or uneconomic; or it is not practicable to hold the financial instrument other than through a Clearance System in which the Trustee is not a participant; or
  - (b) where the Trustee intends to retain the services of a global Sub-custodian, but the Trustee has no practicable way of holding assets of the type in which the Trust and/or the Manager wishes to invest without appointing such global custodian; or
  - (c) the law of a country requires certain financial instruments to be held in custody by a local entity and there are no local entities that are subject to effective prudential regulation and supervision and, despite this, the Trust or the Manager has instructed the Trustee to delegate the custody of such financial instruments to a local entity,

and the contract between the Trustee and such custodian or local entity contains a clause transferring the liability of the Trustee to such custodian or local entity and makes it possible for the Trust or the Manager to make a claim against such custodian or local entity in respect of the loss of a financial instrument belonging to the Trust or for the Trustee to make such a claim on their behalf.

### 9.3. The Investment Manager

9.3.1. The Manager has appointed Threadneedle Asset Management Limited to provide investment management and advisory services to the Manager. Threadneedle Asset Management Limited is authorised and regulated by the FCA under the Financial Services and Markets Act 2000 to carry on regulated activities in the UK.



- 9.3.2. The Investment Manager was appointed by an agreement effective 2 May 2015 between the Trust, the Manager and the Investment Manager.
- 9.3.3. The Investment Management Agreement may be terminated on 12 months' written notice by the Investment Manager or the Manager. It may also be terminated by the Trust or the Manager with immediate effect if this is in the best interests of the Unitholders.
- 9.3.4. Subject to the overall policies, directions and control of the Manager, all relevant laws and regulations (including the FCA Rules), this Prospectus, the Trust Deed and all proper directions of the Trustee, the Investment Manager has complete discretion to take all day-to-day portfolio management decisions and to deal in investments in relation to the portfolio management of the Trust, without prior reference to the Manager.
- 9.3.5. Under the Investment Management Agreement the Manager provides indemnities to the Investment Manager (except in the case of any matter arising as a direct result of its fraud, negligence, default or bad faith). The Manager may be entitled under the indemnities in the Manager Agreement to recover from the Trust amounts paid by the Manager under the indemnities in the Investment Management Agreement.
- 9.3.6. The Investment Manager also acts as the investment manager of Threadneedle Investment Funds ICVC, Threadneedle Opportunity Investment Funds ICVC, Threadneedle Specialist Investment Funds ICVC and Threadneedle UK Property Authorised Investment Fund and a number of other collective investment schemes and segregated accounts.
- 9.3.7. Threadneedle Asset Management Limited is in the same group of companies as the Manager. Its registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AG. The principal activity of the investment adviser is acting as an investment manager and adviser.

**9.4. Auditor**

The auditor of the Trust is PricewaterhouseCoopers LLP. The auditor is responsible for auditing the annual accounts of the Trust and expressing an opinion on certain matters relating to the Trust in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the FCA Rules and the Trust Deed.

**9.5. Legal advisers**

The Manager is advised by Eversheds Sutherland (International) LLP in respect of the Trust.

## 10. Unitholder meetings and voting rights

**10.1. Requisitions of meetings**

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

**10.2. Notice and quorum**

- 10.2.1. Unitholders will receive at least 14 days' written notice of a Unitholder's meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy or in the case of a body corporate by a duly authorised representative. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one Unitholder present in person or by proxy or in the case of a body corporate by a duly authorised representative. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered address.

**10.3. Voting rights**

- 10.3.1. At a meeting of Unitholders, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.
- 10.3.2. On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the notice of meeting is sent out.
- 10.3.3. A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 10.3.4. Except where the FCA Rules or the Trust Deed of the Trust require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the FCA Rules will be passed by a simple majority of the votes validly cast for and against the resolution.
- 10.3.5. The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the FCA Rules) of the Manager is entitled to vote at any meeting of the Trust except in respect of Units which the Manager or associate holds on behalf of or

jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

10.3.6. Where a resolution (including an extraordinary resolution) is required to be conducted at a Unitholder meeting, but every Unitholder would be prohibited from voting under COLL 4.4.8R(4), the resolution may, with the prior written agreement of the Trustee to the process, instead be passed with the written consent of Unitholders representing 50% or more of, for an ordinary resolution or, for an extraordinary resolution 75% or more of the Units in issue.

10.3.7. 'Unitholders' in this context means Unitholders on the register a reasonable time before the notice of the relevant meeting is sent out (to be determined by the Manager and set out in the notice of meeting) but excludes Unitholders who are known to the Manager not to be Unitholders at the time of the meeting.

#### 10.4. Corporations acting by representatives

10.4.1. Any corporation which is a Unitholder may by resolution of its directors or other governing body and in respect of any Unit or Units of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Unitholders or of any Class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Unit or Units if it were an individual Unitholder.

10.4.2. Any corporation which is a director of the Trust may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the Unitholders, or of any Class meeting of the directors. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such corporation as the corporation could exercise if it were an individual director.

#### 10.5. Class meetings

10.5.1. The above provisions, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of Unitholders but by reference to Units of the Class concerned and the Unitholders and prices of such Units.

#### 10.6. Variation of Class rights

10.6.1. The rights attached to a Class may be varied on 60 days' notice to Unitholders.

## 11. Taxation

### 11.1. General

The information given under this heading does not constitute legal or tax advice and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdiction in which they may be subject to tax. The following is based on law and practice as at the date of this Prospectus and may be subject to change.

