

Prospectus

CT UK Commercial Property Fund ICVC

(An open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC825 and PRN 521509)

This document constitutes the Prospectus for the CT UK Commercial Property Fund ICVC which has been prepared in accordance with the Collective Investment Schemes sourcebook. Copies of this Prospectus have been sent to the FCA and the Depositary.

Valid as at: 27 January 2025

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Important Information about this Prospectus

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

Columbia Threadneedle Fund Management Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes sourcebook to be included in it. Columbia Threadneedle Fund Management Limited accepts responsibility accordingly.

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares 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 Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Company. Investors should only consider investing in the Company if they understand the risks involved including the risk of losing all capital invested.

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

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of the 1933 Act and any applicable state securities laws. Any re-offer or resale of the Company in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax reporting including the US provisions commonly known as FATCA. The Company is a passive non-financial entity for these purposes, not a financial institution.

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 Shares.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders (who are taken to have notice of them) and a copy of the Instrument of Incorporation is available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Columbia Threadneedle Fund Management Limited.

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

The ACD will process the personal information of Shareholders and of prospective investors who contact the ACD. As such, and in accordance with the ACD's obligations under data protection law, the ACD's privacy notice provides details about the collection, use and sharing of personal information in connection with Shareholders' or prospective investors' interest or investment in the Fund(s). Shareholders and prospective investors may obtain further information about how the ACD processes personal information relevant to the Fund(s) by reading the most up to date version of the ACD's privacy notice at <https://www.columbiathreadneedle.co.uk/en/retl/privacy-cookie-policy/>.

It is the responsibility of Shareholders or prospective investors to advise any other person whose personal information is provided by such Shareholders or prospective investors to the ACD (such as joint investors) about how the ACD processes personal information and to provide them with the link to the ACD's privacy notice.

This Prospectus is based on information, law and practice at the date of this Prospectus. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published Prospectus.

Automatic exchange of information for international tax compliance

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance. The Company is required to collect certain information about Shareholders and their investments to pass to HM Revenue & Customs who may, in turn, pass it on to relevant overseas tax authorities. Please see the Taxation section of this prospectus for further information.

1. DEFINITIONS

"ACD"	Columbia Threadneedle Fund Management Limited, the authorised corporate director, the alternative investment fund manager and registrar of the Company;
"ACD Agreement"	an agreement dated 7 July 2014 between the Company and the ACD;
"Act"	the Financial Services and Markets Act 2000;
"Administrator"	SS&C Financial Services Europe Ltd or such other entity as is appointed to act as administrator to the Company from time to time;
"AIFM"	Columbia Threadneedle Fund Management Limited, the alternative investment fund manager and authorised corporate director of the Company;
"AIFM Directive"	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 (or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable);
"AIFM Regulations"	the Alternative Investment Fund Managers Regulations 2013 as amended or re-enacted from time to time;
"Approved Bank"	is as defined in the Glossary to the COLL Sourcebook;
"Auditor"	PricewaterhouseCoopers LLP or such other entity as is appointed to act as auditor to the Company from time to time;
"Body Corporate" or "Bodies Corporate"	a body corporate incorporated in any jurisdiction (including within the UK) or any entity treated as a body corporate for tax purposes in any jurisdiction with which the UK has any form of double tax treaty or other agreement to relieve double tax which has effect under the UK's tax legislation by Order of Council or under such a double tax treaty or other agreement;
"Business Day"	any day when the London Stock Exchange is open for business;
"Class" or "Classes"	in relation to Shares, means a class of Share in the Company and, in relation to Units, means a class of Unit in the Feeder Fund;
"Class F"	Shares that have been designated specifically for investment by the Feeder Fund and which are only available for investment by it;
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook;
"COLL Sourcebook"	the Collective Investment Schemes sourcebook issued by the FCA as amended or replaced from time to time;

"Company"	CT UK Commercial Property Fund ICVC;
"Conversion"	the conversion of Shares in one Class to Shares of another and "Convert" or "Converting" shall be construed accordingly;
"Custodian"	State Street Bank and Trust Company, the custodian of the Company;
"Cut-Off Point"	the point prior to which orders to buy, sell or Convert Shares must be received in order for them to be actioned at the next Valuation Point and details of which are set out in Appendix I;
"Dealing Day"	any day on which Shares may be bought and sold via the ACD. Should any Dealing Day not be a Business Day, dealing will take place on the next practicable Business Day;
"Depository"	State Street Trustees Limited, the depository of the Company or such other entity as is appointed to act as depository from time to time;
"Director" "Directors"	or the directors of the Company from time to time (including the ACD)
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area;
"Eligible Institution"	one of certain eligible institutions as defined in the glossary to the FCA Handbook;
"EPM"	efficient portfolio management as defined in Appendix III;
"ERISA Plan"	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);
"Exchange"	the exchange of units in the Feeder Fund for Shares in the Company and "Exchanging" shall be construed accordingly;
"EU Regulation"	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable);
"EUWA"	the European Union (Withdrawal) Act 2018;

"FCA"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
"FCA Handbook"	the FCA Handbook of Rules and Guidance as amended from time to time;
"FCA Rules"	the rules contained in the COLL Sourcebook or the Investment Funds Sourcebook published as part of the FCA Handbook which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook;
"Feeder Fund"	CT UK Commercial Property Feeder Fund, an authorised unit trust, which is the feeder fund of the Company;
"FIIA"	a fund investing in Inherently Illiquid Assets;
"Financial Derivative Instruments"	types of investment which derive their value from the value and characteristics of one or more underlying assets such as a security, an index or an interest rate. They are leveraged, therefore a small movement in the value of the underlying asset can cause a large movement in the value of the Financial Derivative Instrument. Also known as 'derivatives'. See Leverage;
"fraction"	a smaller denomination Share (on the basis that one hundred smaller denomination Shares make one larger denomination Share);
"FUND"	the Investment Funds Sourcebook issued by the FCA as amended or replaced from time to time;
"Inherently Illiquid Assets"	the list of assets defined in the FCA Rules, which includes (but is not limited to) immovables, an investment in an infrastructure project, certain transferable securities, shares in another FIIA;
"Instrument of Incorporation"	of the instrument of incorporation of the Company as amended from time to time;
"Investment Manager"	Columbia Threadneedle REP AM plc, as investment manager in respect of the assets held by the Company, including the real estate assets which may be held;
"Leverage"	a method of achieving an increased exposure to an underlying asset through the use of Financial Derivative Instruments. Leverage means any method by which the ACD increases the exposure of the Company whether through borrowing cash or securities, or leverage embedded in derivative positions or by any other means;
"Net Asset Value" or "NAV"	the value of the Scheme Property less the liabilities of the Company as calculated in accordance with the Instrument of Incorporation;

"Non-UCITS scheme"	retail	a scheme which is not a UK UCITS constituted in accordance with the FCA Rules but which is authorised by the FCA and which is available to retail investors;
"OEIC Regulations"		the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
"PAIF"		an open-ended investment company, or a sub-fund of an open-ended investment company, which is a Property Authorised Investment Fund, as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook. As at the date of this Prospectus, the Company is a PAIF;
"Property Investment Business"		property investment business as defined in the Tax Regulations and summarised in Appendix III;
"Proportionate Interest"		the interest of Shareholders of a Class in the net assets or income of the Company;
"Property Adviser"		Columbia Threadneedle REP PM Limited or such other company as appointed from time to time to act as day-to-day property adviser of the immovable property investments of the Company;
"Property Manager"		Columbia Threadneedle REP PM Limited or such other company as appointed from time to time to act as day-to-day property manager of the immovable property investments of the Company;
"Register"		the register of Shareholders of the Company;
"Registrar"		SS&C Financial Services Europe Ltd, or such other entity as is appointed to act as registrar to the Company from time to time
"Regulations"		the Act, the EU Regulation, the AIFM Regulations, COLL, FUND, the OEIC Regulations, the AIFM Directive and the FCA Handbook as amended or re-enacted from time to time;
"Scheme Property"		the property of the Company required under the COLL Sourcebook to be given for safe-keeping to the Depositary;
"Share" or "Shares"		a share or shares in the Company (including larger denomination Shares and fractions);
"Shareholder"		a registered holder of Shares in the Company;
"Standing Independent Valuer"		persons appointed from time to time to act as the standing independent valuer of the Company, in accordance with COLL 5.6.20, to value immovables subject to COLL and the Instrument of Incorporation of the Company;

"Stock Lending"	the permitted lending of Scheme Property as described in Appendix III;
"Tax Regulations"	the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964), as amended from time to time;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
"US Person"	a person who is in either of the following two categories: (a) a person included in the definition of US person under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of Non-United States person as used in the Commodity Futures Trading Commission (CFTC) Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he/she or it does not satisfy any of the definitions of US person in Rule 902 and qualifies as a Non-United States person under CFTC Rule 4.7.
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which shares may be issued, redeemed or cancelled;
"VAT"	value added tax;
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted); and

"1940 Act"

the United States Investment Company Act of 1940 (as may be amended or re-enacted).