### 11.2. Taxation of the Company

The Company is not liable to tax on capital gains realised on the disposal of its investments. The income generated by its underlying property investment business is exempt from tax, as are any dividends received on underlying equity investments. Its other income (which will mainly comprise interest) although technically taxable will be distributed as a tax-deductible payment so no tax should in practice be payable by the Company. The Company will generally be liable to pay stamp duty land tax on purchases of property, and may incur other Property-specific taxes.

### 11.3. The Trust

11.3.1. The Trust is exempt from United Kingdom tax on capital gains realised on the disposal of its investment in the Company.

11.3.2. The Trust will be deemed to receive income as it holds accumulation Shares in the Company. This will be streamed for tax purposes into up to three parts depending on the nature of the income generated by the Company:

11.3.2.1. Property income distributions (representing Property income received by the Company) will be received gross of tax;

11.3.2.2. PAIF dividend distributions (representing any dividends received by the Company) will be exempt from corporation tax; and

11.3.2.3. PAIF interest distributions (representing the net amount of all other income received by the Company) will be received gross of tax.

11.3.3. In order to pay income distributions on Income Units, the Trust will realise the appropriate value of Shares in the Company. These disposals will be exempt from tax on any capital gain realised in the process.

11.3.4. The Trust will pay all distributable income as dividend distributions (or accumulate it within the Trust in the case of Accumulation Units).

#### 11.4. UK Unitholders

##### 11.4.1. Unitholders' income

###### (i) Interest distributions

UK resident individuals will be taxable on the sum of gross interest distributions received and accumulations made during the relevant tax year. Such distributions are paid under deduction of income tax at a rate of 20%, and individuals paying tax at the basic rate on such income will not be subject to further taxation. Non-taxpayers will be entitled to claim a repayment of the full amount of the tax. Investors whose total taxable income including savings income falls within the starting rate band will be able to claim back part of the tax deducted. However higher rate and additional rate taxpayers will have further tax to pay on the gross distribution. The amount will depend on the tax rate applicable to their specific circumstances.

A new personal savings allowance was introduced from 6 April 2016. UK tax resident individuals whose income is within the basic rate band will be able to earn the first £1,000 of savings income tax-free. Higher rate tax payers will be able to earn the first £500 savings income with no tax payable. Basic rate and higher rate tax payers whose total savings income is within the annual personal savings allowance can reclaim the tax withheld from the HM Revenue & Customs.

From 6 April 2017, all interest distributions are made gross so no tax will be deducted from any interest distributions. As a result, where individuals' gross interest distributions exceed their personal savings allowances detailed above, then they will be liable to pay income tax at their marginal rates (i.e. 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the excess amount.

Prior to 5 April 2017, unless corporate Unitholders could satisfy the Manager that they were beneficially entitled to the income and are UK resident or acting through a UK branch subject to UK corporation tax on the income, interest distributions and accumulations will be paid net of income tax at 20%. Corporate Unitholders will be subject to corporation tax on the gross amount of the distribution or accumulation but, where tax has been deducted, will be entitled to a credit for the tax treated as paid. All interest distributions are made gross from 6 April 2017.

###### (ii) Dividend distributions

A fund that makes distributions or accumulations will be treated as dividends of a UK company and will comprise dividend income for UK tax purposes. An individual recipient of a dividend distribution or accumulation was entitled to a notional tax credit of 10% of the gross dividend up to April 2016. This tax credit is sufficient to cover the liability of taxpayers liable to pay tax at the basic rate of tax on savings income. Higher rate taxpayers are taxed at 32.5% and additional rate taxpayers are taxed at 37.5% on the gross dividend against which the 10% tax credit can be credited and will have further tax to pay. It is no longer possible for Unitholders who hold their units in ISAs to reclaim the 10% tax credit. Non-taxpayers were entitled to reclaim the tax credit.

The 10% dividend tax credit was abolished in April 2016. Instead a dividend tax allowance of £5,000 a year has been introduced. From 6 April 2018, the dividend allowance was reduced to £2,000. The rates of tax on dividend income received above the dividend tax allowance of £2,000 will be 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Unitholders who hold their Units in ISAs will be unaffected.

The income corporate Unitholders receive from a dividend distribution or accumulation is streamed into franked, unfranked and foreign income, according to the underlying gross income of the Trust. The proportion which is derived from UK and overseas dividends that fall into one of five tax exemptions is treated as franked investment income and is generally not subject to further tax unless taxed on the Unitholder as part of its trade. The income derived from all other sources (e.g. interest income, dividends which do not qualify for exemption or which a fund has elected to tax or Offshore Income Gains on the disposal of offshore funds without reporting funds status) is treated as an annual payment paid under deduction of income tax at the rate of 20%. The Unitholder will be subject to tax on the grossed up amount but will be entitled to a credit for tax treated as paid. Whilst this amount can be wholly offset against the corporation tax liability of the Unitholder, the maximum amount of tax which can be reclaimed by the corporate Unitholder is limited to their proportion of the Funds net liability to corporation tax in respect of gross income.

##### 11.4.2. Capital Gains Tax

Unitholders who are resident in the UK for tax purposes may be liable to capital gains tax or, if companies, corporation tax on chargeable gains ('CGT'). The redemption, sale, switching or transfer of units, being chargeable assets, may constitute a disposal or part disposal for the purposes of UK CGT. For individuals, there is an annual exempt amount (for the 2019-2020 tax year of £12,000). From 6 April 2016 for basic rate tax payers the rate of 10% is applied to all chargeable gains in excess of the annual exempt amount. For higher rate and additional rate tax payers a rate of 20% is applied to all chargeable gains in excess of the annual exempt amount. For a corporate Unitholder indexation relief will be allowed as a deduction from the gain calculated by reference to the period the asset was held and its initial cost. The corporate Shareholder indexation relief was frozen from 1 January 2018.

An exchange of Units of one class for Units of another class within the Trust may constitute for UK taxation purposes a reorganisation of the Trust within section 127 of the Taxation of the Chargeable Gains Act 1992, in which case a UK resident Unitholder who exchanges one class of Unit for another class of Units would not be treated as making a disposal of Units giving rise to a chargeable gain or allowable loss, but instead would be treated as having acquired such new class of Units at the same time and for the same price at which the original class of Units were originally acquired.

**11.4.3. Inheritance tax ('IHT')**

Investors are potentially subject to UK inheritance tax on their investment in the Trust.

**11.5. Income equalisation**

When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the Unit's price is a return of capital and is not taxable in the hands of Unitholders. This amount should be deducted from the cost of Units in computing capital gains realised on their disposal, in accordance with the procedures set out in clause 25 of the Trust Deed.

**11.6. Foreign Account Tax Compliance Act**

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act 2010 ("FATCA"), a Foreign Financial Institution ("FFI") is under an obligation to broadly collect and provide information regarding US account holders (which includes certain equity and debt holders as well as certain account holders that are non-US entities with US owners). An FFI is a non-US entity that either (i) accepts deposits in the ordinary course of business; or (ii) holds financial assets for the account of others as a substantial portion of its business; or (iii) is engaged primarily in the business of investing or trading in securities or partnership interests; or (iv) is an insurance company or a holding company that is a member of an expanded affiliated group where the insurance company or holding company is obligated to make payments with respect to a cash value insurance or annuity contract or v) is an entity that is a holding company or treasury centre that is part of an expanded affiliated group that includes a depository institution, custodial institution, investment entity or is formed in connection with or availed by a collective investment vehicle or any similar investment vehicle established with an investment strategy of investing, reinvesting or trading in financial assets.

The FATCA legislation imposes a withholding tax of 30% on withholdable payments and in the future on foreign passthrough payments made to a non-US entity that are not an FFI unless such entity provides the withholding agent with certification identifying the substantial US owners of the entity, which includes any US Person who directly or indirectly owns a percentage (depending on jurisdiction) of the entity, or an exception applies. In order to avoid incurring withholding tax on withholdable payments, certain information regarding the direct and indirect investors in the Trust will need to be disclosed.

Please note that the Manager has determined that US Persons are not permitted to own Units in the Trust.

**11.7. Automatic exchange of information**

The Common Reporting Standard ('CRS') is coming into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require

the Trust to report account holder information to HMRC about Unitholders. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

**12. Winding up of the Trust****12.1. The Trust is to be wound up if:**

- 12.1.1. the order declaring the Trust to be an authorised unit trust scheme is revoked; or
- 12.1.2. in response to a request to the FCA by the Manager or the Trustee for the revocation of the order declaring the Trust to be an authorised unit trust scheme, the FCA has agreed (albeit subject to there being no material change in any relevant factor) that, on the conclusion of the winding up of the Trust, the FCA will accede to that request; or
- 12.1.3. an extraordinary resolution winding up the Trust is passed, provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee; or
- 12.1.4. an approved scheme of amalgamation or reconstruction becomes effective pursuant to the COLL Sourcebook; or
- 12.1.5. the expiration of any period specified in the Trust Deed as the period at the end of which the Trust is to be wound up.

12.2. On a winding up (otherwise than in accordance with an approved scheme of amalgamation or reconstruction) the Trustee is required as soon as practicable after the Trust falls to be wound up, to realise the assets of the Trust and, after paying out or retaining adequate provision for all liabilities payable and for the costs of the winding up, to distribute the proceeds of that realisation to the Unitholders and the Manager proportionately to their respective interests in the Trust. The Trustee may, in certain circumstances (and with the agreement of the affected Unitholders), distribute assets of the Trust (rather than the proceeds on the realisation of those assets) to Unitholders on a winding-up after making adjustments or retaining provisions as appears appropriate or ensuring that Unitholders bear a proportionate share of such costs.

12.3. Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after the expiration of twelve months from the date on which the same became payable is to be paid by the Trustee into court subject to the Trustee having a right to retain out of it any expenses incurred in making the payment into court.

12.4. If the Trust is to be wound up in accordance with an approved scheme of amalgamation or reconstruction, the Trustee is required to wind up the Trust in accordance with the resolution of Unitholders approving such scheme. Distributions will only be made to Unitholders entered on the register. Any net proceeds or cash (including unclaimed distribution payments) held by the Trustee

which has not been claimed after 12 months will be paid into court, after the deduction by the Trustee of any expenses it may incur.

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

## 13. General information

### 13.1. Publication of prices

13.1.1. The prices of the Units will be published daily electronically on [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com) or can be obtained by telephone on 0800 953 01341. Investors will be informed in accordance with the FCA Rules of any change in the method of publication of prices.

13.1.2. As the Manager deals on a forward pricing basis, the price that is available will not necessarily be the same as the price at which investors can currently deal. The Manager may also, at its sole discretion, decide to publish certain Unit prices in other third party websites or publications but the Manager does not accept responsibility for the accuracy of the prices published in, or for the failure to publish prices by such sources for reasons beyond the control of the Manager.

### 13.2. Accounting periods

13.2.1. The annual accounting period of the Trust will end on 15 May (the "Accounting Reference Date") each year. The half yearly accounting period will end on 15 November.

13.2.2. Tax certificates together with current valuations will be sent to Unitholders in the Trust at least once in each accounting year.

### 13.3. Annual report and financial statements

Annual long report and financial statements of the Trust will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of the half yearly accounting period.