2. DETAILS OF THE COMPANY

2.1 General

The Company is an open-ended investment company incorporated in England and Wales under registered number IC825 and authorised by the FCA with effect from 17 June 2010. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

The ACD of the Company is Columbia Threadneedle Fund Management Limited. The ACD is also the authorised corporate director of certain other open-ended investment companies and manager of authorised unit trusts, details of which are set out in section 6

2.1.1 Registered Office:

The registered head office of the Company is at Cannon Place, 78 Cannon Street, London EC4N 6AG.

2.1.2 Address for Service

The registered office is the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

2.1.3 Base Currency

The base currency of the Company is Pounds Sterling.

2.1.4 Share Capital

Maximum £100,000,000,000

Minimum £100

Shares have no par value. The Share capital of the Company at all times equals the Net Asset Value of the Company.

2.1.5 Longer-term investment

The Company is designed and managed to support longer-term investment and active trading is discouraged. Information on the typical investor profile for each Fund is set out in Appendix I. Short-term or excessive trading into and out of the Company may harm performance by disrupting the investment management strategy and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or Conversion or Exchange of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Company. For these purposes, the ACD may consider an investor's trading history in the Company or other funds managed by the ACD or the Investment Manager and accounts under common ownership or control.

2.2 The Structure of the Company

The Company is a stand-alone non-UCITS Retail Scheme and will be managed so that it is a PAIF.

Different Classes of Shares may be established from time to time by the ACD in accordance with the Prospectus and, where required, with the approval of the FCA. On the introduction of any new Class, a revised Prospectus will be prepared setting out the relevant details of each Class. Approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Company as an investment.

The assets of the Company will be invested in accordance with the investment objective and investment policy set out in Appendix I.

Investment of the assets of the Company must comply with the COLL Sourcebook.

The eligible securities markets and eligible derivatives markets on which the Company may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of the Company and the extent to which the Company may use derivatives and forward transactions in relation to the Company is set out in Appendix III.

The Company will be charged with the liabilities, expenses, costs and charges of the Company. Any assets, liabilities, expenses, costs or charges not attributable to a particular Class may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Classes.

Where any changes are proposed to be made to the Company the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval will be required. If the change is regarded as significant, 60 days' prior written notice will be given to relevant Shareholders. If the change is regarded as notifiable, relevant Shareholders will receive suitable notice of the change.

2.3 FIIA

The Company is categorised under COLL as an FIIA because it invests at least 50% of its scheme property in immovables. Neither this Prospectus nor the Instrument provides for limited redemption arrangements that fully reflect the time typically needed to sell, liquidate or close out the assets in which the Company invests.

There are a number of particular risks associated with the Company, including the following:

- (a) Property Values (see paragraph 5.8 in section 5);
- (b) Liquidity Risk (see paragraph 5.9 in section 5);
- (c) Valuations of Properties (see paragraph 5.10 in section 5);
- (d) Property Market (see paragraph 5.11 in section 5);
- (e) Redemption Demands (see paragraph 5.12 in section 5); and
- (f) Rapid Sale Pricing Adjustment (see paragraph 5.13 in section 5).

These risks may crystallise in a number of different situations, including but not limited to:

- a) **Downturn in the real estate market:** commercial property values and the yield which they generate can be affected by factors such as the level of interest rates, economic growth, strength of the local currency, fluctuations in property yields and tenant default. This may mean that the Company receives lower amounts of income from its property investments and there may not be sufficient amounts of cash in the Company to satisfy redemption requests;
- b) **Redemption demands during periods of low performance or when there is perceived uncertainty over the outlook for the property market:** at such times, liquidity and performance may be adversely affected by the sale of properties to meet redemption demands. If the Company experiences significant redemption demand in a short time period, there may not be sufficient amounts of cash in the Company to meet obligations to redeeming investors. In these circumstances, the ACD may choose to suspend the Company, or to sell assets more quickly than normal at less than the full open market value of the assets, which would apply a downward adjustment to the price of the Shares.
- c) **Material uncertainty over property values.** Material uncertainty is a technical definition that is available to RICS registered valuers of commercial property. It can be used to qualify asset valuations in markets where there is considerable uncertainty due to “unforeseen financial, macro-economic, legal, political or even natural events”, such as those which might cause a major economic shock. If material uncertainty is declared over property values then there will be a considerable degree of uncertainty over the pricing of the units in the fund. In order to protect investors from uncertainty over unit pricing, and potential first mover advantages, a fund must suspend if material uncertainty clauses apply to more than 20% of the fund property. The fund can only remain open in these circumstances if it is believed to be in the best interests of the investors. A fund will remain suspended until material uncertainty is lifted from the relevant proportion of the fund property, and it is agreed with the depositary that it is appropriate to re-open the fund. It is not possible to accurately predict when particular major, unforeseen events may occur which will crystallise the risk of material uncertainty.

As the Company deals on a daily basis, the ACD cannot wholly rely on limited redemption arrangements to mitigate the risks which apply to the Company. However, there are a number of tools available to the ACD, which may be deployed where the ACD considers it is in the best interests of Shareholders to do so to mitigate the risks summarised above.

In summary, the tools available to the ACD and the potential consequences for Shareholders if those tools are deployed are:

- a) **Suspension of dealings:** see paragraph 3.16 in section 3. If the Company is suspended Shareholders will not be able to deal in Shares.
- b) **Fair value pricing adjustment:** see paragraph 4.5 in section 4. If the ACD implements a fair value pricing adjustment this may impact the value of Shares.
- c) **Rapid sale pricing adjustment:** see paragraph 4.6 in section 4 and paragraph 5.13 in section 5. The ACD may implement this to reflect a rapid sale, which could impact on the value of Shares.
- d) **Dilution adjustment:** see paragraph 5.14 in section 5. The ACD may choose to swing the price where there are a large number of redemptions. This will impact the price of Shares on any Dealing Day.
- e) **Deferred redemption:** see paragraph 3.8.1 in section 3. If the ACD defers redemptions, Shareholders may face delays in realising the full value of their holding.
- f) **Increased investment in cash and near cash:** The Company may maintain an increased cash buffer. A larger cash holding may diminish the returns of the Company.
- g) **Declaration of a non-Dealing Day:** No redemptions or subscriptions would be permitted on a non-Dealing Day.

The ACD has a liquidity management process together with a contingency plan for exceptional circumstances.

2.4 **Classes of Share**

Several Classes of Share may be issued in respect of the Company.

The Classes that may be issued and their criteria for subscription are set out in Appendix I.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and/or annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

Where the Company has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the Proportionate Interests of the Classes within the Company will be adjusted accordingly.

There is a Class of share, Class F, which is only available to the Feeder Fund. Class F Shares are Accumulation Shares. The Feeder Fund, however, has both accumulation and income unit classes. Its manager therefore intends to realise Shares in Class F to obtain the cash required to make the income payments to income class unitholders and to meet tax, fees and expenses of the Feeder Fund.

3. BUYING, REDEEMING, CONVERTING AND EXCHANGING OF SHARES

3.1 General

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the buying, redemption, Converting and Exchanging of Shares.

A request for dealing in Shares must be received before 12.00 noon on a Business Day in order to be processed at the normal Valuation Point on that day. A dealing request received after this time will be held over and processed at the next Valuation Point, normally 12.00 noon on the following Business Day using the Net Asset Value per Share calculated at that next Valuation Point.

The current Valuation Point on each Dealing Day is 12:00 noon.

Requests to deal in Shares may be made in writing at Columbia Threadneedle Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH or by telephone on 0330 123 3798 on each Dealing Day (at the ACD's discretion) or by telephoning such other number as published from time to time. Investments must, at the discretion of the ACD, be accompanied by an application form. The application form contains details of the return address. Requests made by telephone must be confirmed in writing.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. At present, transfer of title by electronic communication is not accepted.

Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see paragraph 11.11 for further information.

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares the ACD is dealing as principal. The ACD may make a profit from dealing in Shares as principal. The ACD is not accountable to Shareholders for any profit it makes in dealing in Shares as principal.

The notice periods for subscriptions, redemptions, Conversions and Exchanges for each Class are set out in Appendix I. Please note that a Conversion is not a sale and redemption and may not be effected at the next Valuation Point.

Deals must be received before the relevant Cut-Off Point (if applicable) in order to be dealt with at the next Valuation Point. Deals received after any such Cut-Off Point will be held over to the next day which is a Dealing Day and dealt with at the next Valuation Point. For details of the Valuation Point and, where relevant, the Cut-Off Point, please see Appendix I.

Dealing requests received from the Feeder Fund in respect of a Dealing Day after the Cut-Off Point but before 16:30:00 may still be accepted by the ACD and dealt with at the next Valuation Point.

3.2 Client Money

Monies received by the ACD in the form of cheques or other remittances in respect of applications for Shares which are not accepted or rejected by the following Dealing Day for Subscription are,

pending acceptance or rejection, paid into a client money account maintained by the ACD with the Registrar. No interest is payable by the ACD on monies credited to this account.