Within the timeframes noted above, the Manager will make the short form report which details performance and activities of the Trust over the accounting period available on the website [www.columbiathreadneedle.com/shortform](http://www.columbiathreadneedle.com/shortform). The Manager will provide hard copies of the short reports to Unitholders upon request.

### 13.4. Income distributions

13.4.1. No distributions of income will be made in respect of Accumulation Units.

13.4.2. Income distributions are made on a quarterly basis. Income allocation dates are 15 July, 15 October, 15 January and 15 April of each year.

13.4.3. The amount available for allocation in any accounting period is calculated by taking the aggregate of the income received or receivable in respect of that period, and deducting the charges and expenses paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to 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 any other adjustments (including for amortisation) which the Manager considers appropriate after consulting the auditors.

13.4.4. In order to generate income the Manager will redeem the appropriate number of Class F Accumulation Shares in the Company. Any distribution payment which remains unclaimed after a period of six years from the date of payment, will be forfeited and will be transferred to and become part of the Trust's capital property. Thereafter, neither the Unitholder nor any successor will have any right to it except as part of the capital property.

### 13.5. Register of Unitholders

The Manager acts as registrar to the Trust and has delegated to DST the responsibility of maintaining the register of Unitholders at its address set out in the directory. The register may be inspected at that address during normal business hours by any Unitholder or any Unitholder's duly authorised agent.

### 13.6. Conflicts of interest

13.6.1. The Manager, the Investment Manager and other companies within the group of companies to which they belong may, from time to time, act as the investment manager or adviser to other funds or sub-funds which follow similar investment objectives to the Trust. It is therefore possible that the Manager and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Trust.

13.6.2. Each of the Manager and the Investment Manager will, however, have regard in such event to its obligations under the Trust Deed and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients

---

<sup>1</sup> Please note that calls and electronic communications may be recorded.



when undertaking any investment where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager will ensure that the Trust and the other funds it manages are treated fairly.

13.6.3. 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 risks of damage to the interests of the Trust or its Unitholders will be prevented. Should any such situations arise the Manager will disclose these to Unitholders in an appropriate format, ordinarily this will be in the Report and Accounts of the Trust.

13.6.4. The Investment Manager may, subject to the investment policy of the Trust, invest the assets in other funds, sub-funds or other entities managed or advised by the Investment Manager and/or any of its associated companies. The Investment Manager might earn fees from such a scheme but the Investment Manager will invest the Trust's assets in such a scheme only if the Investment Manager believes to do so is in the Trust's best interest even taking into account such scheme's fees.

13.6.5. From time to time, conflicts may arise between the Trustee and the delegates or sub-delegates and the Trust, the Unitholders in the Trust or with the Manager, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for other custodial services it provides to the Trust. In the event of any potential conflict of interest which may arise during the normal course of business, the Trustee will have regard to applicable laws.

13.6.6. JPMorgan Bank N.A. carries out derivative collateral management and will manage any conflict which might arise having regard to the FCA Handbook and its duties to the Trustee and the Investment Manager.

### 13.7. Exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of the Trust. A summary of this strategy is available on the Manager's website at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). Details of the actions taken on the basis of this strategy in relation to the Trust are available by writing to the Manager's Client Services Department at the address provided in the Directory.

### 13.8. Best execution

The Manager's best execution policy sets out the basis upon which the Manager will effect transactions and place orders in relation to the Trust whilst complying with its obligations under the FCA Handbook to obtain the best possible result for the Trust. Details of

the best execution policy are available on the Manager's website at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com) or by contacting the Manager via the Client Services at the details provided in the Directory.

In addition, by 30 April each year, the Investment Manager will publish annually on its website a summary of the volumes executed for each instrument class, showing the Top 5 venues. This can be found under the 'Literature' section of the site.

### 13.9. Controversial Weapons

The UN Convention on Cluster Munitions prohibits all use, stockpiling, production and transfer of controversial weapons. The Manager and the Investment Manager acknowledge the importance of the Convention and the Investment Manager actively screens companies for evidence of their corporate involvement, in controversial weapons that include but are not limited to anti-personnel mines, cluster munitions, biochemical weapons and depleted uranium ammunition and armour. Where a company is verified to undertake such activities, the Investment Manager's policy is not to invest in the securities issued by that company however it reserves the right to take short positions on such securities.

### 13.10. Responsible investment

In discharging its obligations, the Manager will have regard, as appropriate, to its policies on the Principles for Responsible Investment (PRI) and the UK Stewardship Code.

### 13.11. Risk management

Upon request, the Manager will provide further information relating to the quantitative limits applying in the risk management of the Trust and the methods used.

### 13.12. Documents of the Trust

13.12.1. The following documents may be inspected free of charge between 9.30 am and 4.30 pm (UK time) on every business day at the offices of the Manager at Cannon Place, 78 Cannon Street, London EC4N 6AG:

- the most recent annual and half-yearly reports of the Trust;
- the Trust Deed (and any amending document);
- the Prospectus; and
- the Risk Management Policy.

13.12.2. Unitholders may obtain copies of the above documents from that address.

### 13.13. Privacy statement

#### 13.13.1. Your data controller

For the purposes of the UK Data Protection Act 1998 and/or any consequential data protection legislation, and/or any other applicable legislation or regulation, the data controller in respect of any personal information provided is Threadneedle Investment Services Limited. In this privacy statement, 'we', 'us' and 'our' means Threadneedle Investment Services Limited.

#### 13.13.2. Uses made of your personal information

This Privacy Statement covers information about you ("personal information") that you supply to us. This information will typically include information such as your name, address, date of birth, telephone number, email address, gender, financial information and other information you provide to us. Our legal basis to process your information includes doing so in order to comply with our legal obligations (e.g., for the purposes of debt collection and/or the prevention of fraud or any other crime), to perform a contract between us and you (e.g., manage and administer your account (including but not limited to contacting you with details of changes to the products you have bought, and offering you new investment products), establish and defend any legal claims, or because you have consented to our use of your information. We may also process your personal information because it is necessary for our legitimate business interests (e.g., for internal analysis and research), we may also process your data in order to comply with legal or regulatory requirements.

#### 13.13.3. Sharing of your personal information

We may use external third parties such as those described below to process your personal information on our behalf in accordance with the purposes set out in this privacy statement.

Where you have notified us of your adviser, the personal information provided may be shared with your adviser. You must notify us in writing if you no longer wish us to share your personal information with your adviser or of any change to your adviser. Your adviser should have its own arrangements with you about its use of your personal information. For the avoidance of doubt, if you do wish to exercise any of your individual rights as set out in our privacy notice via your nominated adviser then we will require written authorisation from you (or both of you, in the case of a joint account) before we can share any such personal information with your adviser.

The personal information provided may also be shared with other organisations (including but not limited to governmental and/or tax authorities in the UK and outside the UK) in order for us to comply with any legal or regulatory requirements (e.g., audit reporting and anti-money laundering checks) and, in addition (in respect of tax authorities, and where lawful to do so under data protection laws) where necessary for the purposes of ensuring that tax is paid correctly and that we receive refunds of tax already paid when this is due to us. We may also transfer your personal information to appointed third party administrators, such as transfer agents, in order to process customer applications, carry out record keeping, deal with subscriptions, switching, withdrawals and terminations, and certain communications. In addition, we may share your personal information with the companies within our group of companies for the purposes set out in this privacy statement and our privacy policy.

#### 13.13.4. Business changes

If we or the Threadneedle group undergoes a group reorganisation or is sold to a third party, the personal information provided to us may be transferred to that reorganised entity or third party and used for the purposes highlighted above.

#### 13.13.5. Overseas transfers

We may transfer your personal information to countries located outside of the European Economic Area (the EEA), including to the United States. This may happen when our servers, suppliers and/or, service providers are based outside of the EEA. We may transfer your information under certain circumstances (e.g., where it is necessary to perform our contract with you). 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 and confidentiality rights are respected. We implement measures such as standard data protection contractual clauses to ensure that any transferred personal information remains protected and secure. A copy of these clauses can be obtained by contacting us at the address listed below in the "Contact Information" section. Details of the countries relevant to you will be provided upon request.

#### 13.13.6. Your Rights

With limited exceptions, you are entitled, in accordance with applicable law, to object to or request restriction of processing of your personal information, and to request access to, rectification, erasure and portability of your personal information. This service is provided free of

charge unless requests are manifestly unfounded or excessive. In these circumstances, we reserve the right to charge a reasonable fee or, refuse to act on the request. You can write to using the contact details provided in the Directory or by contacting us at the address listed below in the "Contact Information" section.

If any of the information that we hold about you is wrong, please tell us and we will put it right.

You may lodge a complaint with the applicable regulator if you consider our processing of your personal information may infringe applicable law.

#### 13.13.7. Data Security and Retention

We maintain reasonable security measures to safeguard personal information from loss, interference, misuse, unauthorised access, disclosure, alteration or destruction. We also maintain reasonable procedures to help ensure that such data is reliable for its intended use and is accurate, complete and current.

Personal information will be retained only for so long as reasonably necessary for the purposes set out above, in accordance with applicable laws. For more information on our data retention periods, you can request a copy of our data retention policy by writing or emailing to the address listed below in the "Contact Information" section.

#### 13.13.8. Contact Information

You can raise any issues regarding the processing of your personal information by contacting our Data Protection Officer at any time: [DPO@columbiathreadneedle.com](mailto:DPO@columbiathreadneedle.com) or Cannon Place, 78 Cannon Street, London EC4N 6AG.

#### 13.14. Additional information

13.14.1. The FCA Rules contain provisions on conflicts of interest governing any transaction concerning the Trust which is carried out by or with any 'affected person', an expression which covers the Manager, an associate of the Manager, the Trustee, an associate of the Trustee, any investment manager and any associate of any investment manager.

13.14.2. These provisions, among other things, enable an affected person to sell or deal in the sale of property to the Trustee for the account of the Trust; vest property in the Trustee against the issue of Units in the Trust; purchase property from the Trustee acting for the account of the Trust; enter into a stock lending transaction in relation to the Trust; or provide services for the Trust through the Manager or the Trustee. Any such transactions with or for the Trust through the Manager or the Trustee are subject to best execution on exchange, or independent valuation or arm's

length requirements as set out in the FCA Rules.

An affected person carrying out such transaction is not liable to account to the Trustee, the Manager, any other affected person, or to the holders of Units or any of them for any benefits or profits thereby made or derived.

13.14.3. Investment of the property of the Trust may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the Manager. Neither the Manager nor any such affected person will be liable to account for any profit out of such dealings.

13.14.4. If you would like to receive more information on the Threadneedle PAIF or to obtain a copy of the Prospectus, please refer your request to the Manager's Client Services using the contact details set out in the Directory.

#### 13.15. Notice to Unitholders

13.15.1. In the event that the Manager is required to give notice to Unitholders for any reason, or otherwise chooses to do so, such notice will normally be given in writing. Alternatively, and to the extent permitted by the FCA Rules, notice to Unitholders may be made by way of publishing the information on [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com), or by including the information in a mailing to the Unitholders such as the Trust's bi-annual statements. Any document served on Unitholders by the Manager will be served to the current address of the Unitholder with reference to the records of the Manager.

13.15.2. Any document or notice to be served by a Unitholder on the Manager may be served at the head office of the Manager.