3.3 Buying Shares

3.3.1 Procedure

Shares may be bought directly from the ACD or through your professional adviser or other intermediary. Investors wishing to receive income distributions or allocations gross must complete a Declaration of Eligibility and Undertaking, which may be obtained from the ACD.

Shares can be bought either by sending a completed application form to the ACD (Columbia Threadneedle Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH) or by telephoning the dealing line on 0330 123 3798. Application forms may be obtained from the ACD. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see paragraph 11.7 for further information.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one hundredth of a larger denomination Share.

The ACD operates procedures to prevent late trading and to monitor transactions to identify and prevent market timing and other activities likely adversely to impact other Shareholders.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

The ACD makes use of the "Delivery versus Payment Exemption" as set out in the FCA Handbook, which provides for a one day window during which money, held for the purposes of settling a transaction in relation to shares in a collective investment scheme, is not treated as client money if the ACD receives the money from a person for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares in the Company within the timeframes set out in the FCA Handbook. The ACD will be entitled to assume that when a new investor, or an existing Shareholder, buys Shares in the Company they consent to the ACD's use of the Delivery versus Payment Exemption.

3.3.2 Documents the buyer will receive

A contract note giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Apart from business investors or investors who have dealt through an independent intermediary who has instructed the ACD otherwise, an applicant has the right to cancel his/her application to buy Shares at any time during the 14 days after the date on which he/she receives a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, he/she will not get a full refund; an amount equal to any fall in value will be deducted from the sum originally invested.

Settlement is due on receipt by the buyer of the contract note. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within four Business Days of the deal date, then the ACD has the right to cancel any Shares issued in respect of the application.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's Shares (or, where Shares are jointly held, the first named holder's) will be issued automatically as at the end of February and 31st August of each year and will also be issued at any time on request by the registered Shareholder.

3.3.3 Regular payment option

Class 1 Shares of the Company may be bought through regular monthly payments. To invest in this way, Shareholders will need to complete an application form and direct debit mandate and return it to the ACD before contributions may begin. Monthly contributions may be increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying in writing the ACD or such party as the ACD may direct. If, however, payments are not made for more than three months and the Shareholder holds less than the minimum holding for that Class, then the ACD reserves the right to redeem that Shareholder's entire holding in that Class. Contract notes will not be issued to Shareholders investing in this way.

3.3.4 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings for each Class of Share in the Company are given in Appendix I.

The ACD may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s) into any Class of Shares.

If following a redemption a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has a discretion to require redemption of that Shareholder's entire holding in that Class of Share.

3.3.5 Large Holdings

In addition to the restrictions on Body Corporate holdings explained below, the ACD may restrict holdings to a maximum of less than 10% of the value of Shares in issue. The ACD may refuse to accept deals or may sell Shares already held to ensure the proportion held by any Shareholder does not exceed this limit. Any such adjustment may include such margin as the ACD considers reasonable to ensure that the holding remains below the 10% limit for the foreseeable future. The ACD will give 60 days' notice to Shareholders of its intention to apply this provision generally.

3.3.6 Bodies Corporate and nominees acquiring Shares in the Company

As the Company is a PAIF, Bodies Corporate that wish to invest in the Company may do so either directly, subject to adhering to the further requirements of this clause, or indirectly through the Feeder Fund.

The ACD permits direct investment in the Company by Bodies Corporate, but only in accordance with the following:

3.3.6.1 *Certificate required whenever Shares are registered in a corporate name*

No Body Corporate may acquire Shares (whether as beneficial owner or otherwise) unless it certifies that it holds:

- (a) all the Shares as beneficial owner (in which case its interest must be less than 10% of the NAV);
- (b) all the Shares on behalf of one or more persons which are not Bodies Corporate; or
- (c) some or all of the Shares on behalf of one or more other Bodies Corporate, in which case it must further certify that:
 - its own interest (if any) is less than 10% of the NAV;
 - the interest of each beneficial owner for which it holds Shares is less than 10% of the NAV; and
 - each of the other Bodies Corporate has given the undertakings described in paragraph 3.3.6.3 below.

3.3.6.2 *Undertaking required from every corporate nominee*

Any Body Corporate that acquires Shares and holds them otherwise than as beneficial owner must undertake to disclose to the ACD, should the ACD so require, the names and extent of the Shareholding of each Body Corporate on whose behalf it is holding such Shares.

3.3.6.3 *Undertakings regarding size of holding required from any corporate owner*

Any Body Corporate that acquires Shares as beneficial owner or as trustee of a trust (which is not a registered pension scheme) or a personal representative (whether such Shares are registered in its name or the name of a nominee or other person) must give the following undertakings:

- (a) not to acquire 10% or more of the NAV; and
- (b) on becoming aware that it has acquired 10% or more of the NAV, to reduce its proportionate holding of the NAV below 10%.

In the event that a Body Corporate has acquired more than 10% or more of the NAV as beneficial owner, the ACD has the right to transfer the holding to the Feeder Fund or to reduce the proportionate Shareholding to below 8%.

Whilst the Tax Regulations provide that no Body Corporate may be beneficially entitled directly or indirectly to 10% or more of the Net Asset Value of the Company, the ACD operates a threshold of 9% to minimise risk of the threshold being breached. Please see section 3.11 for further details.

3.4 Redeeming Shares

3.4.1 Procedure

Subject to the provisions below on “Deferred Redemptions” and “Suspension of dealings in the Company”, every Shareholder has the right to require that the Company redeem his/her Shares on any Dealing Day unless the value of Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding in the relevant Class, in which case the Shareholder may be required to redeem his/her entire holding in that Class of Share.

Requests to redeem Shares may be made to the ACD by telephoning the dealing line on 0330 123 3798 or in writing to the ACD (Columbia Threadneedle Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH). Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see paragraph 11.7 for further information.

Valid instructions to the ACD to redeem Shares (received before the Cut-Off Point, if appropriate) will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in the Company has been suspended.

A redemption instruction in respect of Shares in writing or by telephone, or any other communication media made available, is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD or Administrator.

For details of dealing charges see paragraph 3.7below.

The ACD makes use of the “Delivery versus Payment Exemption” as set out in the FCA Handbook, which provides for a one day during which money, held for the purposes of settling a transaction in relation to shares in a collective investment scheme, is not treated as client money if the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to a Shareholder within the timeframes set out in the FCA Handbook. The ACD will be entitled to assume that when a Shareholder redeems Shares in the Company they consent to the ACD’s use of the Delivery versus Payment Exemption.

3.4.2 Documents a redeeming (other than by regular withdrawal) Shareholder will receive

A contract note giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together

with (if sufficient written instructions have not already been given) a Form of Redemption for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined. Settlement of the redemption monies will be issued within four Business Days of the later of (a) receipt by the ACD of the Form of Redemption (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders, together with any other appropriate evidence of title, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

3.4.3 Minimum redemption

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares to be redeemed is less than the minimum stated in respect of the appropriate Class in question (see Appendix I for details).

3.5 Conversions and Exchanges

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder may:

- Convert all or some of his Shares of one Class for another Class;
- Exchange all or some of his units between the Feeder Fund and the Company.

3.5.1 Conversions

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company.

If a Shareholder wishes to Convert Shares he should apply to the ACD as set out above for buying Shares.

Conversions may not be effected at the next Valuation Point and may be held over and processed at a subsequent Valuation Point or ultimately to the Valuation Point immediately following the end of the Company's accounting period. For further information and to discuss the timing for the completion of Conversions please contact the ACD.

Conversions will not be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable on the Conversion. This may not be the case for Conversions involving hedged Share Classes.

There is no fee on Conversions.

The number of Shares to be issued in the new Class will be calculated relative to the price of the Shares being Converted from.

A Shareholder who Converts Shares in one Class for Shares in any other Class will not be given a right by law to withdraw from or cancel the transaction.

3.6 Exchanging between the Company and the Feeder Fund

The ACD is aware that certain holders who are eligible to invest in the Company may be unable to do so for administrative reasons and will, therefore, invest through the Feeder Fund. When such investors are in a position to invest directly in the Company, such holders will be able to Exchange their holdings of units in the Feeder Fund for Shares in the Company. The ACD intends to facilitate exchange between the Feeder Fund and the Company immediately after the end of each income allocation period for the Feeder Fund.

The Exchange would take place when there is minimal accrued income in the Company to minimise income tax consequences and it would be with the agreement of the manager of the Feeder Fund 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 Feeder Fund.

Exchanges will take place by way of in specie redemptions of units in the Feeder Fund.

Exchanges may be effected only in writing to the manager of the Feeder Fund at Columbia Threadneedle Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH. Shareholders may be required to complete a switching form.

3.7 Dealing Charges

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share adjusted for any initial charge or redemption charge payable in addition to the price.

3.7.1 Initial charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge as a percentage of the amount invested by a potential Shareholder for each Class is set out in Appendix I.

The current initial charge of a Class may only be increased in accordance with the Regulations and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date.