#### 13.16. Changes to the Trust

13.16.1. Where any changes are proposed to be made to the Trust the Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3 of the FCA Rules. Some changes will not be fundamental, significant or notifiable, but those which do fall within these categories will be submitted to the FCA for approval. Changes to the Trust's investment objective, policy or strategy will usually be significant or fundamental, unless those changes are only for the purposes of clarification and do not result in any change in how the Trust is managed.

13.16.2. If the change is regarded as fundamental, Unitholder approval will be required. If a change requires Unitholder approval, this will mean that Unitholders will need to approve the change at a meeting. The procedure for Unitholder meetings is described above at the section with the heading "Unitholder meetings and voting rights".



13.16.3. If the change is regarded as significant, not less than 60 days' prior written notice will be given to Unitholders. If the change is regarded as notifiable, Unitholders will receive suitable pre or post event notice of the change.

### 13.17. Information available to Unitholders

13.17.1. The following information will be made available to Unitholders as part of their periodic reporting:

- the percentage of the Trust's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements, and how management and performance fees will apply to these assets;
- the current risk profile of the Trust and information on the risk management systems used by the Manager to manage those risks;
- the total amount of leverage employed by the Trust calculated in accordance with the gross and commitment methods; and
- any material changes to the information above.

13.17.2. It is intended that Unitholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage that the Trust may employ will be provided to Unitholders without undue delay.

13.17.3. Such information will, at a minimum, be disclosed in the annual report for the Trust.

### 13.18. Fair treatment of investors

13.18.1. Procedures, arrangements and policies have been put in place by the Manager to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Trust and of the investors;
- executing the investment decisions taken for the account of the Trust in accordance with its objective, investment policy and risk profile;
- ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;

- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Trust;
- preventing undue costs being charged to the Trust and investors;
- taking all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors;
- recognising and dealing with complaints fairly.

13.18.2. From time to time, the Manager may afford preferential terms of investment to certain groups or types of investor. In assessing whether any such terms are afforded, the Manager will ensure that any such concession is not inconsistent with its obligations to act in the overall best interests of Unitholders. In particular, the Manager may exercise its discretion to waive the investment minima in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time. The Manager may also have agreements in place with certain types of investors that result in them paying a reduced annual management charge.

13.18.3. The types of investors that might obtain such concessions would typically include platform service providers, distributors and institutional investors (including fund of fund investors and life companies investing as fund-link investors).

### 13.19. Unitholders' rights

13.19.1. Unitholders are entitled to participate in the Trust on the basis set out in the Prospectus (as amended from time to time). The sections of this prospectus with the headings "Complaints", "Unitholder meetings and voting rights" and "Notice to Unitholders" set out important rights about Unitholders' participation in the Trust.

13.19.2. Unitholders may have no direct rights against the service providers to the Trust.

13.19.3. Unitholders may be able to take action if the contents of this Prospectus are inaccurate or incomplete.

13.19.4. Unitholders have statutory and other legal rights including the right to complain and which may include the right to cancel an order or seek compensation.

13.19.5. Unitholders that are concerned about their rights in respect of the Trust should seek legal advice.

**13.20. Professional liability risks**

The Manager covers potential professional liability risks arising from its activities as AIFM for the Trust through a combination of professional liability insurance covering liability risks arising from professional negligence and its own additional funds.

**13.21. Complaints**

Complaints may be referred to the Manager at Client Services using the contact details provided in the Directory. A copy of the Manager's 'Complaint Handling Procedure' is available upon request. Complaints may also be referred to the Financial Ombudsman Service which is based at Exchange Tower, London E14 9SR.

**13.22. Remuneration**

The Manager, as part of Columbia Threadneedle Investments EMEA Region, shall apply remuneration policies and practices for identified staff in compliance with the AIFM Directive and the UCITS Directive and regulatory requirements. Further details on the remuneration policy can be found at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). The up to date details of the remuneration policy shall include, but are not limited to, a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee.

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation:

- the remuneration policy is in line with the business strategy, objectives, values and interests of the Manager and of the investors, and includes measures to avoid conflicts of interest. The Manager has full discretion as to whether any variable remuneration is awarded in compliance with the remuneration policy;
- where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit and as to their risks and of the overall results of the Manager when assessing individual performance, taking into account financial and non-financial criteria. In particular, employees will not be eligible to receive an incentive award if at any point during the relevant performance year, and the period from the end of the performance year until the award payment date, the employee has been found, not to have met the Manager's standards of performance and conduct;
- the assessment of performance is set in a multi-year framework with stock awards set with deferral rates in accordance with applicable regulation.

Further details on the remuneration policy can be found at [columbiathreadneedle.com](http://columbiathreadneedle.com). A paper copy of the remuneration policy is available free of charge upon request.

**13.23. Governing law and jurisdiction**

The Manager treats a Unitholder's participation in the Trust as being governed by the laws of England and Wales. Subject to any contrary mandatory law on jurisdiction, the English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Unitholder's participation in the Trust.

## Appendix I

### Eligible Securities and Derivatives Markets

1. As the Trust invests solely in the Company, it does not invest directly on any eligible securities or derivatives markets. The Trust does not currently use leverage.
2. The Company invests in immovable property and also through eligible securities and derivatives markets.

## Appendix II Investment Objectives and Policy of the Company

### Investment objective

It is intended that the Company will be a PAIF at all times and so its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business (as defined in the PAIF Tax Regulations) as further described below. HMRC has confirmed to the ACD of the Company that the Company meets the requirements to qualify as a PAIF under regulation 69O of the PAIF Tax Regulations.

The objective of the Company is to obtain a total return based on income and capital appreciation predominantly through investment in certain kinds of real estate, property-related securities, government and public securities and units in collective investment schemes.

### Investment policy

The Company will invest primarily in UK commercial real estate. It may also invest in US or Continental European real estate, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by the ACD or its associates), cash and near cash, warrants, deposits and money market instruments. **Derivatives may be used for investment purposes on the giving of 60 days' notice to shareholders in the Company. At the date of this Prospectus derivatives are used for efficient portfolio management purposes only.**

By way of further explanation of how the ACD proposes to implement this policy, it is expected that the Company will be invested in:

- Property that qualifies as approved immovables for the purposes of the FCA Handbook in the United Kingdom, but the Manager of the Company may consider it appropriate to invest in real estate in other countries permitted by the FCA Handbook and listed in Appendix I of the Prospectus of the Company. The Company may invest up to 100% of its assets in Property that qualifies as approved immovables for the purposes of the FCA Handbook;
- transferable securities, with an emphasis on property-related securities. the Company may, subject to the PAIF Tax Regulations, hold up to 100% of its assets in transferable securities that are approved securities as defined in the FCA Handbook, and up to 20% in transferable securities that are non-approved;
- government and other public securities. The Company may invest up to 35% of its assets in government and public securities (increased, subject to the PAIF Tax Regulations, to 100% for certain types of securities);
- units in regulated and unregulated collective investment schemes (which may include unauthorised property unit trusts) up to 15% of its assets; and

- unregulated collective investment schemes (which may include unauthorised property unit trusts) together with investments in non-approved transferable securities up to 20% of its assets.

Further to the above, the ACD intends to invest predominantly in real estate assets located in the UK. In the event that the ACD decides to make a significant investment in real estate assets located outside of the UK, the ACD will give notice of this fact to Shareholders in the Company in the next short report of the Company.

The Company, subject to the PAIF Tax Regulations, may also invest in such other investments as the ACD deems appropriate, including warrants, money market instruments, derivatives and forward transactions and deposits, but subject always to the FCA Handbook.

The investment policy of the Company means that it may be appropriate for the Company to hold cash or near cash. This will only occur where the ACD reasonably regards it as necessary to enable the pursuit of the Company's objective, redemption of units, efficient management of the Company in accordance with its objective, or for purposes ancillary to its objective.

The Company may use property derivative instruments in accordance with the FCA Handbook and to the extent that these are used. It is currently intended that the use will be for hedging purposes using efficient portfolio management style techniques. It is not envisaged that the risk profile of the Company will be affected by the use of such instruments. The use of such derivative instruments will not contravene the investment objective or any relevant investment limits.

A detailed description of the types of assets the Company may invest in and the limitations on the extent to which the Company may invest is set out in Appendix IV of the Prospectus of the Company.

### Other information

The following benchmarks are currently used as a point of reference against which the Company's performance may be compared:

**Peer Group:** Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics (peer groups). The Company is currently included in the IA Direct Property sector

**Index:** The MSCI UK Monthly Property Index is a performance benchmark of directly held UK property investment measuring total returns from one valuation to the next for currently more than 2,000 property investments.

### Key Risk Factors of investing in the Company

The value of investments can fall as well as rise and investors might not get back the sum originally invested, especially if investments are not held for the long-term.

### Market Risk

The value of investments can fall as well as rise and investors might not get back the sum originally invested.

### **PAIF status**

The Company benefits from beneficial tax status as it is run as a PAIF. It is possible that the tax treatment of the Company may change or it may lose its PAIF status. Any change may affect the performance of the Trust and/or the amount you receive back on your investment.

### **Property Liquidity Risk**

It may be difficult or impossible to realise an investment of the Company because the underlying property concerned may not be readily saleable. The Company invests in assets that are not always readily saleable without suffering a discount to fair value. The Company may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity.

### **Property Valuation Risk**

The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. Assets of the Company are difficult to value accurately as a result of their nature and consequently valuations are estimates and are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price of those assets even where a sale occurs shortly after the valuation date.

### **Property Market Risk**

If values in the property market go down or rental income decreases, the Company's value may be negatively affected. The performance of the Company would be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields.

### **Uninvested Cash Risk**

Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances up to 20% of the Company's assets may be held as cash deposits. In exceptional circumstances, the level of cash held by the Company may be significantly higher. Holding high levels of cash will have an impact on the performance of the Company and its distributable income until the excess cash is invested in property assets.

### **Effect of Dual Pricing**

The Company is dual priced and there is a difference between the buying price and the selling price of Shares.

### **Volatility Risk**

The Company may exhibit significant price volatility.

## Appendix III

### Unit Class Characteristics – Unit Classes

#### Class 1

Name	Accumulation	Income
Currency	Sterling	Sterling
Annual Management Fee	1.5%	1.5%
Registrar's Fee	0.11%	0.11%
Minimum Initial Investment	£1,000	£1,000
Minimum Top-Up	£1,000	£1,000
Minimum Holding	£500	£500
Launch Price	50p	50p

#### Class 2

Name	Accumulation	Income
Currency	Sterling	Sterling
Annual Management Fee	0.75%	0.75%
Registrar's Fee	0.035%	0.035%
Minimum Initial Investment	£500,000	£500,000
Minimum Top-Up	£25,000	£25,000
Minimum Holding	£25,000	£25,000
Launch Price	500p	500p

#### Class F

Name	Accumulation
Currency	Sterling
Annual Management Fee	0%
Registrar's Fee	0%
Minimum Initial Investment	£1 million
Minimum Top-Up	£1 million
Minimum Holding	£1 million

## Appendix IV

### Investment management and borrowing powers

#### 1. Investment restrictions

The Scheme Property of the Trust will be invested with the aim of achieving its investment objective, but subject to the limits set out in its investment policy set out in Appendix IV, this Prospectus and Chapter 5 of the COLL Sourcebook ("COLL") as it applies to Non-UCITS Retail Schemes.