3.7.2 Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present no redemption charge is levied.

The ACD may introduce a redemption charge in respect of any Class only in accordance with the Regulations and after it has made available a revised Prospectus to reflect the introduction and the date of its commencement. Any redemption charge introduced will apply only to Shares sold since its introduction but not to Shares previously in issue.

In relation to the imposition of a redemption charge as set out above, where Shares of the Class in question have been purchased at different times by a redeeming Shareholder, the Shares to be redeemed shall be deemed to be the Shares purchased first in time by that Shareholder.

A change to the rate or method of calculation of a current redemption charge of a Class which is adverse to Shareholders of that Class may only be made in accordance with the Regulations and

after the ACD has made available a revised Prospectus showing the new charge and its commencement date.

3.7.3 Charges on Conversion or Exchanges

There is no charge payable on Conversions or Exchanges.

3.8 Other Dealing Information

3.8.1 Deferred Redemption

In times of high redemption, to protect the interests of continuing Shareholders, the ACD may defer all redemptions at any Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Company's value. This will allow the ACD to match the sale of the Scheme Property to the level of redemptions, thereby reducing the impact of dilution on the Company. At the next such Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

3.9 Liquidity Risk Management

The ACD monitors the liquidity risk of the Company, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions to ensure that the Company is able to manage dealing requests.

In normal circumstances, redemption requests will be processed as set out in "Redeeming Shares". In exceptional circumstances, it may be necessary to suspend dealings in the Company or use another liquidity management tool available to the ACD as set out in this Prospectus. The ACD has a contingency plan to deal with exceptional circumstances, should they arise.

As the Company is categorised as an FIIA, the ACD has implemented and maintains an adequate liquidity management contingency plan for exceptional circumstances which sets out (1) how the ACD will respond to a liquidity risk crystallising; (2) the range of liquidity tools and arrangements which the ACD may deploy in such exceptional circumstances; (3) any operational challenges associated with the use of such tools and the likely consequences for investors; (4) the procedures for working with the Depositary in the event that the ACD must deploy these tools and arrangements; (5) how the ACD will work with its delegates and other relevant third parties, including intermediate Shareholders, to (a) deploy the liquidity management tools and arrangements, (b) communicate their use in a timely way to Shareholders and (c) carry out any other part of the ACD's contingency plan which the ACD has identified as requiring action by that third party.

If our policy for managing liquidity should change, this will be set out in the annual report of the Company.

3.10 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed

3.11 Bodies Corporate holding Shares in the Company

- 3.11.1 The Tax Regulations provide that no Body Corporate may be beneficially entitled directly or indirectly to 10% or more of the Net Asset Value of the Company. In order to minimise the risk of this threshold being breached, the ACD has set a beneficial ownership limit in the Company of 9%. See also paragraph 3.3.6 regarding corporate holders.
- 3.11.2 If a Body Corporate should be or become beneficially entitled directly or indirectly to 10% or more of the Net Asset Value or the ACD reasonably believes this to be the case, then the ACD will immediately notify the Body Corporate and the Body Corporate shall immediately be deemed to have renounced title to the part of the holding above 8% to the ACD which shall transfer their holding above 8% to the Feeder Fund in Exchange for the issue of units in the Feeder Fund to the Body Corporate with all reasonable speed. This would normally be at the next Valuation Point.
- 3.11.3 If for any reason the ACD is unable to Exchange the Shares immediately as described in the preceding paragraph, then the Body Corporate shall be deemed to have given a written request for the redemption or cancellation (at the discretion of the ACD) of the proportion of the Shares representing the excessive holding, in this case the holding above 8% (or the proportion the ACD reasonably believes to be an excessive holding). Where a request in writing is given or deemed to be given for the redemption or cancellation of Affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook. This would normally be at the next Valuation Point.

In the event that a Body Corporate is close to reaching the ACD's 9% limit, the ACD intends to contact the Body Corporate to inform them that they are reaching this limit.

- 3.11.4 Pursuant to COLL 6.2.23R, where the ACD becomes aware that a Body Corporate holds 10% or more of the Net Asset Value, it will notify the Body Corporate of that fact and not pay any income distribution to the Body Corporate.

Furthermore, pursuant to COLL 4.2.5R22A(3), in the event that the ACD reasonably considers that a Body Corporate holds 10% or more of the Net Asset Value, the ACD is entitled to delay any redemption or cancellation of Shares if the ACD reasonably considers such action to be necessary in order to enable an orderly reduction of the holding below 10%, and if it is in the interests of Shareholders as a whole in the Company.

3.12 **Restrictions and Compulsory Transfer and Redemption**

The ACD may compulsorily convert or switch Shares where to do so is considered by the ACD to be in the best interests of Shareholders. Shareholders will be given appropriate advance notice by the ACD should the ACD choose to carry out any such compulsory conversion.

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental

regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares ("Affected Shares"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (a) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (b) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- (c) are owned by a Shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach),

the ACD may give notice to the Shareholder(s) of the Affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his/her Affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he/she or the beneficial owner is qualified and entitled to own the Affected Shares, he/she shall be deemed upon the expiry of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the Affected Shares.

A Shareholder who becomes aware that he/she is holding or owns Affected Shares shall immediately, unless he/she has already received a notice as set out above, either transfer all his/her Affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his/her Affected Shares.

Where a request in writing is given or deemed to be given for the redemption of Affected Shares, such redemption will be effected in the same manner as provided for in the COLL Sourcebook.

3.12.1 **US Investors**

Due to legal and compliance burdens associated with permitting investments from US residents and US domiciled entities, the Company does not accept applications for the purchase or subscription of shares from any US Person and does not accept requests for transfer to any person that is a US Person.

Each investor will be required to represent that the investor is not a US Person and the shares are not being acquired for the benefit or account of, directly or indirectly, any US Person. For this purpose a US Person is a person who is in either of the following two categories: (a) a person included in the definition of US person under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of Non-United States person as used in the Commodity Futures Trading Commission (CFTC) Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he/she or it does not satisfy any of the definitions of US person in Rule 902 and qualifies as a Non-United States person under CFTC Rule 4.7.

Investors must notify the Administrator if they have moved to the United States or have otherwise become US Persons. Upon such notification, or if the Administrator or ACD determines that there is a reasonable basis for believing that the investor has become a US Person, the investor's account may be frozen and/or compulsorily redeemed and further investments or transfers in the Company will not be accepted. Other rights attaching to the shares previously purchased will not be affected.

3.13 Issue of Shares in exchange for in specie assets

The ACD may, in its absolute discretion, arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the amount represents in excess of £10 million of assets and where the ACD and the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in exchange for assets the holding of which would be inconsistent with the investment objective of the Company.

3.14 In specie redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Company concerned or detrimental to the Company, or where it would be advantageous to the Company, arrange, having given prior notice in writing to the Shareholder, that in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder. Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can acquire the net proceeds of redemption rather than the relevant property if he/she so desires.

The ACD will select the property to be transferred in consultation with the Depositary and, where appropriate, the Standing Independent Valuer. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

The ACD does not expect to be able to propose an in specie redemption while the assets of the Company are invested in immovable property because these do not permit a pro rata allocation between the redeeming Shareholder and the continuing Shareholders.

3.15 Money laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, the ACD is responsible for ensuring that transactions in the Company's shares are processed in accordance with the money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares or pay income on Shares to the investor.

3.16 Suspension of dealings in the Company

3.16.1 Mandatory Suspension

If, at any time:

3.16.1.1 the Standing Independent Valuer has, in respect of the Company, expressed material uncertainty in accordance with The RICS Red Book about the value of one or more immovables under management and that material uncertainty applies to at least 20% of the value of the scheme property; or

3.16.1.2 the Company invests at least 20% of its scheme property in units or shares of one or more other authorised collective investment scheme for which dealing in units or shares have been temporarily suspended under COLL 7.2-3,

the ACD must, subject to the exception below, temporarily suspend the issue, cancellation, sale and redemption of Shares as soon as possible and in any event by the end of the second business day after the Standing Independent Valuer expressed that material uncertainty (the "**Relevant Period**").

Prior to implementing the temporary suspension, the ACD must notify the Depositary.

The ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

3.16.1.3 Exception to Mandatory Suspension

The exception is that the issue, cancellation, sale and redemption of Shares may continue provided that:

- a) the ACD and the Depositary agree before the end of the Relevant Period that dealings should continue;
- b) the ACD and the Depositary have a reasonable basis for determining that a temporary suspension would not be in the best interests of Shareholders; and

- c) the ACD and the Depositary do not rely solely on a fair value price adjustment to make the determination under (b).

Where the ACD and the Depositary agree not to suspend, they must, for the duration of the period of material uncertainty, review their decision not to suspend at least every 14 days. Dealings may only continue if they can continue to satisfy the requirements set out at (a) – (c) above. The ACD must inform the FCA of the results of each review.