#### 2. Prudent spread of risk

The Trust is a "feeder fund" and is permitted to invest solely in the Company pursuant to COLL 5.6.7. The Company is managed with the aim of providing its investment objective and policy which includes a prudent spread of risk.

#### 3. Investment in collective investment schemes

3.1 All of the value of the Scheme Property of the Trust will be invested in Shares in the Company (for this paragraph, "the Second Scheme") provided that the Second Scheme satisfies all of the following conditions.

3.2 The Second Scheme must:

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

3.2.2 be authorised as a Non-UCITS Retail Scheme; or

3.2.3 be recognised under section 264, 270 or 272 of the Financial Services and Markets Act 2000 (Schemes constituted in other EEA states, Schemes authorised in designated countries or territories and Individually recognised overseas schemes); or

3.2.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same as or more restrictive than those of a Non-UCITS Retail Scheme; or

3.2.5 be a scheme not falling within paragraphs 3.2.1 to 3.2.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

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

3.4 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.

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

3.6 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager if the prospectus of the Trust clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

3.7 The Trust may, subject to the above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager or one of its associates.

#### 4. General

4.1 Cash will not be retained in the Scheme Property except to the extent that this may be reasonably regarded as necessary in order to enable making of payments to Unitholders and creditors.

4.2 Where the Trust invests in or disposes of shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to the Trust by the close of business on the fourth business day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

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

#### 5. General power to borrow

5.1 The Manager may, on the instructions of the Trustee and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust on terms that the borrowing is to be repayable out of the Scheme Property.

5.2 The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the Trust.

#### 6. Restrictions on lending of money

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

#### 7. Restrictions on lending of property other than money

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

7.2 Scheme Property must not be mortgaged.

#### 8. Guarantees and indemnities

8.1 The Trustee may not provide a guarantee or indemnity in respect of the obligation of any person.

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

## Appendix V

### Valuation Provisions

The valuation of the property of the Trust takes place as at a valuation point fixed by the Manager and as set out in the Prospectus.

The valuation is in the Trust's base currency.

Prices used are the most recent prices that can reasonably be obtained after the valuation point with a view to giving an accurate valuation as at that point.

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

All the property of the Trust (including receivables) is to be included, subject to the following provisions.

#### 3. Valuation principles

- 3.1 Cash and amounts, if any, held in current, deposit and margin accounts and in other time related deposits will be valued at their nominal values.
- 3.2 In determining the value of the Scheme Property, all instructions given to issue or cancel units will be assumed (unless the contrary is shown) to have been carried out and any payment made or received and any consequential action required by the Regulations will be assumed (unless the contrary has been shown) to have been taken.
- 3.3 An estimated amount for corporation tax and other anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Trust; on realised capital gains in respect of previously completed and current accounting periods and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, value added tax, stamp duty and stamp duty land tax will be deducted.
- 3.4 An estimated amount for any liabilities payable out of the property of the Trust and any tax thereon treating periodic items as accruing from day-to-day will be deducted.
- 3.5 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.
- 3.6 An estimated amount for accrued claims for tax, if any, of whatever nature which may be recoverable will be added.
- 3.7 Any other credits or amounts due to be paid into the property of the Trust will be added.

- 3.8 A sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received will be added.



## Appendix VI Performance of the Trust

### Performance of the Trust

Performance\* to 30 June 2019 quoted in sterling (on a bid to bid price basis, net of fees, with income net of UK basic rate tax reinvested). Annualised performance since launch is quoted to 30 June 2019 (source: Morningstar).

Fund name	Launch Date	Calendar year performance												Annualised Performance since launch (%)
		2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	
Threadneedle UK Property Authorised Trust	February 2007	n/a	-8.24	0.15	3.99	1.68	-1.53	3.14	13.44	8.43	-5.24	11.26	-3.20	1.54

Past performance is not a guide for future performance.

Performance before 14 May 2016 reflects the performance of Threadneedle UK Property Trust, which was converted into the Company on that date.

## Directory

### Manager:

Threadneedle Investment Services Limited

### Registered office and head office:

Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Client Services Details

#### Address: Threadneedle Investment Services Limited

PO Box 10033, Chelmsford, Essex CM99 2AL  
Telephone UK Investors: (dealing & customer enquiries): 0800 953 0134  
Telephone non-UK Residents: (dealing & customer enquiries):  
+44 (0) 1268 441520  
Fax UK Investors (dealing): 0845 113 0274  
Fax non-UK Residents (dealing): +352 2452 9807  
Email (enquiries): [questions@service.columbiathreadneedle.co.uk](mailto:questions@service.columbiathreadneedle.co.uk)

### Investment Manager:

Threadneedle Asset Management Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

### Trustee:

Citibank Europe plc, UK Branch  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB

### Legal Advisers:

Eversheds Sutherland (International) LLP  
One Wood Street  
London EC4V 7WS

### Auditor:

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

### Registrar

DST Financial Services Europe Limited  
(authorised and regulated by the FCA)  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

\*Please note that calls and electronic communications may be recorded.

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



**Important information:** Threadneedle Investment Services Limited, ISA Manager, Authorised Corporate Director and Unit Trust Manager. Registered No. 3701768. Registered in England and Wales. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised and regulated by the Financial Conduct Authority. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.  
[columbiathreadneedle.com](https://columbiathreadneedle.com) Issued 12.17 | Valid to 12.18 | T255505