3.16.2 Voluntary Suspensions

There may be other occasions where, due to exceptional circumstances and in the interests of Shareholders, the ACD wishes to, or the Depositary requires, the temporary suspension of dealing of Shares.

In these circumstances, the ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

Where such suspension takes place, the ACD will publish sufficient details on its website or by other general means, to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

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

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

In respect of instructions outstanding because of a suspension or given during a suspension, Shareholders wishing to withdraw such instructions must give written notice to the ACD before the first dealing point following the end of the suspension.

3.17 **Governing law**

The agreement between Shareholders and the Company is governed by English Law and, by purchasing Shares, Shareholders agree that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with this investment will be made in English.

4. VALUATION OF THE COMPANY

4.1 General

The Company is single priced, meaning that for each Class there is a single price for buying and selling Shares.

The price of a Share is calculated by reference to the Net Asset Value of the Company. The Net Asset Value per Share is currently calculated at 12 noon on each Dealing Day, although the Net Asset Value may be calculated more frequently to reflect any major movements in the underlying stock markets and currencies, or in other special circumstances thought appropriate by the ACD.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out such an additional valuation.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares of each Class including the amount of any dilution adjustment made in respect of any purchase or redemption of Shares.

The Standing Independent Valuer is responsible for valuing the immovables directly held by the Company on the basis of a full valuation with physical inspection (including where the immovable is or includes a building, internal inspection) at least once a year. The Standing Independent Valuer also values each immovable on the basis of a review of the last full valuation at least once a month. The figure arrived at under that valuation is used as part of the valuation of the Scheme Property calculated on each Business Day for the following month. Any valuation by the Standing Independent Valuer shall be made in accordance with UKVPS 2.3 and 3 of the UKVPGA of the RICS Valuation – Global Standards UK national supplement 2018 (The Red Book).

Where the appointed Standing Independent Valuer is acting as a connected party to a purchase transaction being carried out by the Company, the Company will, as required, appoint an alternative standing independent valuer to act on its behalf in relation to that particular transaction only.

In unusual circumstances, and in accordance with the FCA Rules, the ACD may make adjustments to the value of any investments which may be materially impacted by out of date prices through a technique known as fair value pricing as described below.

4.2 Calculation of the Net Asset Value

The value of the property of the Company shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

- 4.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.
- 4.2.2 Property which is not cash (or other assets dealt with in paragraph 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
- 4.2.3 units or shares in a collective investment scheme:

- 4.2.3.1 if a single price for buying and redeeming units or shares is quoted, at that price; or
- 4.2.3.2 if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
- 4.2.3.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.4 any other transferable security:
 - 4.2.4.1 if a single price for buying and redeeming the security is quoted, at that price; or
 - 4.2.4.2 if separate buying and redemption prices are quoted, at the average of the two prices; or
 - 4.2.4.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which in the opinion of the ACD, is fair and reasonable;
- 4.2.5 immovable property:
 - 4.2.5.1 by a standing independent valuer on the basis of an "open market value" as updated and amended from time to time;
 - 4.2.5.2 on the basis of a full valuation with physical inspection (including where the immovable is or includes a building, internal inspection), at least once a year; and
 - 4.2.5.3 on the basis of the last full valuation, at least once a month;

Scheme Property other than that described in (a), (b) and (c) above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 4.2.6 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.7 Property which is a contingent liability transaction shall be treated as follows:
- 4.2.8 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

- 4.2.8.1 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- 4.2.8.2 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 4.2.9 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.10 Subject to the paragraphs below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.11 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.12.
- 4.2.12 All agreements are to be included under paragraph 4.2.11 which are, or ought reasonably to have been, known to the person valuing the property.
- 4.2.13 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, SDRT, stamp duty, and any foreign taxes or duties.
- 4.2.14 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
- 4.2.15 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.16 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.17 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.18 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 4.2.19 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

4.3 **Price per Share of each Class**

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share as adjusted in accordance with the swinging single pricing policy. The Net Asset Value per Share is obtained by dividing the Proportionate Interest of the Class in the Net Assets of the Company by the number of Shares of that Class. The Net Asset Value per share shall be adjusted by reference to the volume of purchases or sales at the Valuation Point in accordance with the ACD's current policy for swinging single pricing.

Any initial charge, redemption charge or SDRT provision is payable in addition to the price.

4.4 **Pricing basis**

The ACD 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 ACD.

4.5 **Fair Value Pricing Adjustment**

Where the ACD (or, in relation to immovable property, the Depositary or Standing Independent Valuer) 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 ACD'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"). In relation to immovable property, the ACD will consult and agree with the Standing Independent Valuer when determining a fair and reasonable price for such property.

The ACD 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 ACD might consider using fair value pricing where the Company's Valuation Point is set during the time when markets in which its portfolio is invested are closed for trading include:

- (a) unusual market conditions;
- (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.

Even if the Company'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.

4.6 Rapid Sale Pricing Adjustment

Where the ACD decides that an immovable must be sold quickly to meet redemption requests as they fall due, the ACD shall consult and agree with the Standing Independent Valuer a fair and reasonable price for the immovable to reflect a rapid sale. Further detail is set out in paragraph 5.13.

Further information on the pricing basis of the Company and the fair value and rapid sale pricing policies in relation to the Company is available from the ACD on request.

4.7 Publication of Prices

All of the most recent Share prices are available on our website www.columbiathreadneedle.com or by telephoning 0330 123 3798. As the ACD deals on a forward pricing basis, the price that appears will not necessarily be the same as the one at which investors can currently deal. The ACD does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by third parties for reasons beyond the control of the ACD.

5. **RISK FACTORS**

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

5.1 **General**

A significant proportion of the Company's assets will be invested in commercial properties which will normally be reflected in dealing prices and reported performance on the basis of valuations by property professionals.

The other investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of the Company will occur. The value of investments and the income derived from them may fall as well as rise.

The Company should be treated as a long term investment.

5.2 **Cost of buying and selling property**

Property is a long term investment and the costs of buying and selling properties may have a significant impact on the value of an investment held for a short period. Shareholders who buy on an offer basis price and sell on an bid basis price may bear a full weighting of the underlying costs associated with buying and selling properties.

5.3 **Restriction on redemption of Shares**

The Company will be managed to include a pool of readily realisable assets to pay out Shareholders who wish to withdraw their investment from the Company. Significant or consistent net sales of Shares may require the Company to sell properties to maintain a suitable level of readily realisable assets. In the event of significant sales of Shares back to the Company, and, or an extension in the time taken to complete the sale of properties, or a reduction in the availability of ready buyers for properties in the Company, it may be necessary to suspend dealings in the Shares until sufficient cash is available to satisfy the outstanding sales.

5.4 **Effect of initial and redemption charges**

Where an initial charge or redemption charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge.

5.5 **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see section on "Suspension of dealings in the Company" above).

5.6 Liabilities of the Company

Although the Company will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the unlikely event that its assets are not sufficient to meet these the ACD may re-allocate assets, liabilities, expenses, costs and charges between the Classes of the Company in a manner which it believes is fair to the Shareholders generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Values of the relevant Class. If there is any such re-allocation the ACD will advise Shareholders of it in the next succeeding annual or half yearly report to Shareholders.

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he/she has paid the amount due on the purchase of the Shares.

5.7 Property income

5.7.1 Property income

The property income of the Company generally comprises the net rental receivable in respect of the properties owned by the Company. Income flow from a property is dependent upon the quality of the tenants' covenants and ability to regularly pay the rental and the length of the lease contract. There are additional letting risks in vacant, part vacant, redevelopment and refurbishment situations in the period until a tenant has entered into a lease. The rental income will be reduced by landlord's costs, the service charges and any other tenant's costs attributable to vacant or part vacant property.

5.7.2 Upward only rent reviews

Periodic rent review provisions in commercial leases typically only provide for upward revisions of the rent payable. Although legislators have debated the desirability of such provisions and discussed proposals to remove or limit them it is not possible to predict what, if any, changes to legislation may be proposed nor when these might take effect. It is also not possible to assess the effect of such changes on rental levels or property values though it is not expected that any change would affect current rentals.

5.8 Property values

A property's value is likely to be affected by its individual characteristics such as local supply and demand for such property or alternative properties, or its suitability for alternative uses, as well as more general factors including government regulations, planning and tax law and practice, interest rates, inflation, available financing and the availability and attractiveness of alternative investment opportunities.

Individual properties change hands relatively infrequently and the valuations used in calculating the daily NAV will be based on the opinion of a suitably qualified and experienced valuer but will not necessarily be supported by recent transactions in the individual properties in the portfolio or in similar properties. Although property valuations have regard to market conditions and recent transaction experience, the value obtainable for a particular property may differ significantly from a value at which it had previously been held in the Company.

Current legislation imposes potentially onerous obligations on the owner of a property subject to certain forms of contamination to clean up the contamination and compensate third parties. These

obligations would have to be met by the Company in the event that one of its properties included such contamination and the costs were not recoverable from the persons responsible for the contamination.

5.9 Liquidity Risk

Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. As a result of the illiquid nature of the assets in which the Company invests, the Company is categorised as an FIIA.

5.10 Valuations of Properties

Immovable property and immovable 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 ACD may use techniques such as fair value pricing to value the assets of the Company in certain circumstances.

5.11 Property Market

The performance of the Company could 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 on a Property, such as operating expenses, must be met by the owner (i.e. the Company) even if a Property is vacant.

5.12 Redemption Demands

Property funds 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. The ACD may use a number of tools and arrangements to deal with redemption demands and ensure that the Company maintains sufficient liquidity. In certain circumstances, the ACD may carry out a rapid sale of assets in the Company to meet redemption demands.

5.13 Rapid sale pricing adjustments

In times of liquidity stress the ACD may need to sell assets quickly to provide additional liquidity, which may necessitate selling at a price below the Red Book valuation. This would usually assume a sufficient marketing period when assessing the value of an asset. In these circumstances the ACD will seek an alternate assessment of value on the Company's assets, based on a reduced timeframe. The ACD may therefore choose to adjust the pricing of the Shares to reflect the new assessment of value applied to its direct property holdings, which could be viewed as a rapid sale discount. To present a simplified example of how this would work: for a fund of £500m, if the SIV assesses that direct property assets will need to be sold at a 10% discount to complete the sale within 30 days, the Shares would be repriced to reflect a fund size of £450m. The intention of rapid sale pricing

adjustments is for it to be applied only over a short time period until sufficient liquidity is restored, at which point the ACD will re-establish normal pricing.

5.14 **Dilution**

The actual cost of buying or redeeming the Company's investments may be higher or lower than the mid-market value used in calculating the Net Asset Value per Share – for example, due to dealing charges, or through dealing at prices other than the mid-market price and in the case of immovable fiscal charges, commissions, professional fees or other charges payable on acquiring or disposing of the immovable property. The Company may suffer dilution (reduction) in the value of Scheme Property as a result of the costs incurred in dealing in the underlying investments and of any spread between buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Under certain circumstances (for example, large volumes of deals) this may have a material adverse effect on the existing/continuing Shareholders' interest in the Company.

The Company has adopted swinging single pricing to mitigate the effects of dilution. The ACD will determine whether and to what extent the Company's prices will be adjusted from the mid price by reference to the volume of net purchases or sales of Shares for the Company at the Valuation Point by reference to transactions at that Valuation Point or more generally, including prospective transactions. The ACD reserves the right to make a dilution adjustment on every Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so.

In the 12 months to 31 January 2024, a dilution adjustment has been applied every Dealing Day.

Further information on the ACD's dilution adjustment policy in relation to the Company is available from the ACD on request.

5.15 **Deferred redemption**

Investors should note that, in times of poor liquidity, requests for redemption may be deferred to the next Valuation Point.

5.16 **Currency Exchange Rates**

Currency fluctuations may adversely affect the value of the Company's investments and the income thereon, and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his/her investment in Shares and the income receivable.

5.17 **Derivatives**

The Company may use derivatives for investment purposes to maximise the return on non-property assets in the Company and is not restricted to derivatives based on property assets or returns. The exposure to the underlying assets must be within the investment limits set by the Regulations and the Company must have property suitable to cover its total exposure, taking into account the value of the underlying assets, any reasonable foreseeable market movement, counterparty risk and the time available to liquidate any positions.

As non-property assets will be held awaiting investment in property or to provide liquidity to service redemption requests strategies will be generally short term with limited risk to

capital. It is not intended that the use of derivatives in this way will cause the Net Asset Value of the Company to have high volatility or otherwise cause the existing risk profile to change. However, where derivatives are used for investment purposes, there remains a possibility that the share price of the Company may be more volatile than would otherwise have been the case.

The Company's ability to obtain appropriate returns from its derivatives strategies will depend on the availability of investment opportunities with appropriate risk characteristics, including the credit standing of counterparties.

5.18 Derivatives Techniques

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives and forward transactions in order to manage exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to OTC (over-the-counter) derivatives; for example, the Company can 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 COLL Sourcebook also permits the Company to use derivatives to short sell (i.e. agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

5.19 PAIF status for the Company

If the Company should breach any of the statutory conditions required for PAIF status, then depending on the nature of the breach and the number of breaches that have occurred, this may result in a corporation tax liability arising or HM Revenue & Customs terminating its PAIF status. Termination of the Company's PAIF status would result in distributions paid by the Company being treated differently for tax purposes.

5.20 Leveraging

Leverage is where a fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the fund. Investors should also note that certain derivatives such as forward foreign exchange and complex swaps may be entered into on an Over The Counter (OTC) basis with one or more Eligible Counterparties. Trading in such derivatives results in credit risk exposure to such Eligible Counterparties (i.e. the risk that the Eligible Counterparty to a derivative trade will fail to discharge its obligations under the terms of the trade in respect of a Fund). Where the ACD or an Investment Adviser, on behalf of the Company, enters into OTC derivatives it may seek to mitigate much of its credit risk to an Eligible Counterparty by receiving collateral from that Eligible Counterparty. To the extent that any OTC derivatives are not fully collateralised, a default by the Eligible Counterparty may result in a reduction in the value of the Company and thereby a reduction in the value of an investment in the Company.

5.21 Inflation Risk

Inflation risk is the uncertainty over the future real value (after inflation) of an investment. Inflation rates may change due to shifts in the domestic or global economy, and a portfolio's investments may not keep pace with inflation.

5.22 **Style Bias**

An investment style bias can impact a Fund's performance relative to its benchmark in a positive or negative way. No investment style performs well in all market conditions. When one style is in favour another may be out of favour. Such conditions may persist for short or long periods.

5.23 **U.S. Banking Laws**

The ultimate parent company of the Investment Manager is Ameriprise Financial, Inc., a corporation incorporated in Delaware, USA ("Ameriprise").

Ameriprise is subject to US federal banking laws, including the Home Owners' Loan Act of 1933, as amended (the "HOLA") and parts of the Bank Holding Company Act of 1956, as amended (the "BHC Act").

Ameriprise, as a savings and loan holding company regulated in HOLA, is authorized to engage directly and through certain of its subsidiaries, in certain real estate management and development activities. Nevertheless, investments by the Company could be subject to limitations under HOLA and the BHC Act, including limits on the size or structure of certain investments by the Company or limits on certain property management or development services provided for the real property or other assets held by the Company.

As a result of Ameriprise being subject to certain provisions of the BHC Act, Ameriprise and its affiliates are subject to the regulation known as the Volcker Rule. The Volcker Rule in general restricts a "banking entity," such as the Investment Manager, as well as Ameriprise and certain of its other affiliates, from acquiring or retaining, as principal, any ownership interest in, or sponsoring, a "covered fund" as defined by the Volcker Rule, unless the activity is conducted in accordance with an exception to the Volcker Rule. The Volcker Rule also prohibits certain transactions between a banking entity or any of its affiliates, on the one hand, and a covered fund to which the banking entity or any of its affiliates serves, directly or indirectly, as the investment manager or investment advisers.

The Volcker Rule generally defines "covered fund," subject to certain exceptions, as an issuer that would be an investment company, as defined in the US Investment Company Act of 1940, but for section 3(c)(1) or 3(c)(7) of that Act.

The Company is also believed to be a foreign public fund excepted from covered fund treatment. The ACD and the Investment Manager believe that the Company currently meets these requirements and therefore qualifies for the foreign public fund exclusion from the definition of "covered fund" under the Volcker Rule. Alternatively, the Company is believed to be excepted from the definition of "covered fund" due to the exception from investment company status for companies that hold greater than 60% of their assets, for purposes of this provision, in assets that are not investment securities. As of the date of this Prospectus, the Company's assets substantially exceed this 60% threshold.

The Investment Manager believes that it may perform the services described in this Prospectus for the ACD and the Company without violation of applicable law and regulations, including the Volcker Rule.

6. MANAGEMENT AND ADMINISTRATION

6.1 Regulatory Status

The ACD, the Depositary, the Investment Manager and the Administrator are regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN.

Authorised Corporate Director and Alternative Investment Fund Manager

The ACD is Columbia Threadneedle Fund Management Limited which is a company limited by shares incorporated in England and Wales on 29 July 1987. The ACD is the AIFM for the purposes of the AIFM Directive and the Alternative Investment Fund Manager Regulations.

Registered Office/Head Office: Cannon Place, 78 Cannon Street, London EC4N 6AG

Ultimate Holding Company: Ameriprise Financial, Inc.

Share Capital: Issued: £13,200,000

Paid up: £13,200,000

Directors: Philip Doel, David Logan, William Marrack Tonkin, Tina Watts, Charles Porter (independent), Ann Roughead (independent) and Ruth Sack (independent).

All the individual directors with the exception of Charles Porter, Ann Roughead and Ruth Sack are employed by Columbia Threadneedle (Services) Limited.

Charles Porter

Mr Porter has held a position as a non-executive director with Columbia Threadneedle AM (Holdings) plc since 2013. Mr Porter was Head of the Funds and Investment Trusts business at BMO Asset Management (Holdings) plc until October 2012. Mr Porter co-founded the Thames River Capital Group in 1998. He was also Chief Executive of Nevsky Capital LLP from 2006 to 2012 and joined the board of Columbia Threadneedle AM (Holdings) plc as a non-executive director in 2013. Charlie joined Baring Asset Management in 1987 and was responsible for Barings' UK and International mutual fund businesses and had extensive funds experience in Asia, the Middle East, North America, and Africa. Prior to 1987, Charlie spent five years at a London based investment manager, where he was responsible for their private client investment service.

Ann Roughead

Ann Roughead is a non-executive member of the board of TAM UK International Holdings Limited.

Ann is Chief Executive Officer of Above Wealth a wealth and life-style management company offering unbiased consolidation and advisory services to ultra-high net worth individuals.

Ann has significant asset management experience having held senior roles at Liverpool Victoria, Citigroup Europe, JP Morgan Fleming Asset Management and WestLB Asset Management.

Ann was Chief Executive Officer of LV=Asset Management from 2007 to 2011, where she led LVAM as it developed from an in-house management group to a client focussed business. Ann oversaw the strategic review in 2011 that resulted in the outsourcing of LV's asset management capability to Columbia Threadneedle Investments.

Ruth Sack

Ruth Sack has over 20 years' expertise in investment banking in the UK and USA, and 20 years of coaching for clients across a breadth of industries and sectors. During her time in financial services, Ms Sack held senior roles at Schroders, James Capel (now HSBC) and Scott Goff Hancock. Here she built businesses from start-up to an international presence, drove large change programmes and managed global teams, working with a client base in the public, private and third sectors.

Ms Sack took a career break in 2002 before founding the Alliance in 2004.

Since 2006, Ms Sack has held a number of advisory roles and non-executive directorships, including serving on the Investment Committee of the Health Foundation from 2007 to 2008 and the Board of Columbia Threadneedle AM (Holdings) plc from 2013 to 2023. She is currently a director of Columbia Threadneedle Fund Management Limited and Columbia Threadneedle Investment Business Limited, having been appointed to the boards on 24 September 2023.

The ACD is responsible for managing and administering the Company's affairs in compliance with the Regulations, including portfolio management and risk management. The ACD acts as ACD to:

Columbia Threadneedle (UK) ICVC I,
Columbia Threadneedle (UK) ICVC II,
Columbia Threadneedle (UK) ICVC III,
Columbia Threadneedle (UK) ICVC IV*,
Columbia Threadneedle (UK) ICVC V,
Columbia Threadneedle (UK) ICVC VI,
Columbia Threadneedle (UK) ICVC VII,
Columbia Threadneedle (UK) ICVC IX,
Columbia Threadneedle (UK) ICVC X,
CT Property Growth & Income Fund ICVC,

and as Manager to the authorised unit trusts:

CT Diversified Monthly Income Fund*, and
CT UK Commercial Property Feeder Fund.

*These funds are in the process of being terminated.

Terms of Appointment:

The appointment of the ACD has been made under an agreement effective from 22 July 2014 between the Company and the ACD (the "ACD Agreement").

The ACD Agreement provides that the appointment of the ACD may be terminated on 12 months' written notice being given to the other by either the ACD or the Company, provided that the notice period does not expire prior to the third anniversary of the ACD Agreement or immediately in certain circumstances, by notice in writing being given by the ACD to the Company, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the change of authorised corporate director.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the agreement. The ACD Agreement provides indemnities to the ACD except in the case of any matter arising as a direct result of its negligence, fraud or wilful default in the performance of its duties and obligations.

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or reissue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out in paragraph 7.2.

6.2 The Depositary

State Street Trustees Limited is the depositary of the Company. The Depositary is responsible for the safe-keeping of all the property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income of the Company.

Depositary's functions

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument of Incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument of Incorporation.
- carrying out the instructions of the Company unless they conflict with applicable law and the Instrument of Incorporation.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Instrument of Incorporation.
- monitoring of the Company's cash and cash flows.
- safe-keeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In addition, as the Company is categorised as a FIIA, the Depositary has additional responsibilities, including:

- 1) regularly assessing the liquidity profile and the liquidity risks presented by the scheme property of the Company;

- 2) taking reasonable care to oversee the ACD's liquidity management systems and procedures on an ongoing basis, using the assessment it has made above, to ensure that the FIIA is managed in accordance with the FCA Rules and the provisions of the AIFM Regulation; and
- 3) establishing an escalation procedure when instances of non-compliance are identified and providing these details to the FCA on request.

The Depositary is a private company limited by shares and incorporated in England and Wales on 24 October 1994 (registered no. 2982384).

The appointment of the Depositary has been made under an agreement effective from 22 July 2014 between the Company, the ACD and the Depositary (the "Depositary Agreement").

Registered Office:		20 Churchill Place London E14 5HJ
Head Office and Principal Place of Business:		20 Churchill Place London E14 5HJ
Ultimate Company:	Holding	State Street Corporation (incorporated in Massachusetts, United States of America)
Principal Activity:	Business	Trustee and depositary of regulated collective investment schemes

Terms of Appointment:

Subject to the Regulations, the Depositary provides its services under the terms of a Depositary Agreement. This Agreement permits the Depositary to delegate custody of the scheme property to State Street Bank and Trust Company as global custodian, with power to sub-delegate some or all of its duties to such persons as it may from time to time specify.

The Depositary Agreement may be terminated by either party on not less than three months' notice in writing.

Depositary's liability

The Depositary Agreement provides indemnities to the Depositary in the discharge of its functions to the extent permitted by the Regulations (except in relation to any cost, expense, charge, loss or liability arising out of the negligence, fraud or wilful default of the Depositary or breach by the Depositary of the OEIC Regulations, the COLL Sourcebook or the Conduct of Business Sourcebook). Under the Depositary Agreement the Depositary has agreed that it, and any person to whom it delegates safekeeping of the property of the Company, may not re use any of the Company's assets with which it has been entrusted.

In the event of a loss of a financial instrument held in custody, determined in accordance with the AIFM Directive, and in particular Article 100 of the AIFM Regulations, the Depositary shall return

financial instruments of identical type or the corresponding amount to the Company without undue delay.

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

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the AIFM Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site:

<https://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>

Conflicts of Interest

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

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

The Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Company any such profits or compensation in any form earned by affiliates of the Depositary or the Depositary when acting in any other capacity;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(iv) may provide the same or similar services to other clients including competitors of the Company and the fee arrangements it has in place will vary;

(v) may be granted creditors' and other rights by the Company, e.g. indemnification which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Company relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Company's strategy.

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

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

The ACD may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the ACD directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in the Company.

The types and levels of risk that the Depositary is willing to accept may conflict with the Company's preferred investment policy and strategy.

Conflicts that may arise in the Depositary's use of sub-custodians include the following broad categories:

(1) the global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;

(2) The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of our global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;

(3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

(4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depositary makes

available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depositary segregates the Company's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Global Conflicts of Interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

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

The fees to which the Depositary is entitled are set out in paragraph 7.6 below.

6.3 The Custodian

The Depositary has appointed State Street Bank and Trust Company as the Custodian of the property of the Company. Under the terms of the Depositary Agreement the Depositary has the power to delegate its safekeeping functions. The Depositary has delegated to the Custodian the custody of Scheme Property entrusted to the Depositary for safekeeping. As the Custodian is part of the same group of companies as the Depositary, it is possible that a conflict of interest could arise. The Custodian and any other delegates are required to manage any such conflicts having regard to the FCA Handbook and their duties to the Depositary and the ACD.

6.4 The Investment Manager

6.4.1 General

The ACD has appointed Columbia Threadneedle REP AM plc as Investment Manager to provide investment management and advisory services to the ACD.

The principal activity of the Investment Manager is acting as an investment manager.

6.4.2 Terms of Appointment

The Investment Manager was appointed under the terms of an agreement between the ACD and the Investment Manager, as amended from time to time (the "Investment Management Agreement").

Subject to appropriate controls imposed by the ACD, all relevant law and regulation, this Prospectus and the Instrument of Incorporation, the Investment Manager has discretion to take day to day investment decisions and to deal in investments in relation to the investment management of the Company, without prior reference to the ACD.

Under the Investment Management Agreement, the ACD provides indemnities to the Investment Manager. The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

The Investment Manager's appointment may be terminated on three months' written notice being given to the other by the Investment Manager or the ACD or immediately in certain circumstances.

The Investment Manager has full power to delegate the whole or any part of its duties under the Investment Management Agreement, subject to the prior written consent of the ACD. The Investment Manager shall remain liable for any function which it has so delegated.

It is noted that the Investment Manager may use services provided by affiliated companies of Ameriprise Financial Inc.

6.5 The Property Adviser and Property Manager

Pursuant to clause 7.1 of the Investment Management Agreement, the Investment Manager has delegated the performance of property advisory and management services, including insurance advisory services, to Columbia Threadneedle REP PM Limited (the "Property Adviser" and the "Property Manager").

6.6 The Standing Independent Valuer

The ACD intends to appoint suitably qualified persons to act as the Standing Independent Valuer to the Company as required by the Regulations. Such appointments are subject to approval by the Depositary.

6.7 The Administrator

The ACD has appointed SS&C Financial Services Europe Ltd of SS&C House, Basildon, Essex SS15 5FS to act as administrator in respect of the purchase and sale of shares, the issue of contract notes and other associated activities. Fees and expenses payable to SS&C as Administrator will be paid by the ACD out of its remuneration under the ACD agreement.

SS&C provides its services under the terms of an administration agreement. The administration agreement may be terminated by either party on not less than six months' notice in writing.

6.8 Fund Accounting Services

The ACD has appointed State Street Bank and Trust Company, London Branch to provide certain fund accounting, including NAV calculation, pricing of Shares, services to the Company. The agreement between the ACD, Columbia Threadneedle REP AM plc and State Street Bank and Trust Company, London Branch is dated 12 June 2018.

6.9 Stock Lending Agent and Stock Lending Administrator

The appointment by the ACD of a stock lending agent for the Company is subject to confirmation from the Depositary that the terms of the appointment are in an acceptable form. Subject to appropriate controls imposed by the ACD, all relevant laws, the Regulations, this Prospectus and the Instrument of Incorporation, the stock lending agent has the discretion to take day to day decisions in relation to the stock lending of the Company, without prior reference to the ACD. The terms of the agreement under which securities are to be reacquired by the Company must be in a form which is acceptable to the Depositary.

The ACD on behalf of the Company and with the agreement of the Depositary may appoint a third party or the Custodian to act as stock lending administrator for the stock lending of the Company. The stock lending administrator will issue and receive assets lent by the stock lending agent and will hold and monitor collateral for the Company.

An associate of the ACD or Depositary appointed stock lending agent or stock lending administrator or to provide associated services may be remunerated from Scheme Property for these services separate from and in addition to their remuneration as ACD or Depositary.

6.10 The Auditors

The auditors of the Company are PricewaterhouseCoopers LLP. The Auditor's office is PWC Level 4, Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

The Auditors must make a report to the Shareholders in respect of the accounts contained in the annual report.

6.11 Legal Advisers

The Company is advised by CMS McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF.

6.12 Register of Shareholders

The Register of Shareholders may be inspected by appointment at the offices of SS&C Financial Services Europe Ltd, SS&C House, Basildon, Essex SS15 5FS. Shareholders may obtain a copy of their entry in the register free of charge by writing to the Registrar at SS&C House.

6.13 Conflicts of Interest

The ACD, the Investment Manager, the Property Adviser, the Property Manager and other companies within Columbia Threadneedle Investments may, from time to time, act as investment advisers or property managers to other funds which follow similar investment objectives to those of the Company. The Company may also invest in other funds managed by the ACD and other companies within Columbia Threadneedle Investments.

It is therefore possible that the ACD and/or the Investment Manager and/or the Property Adviser or Property Manager may in the course of their business have potential conflicts of interest with the Company and/or other funds managed by the ACD and/or the Investment Manager. Each of the ACD and the Investment Manager, the Property Adviser and Property Manager will, however, have regard in such event to its obligations under their respective agreements with the Company and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential

conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and other funds it manages are fairly treated.

The ACD maintains a written conflict of interest policy. The ACD 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 Company or its shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to shareholders in the report and accounts or otherwise in an appropriate format.

Details of the ACD's conflicts of interest policy are available on its website at: www.columbiathreadneedle.com.

Subject to the Regulations and subject to compliance by the ACD and the Investment Manager with their obligations under the ACD Agreement and the Investment Management Agreement, the ACD and the Investment Manager shall not be under any obligation to account to the Company (nor to any person having an interest in the Company) for any profits or benefits made by the ACD and the Investment Manager or by any associate of the ACD and the Investment Manager from or in connection with any transactions entered into by the ACD and the Investment Manager or any associate of the ACD and the Investment Manager with the Company or the provision of any services to the Company or dealing in property of any description for the account of the ACD and the Investment Manager or of any such associate, notwithstanding the fact that property of that description is included in the Scheme Property.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

None of the services of the Depositary are to be provided on an exclusive basis to the Company. The Depositary and any of its associates shall be free to provide similar services to (or engage in other activities with) others on such terms as the Depositary (or its associates) may arrange and to retain for its own use and benefit fees or other monies payable for its doing so. The Depositary shall not be deemed to be affected with notice of, or to be under any duty to disclose to the Company, any fact or thing which may come to its notice or the notice of any servant or agent of it in the course of the Depositary rendering similar services to others or in the course of its business in any other capacity or any manner whatsoever otherwise than in the course of carrying out its duties.

Subject to the Regulations and subject to compliance by the Depositary with its obligations under the Depositary Agreement, the Depositary shall not be under any obligation to account to the Company (nor to any person having an interest in the Company) for any profits or benefits made by the Depositary, or by any associate of the Depositary, from or in connection with any transactions entered into by the Depositary or any associate of the Depositary with the Company or the provision of any services to the Company (including accepting deposits from or making loans to or otherwise providing any banking services to the Company) or dealing in property of any description for the account of the Depositary or of any such associate, notwithstanding the fact that property of that description is included in the Scheme Property.

The ACD, the Depositary and any associate of any of them, or any delegate or sub-delegate or other agent of the ACD, may (to the extent their appointment permits) as principal sell, or deal in the sale of, any asset of the Company or vest any asset of the Depositary against the issue of Shares, or purchase any asset from the Company, provided that the value of the asset is determined in the

manner provided by the Instrument of Incorporation and the transaction is effected at arm's length and that the transaction is effected in compliance with all applicable and other regulatory requirements and is not likely to result in material prejudice to Shareholders. Transactions in such assets may be effected through the agent of, or arranged by, such an associate provided that the associate acts on an arm's length basis.

The ACD, the Depositary and any associate of them will act on a non-exclusive basis. Consequently, the ACD will not be obliged to present any investment opportunity to the Company and will not be liable for taking to its own account or recommending to others any such particular investment opportunity.

6.14 Exercise of voting rights

The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised to ensure votes are exercised in the interests of Shareholders when considered appropriate and practicable. A summary of this strategy is available from the ACD on request as are details of the actions taken on the basis of this strategy.

6.15 Best execution

The ACD is required to obtain the best possible result for the Company when effecting transactions and placing orders in relation to the Company. The ACD has delegated investment decisions to the Investment Manager and requires the Investment Manager to obtain best execution for the Company. Details of the best execution policy are available from the ACD on request.

6.16 Professional Liability Risk

The ACD will cover at all times the risks of loss or damage caused by the negligence of any relevant person for which the ACD has legal responsibility by maintaining insurance cover, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the EU Regulation.

7. FEES AND EXPENSES

7.1 General

The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the ACD.

The Company may pay out of the property of the Company any liabilities arising on the unitisation, amalgamation or reconstruction of the Company.

The Company may also pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

- 7.1.1 the fees and expenses payable to the ACD (which will include the fees and expenses payable to the Investment Manager and the Administrator) and to the Depositary (which will include the fees and expenses payable to the Custodian);
- 7.1.2 fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any plan sub-register) and related functions;
- 7.1.3 expenses incurred in acquiring and disposing of investments, including all professional fees, expenses, charges and disbursements in acquiring and disposing of immovables;
- 7.1.4 expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;
- 7.1.5 fees in respect of the publication and circulation of details of the Net Asset Value and prices including the cost of any benchmark used;
- 7.1.6 the fees and expenses of the Standing Independent Valuer, Property Adviser and Property Manager, Auditors and tax, legal and other professional advisers of the Company;
- 7.1.7 the costs of convening and holding Shareholder meetings and associated documentation (including meetings of Shareholders of any particular Class);
- 7.1.8 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- 7.1.9 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;
- 7.1.10 the costs of printing and distributing reports, accounts and any prospectuses (apart from the costs of distributing any simplified prospectus) and any Key Investor Information Document (including the cost of making available or notifying changes to any Key Investor Information Document) and any costs incurred as a result of periodic updates of or changes to any prospectus or instrument of incorporation;

- 7.1.11 any other administrative expenses;
- 7.1.12 taxation and duties payable by the Company;
- 7.1.13 interest on and charges incurred in borrowings;
- 7.1.14 any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- 7.1.15 fees of the FCA under the Act and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;
- 7.1.16 Any costs and disbursements incurred in the management and administration of immovable property acquired by the Company, including the following (without limitation):
 - 7.1.16.1 all legal and conveyancing costs;
 - 7.1.16.2 any fees payable to HM Land Registry in connection with registration of title to immovable property, first registration of title (whether or not compulsory) or otherwise;
 - 7.1.16.3 the cost of searches at the Land Charges Registry;
 - 7.1.16.4 the cost of any local authority and local land charges searches and any other searches, including the cost of unofficial searches carried out by agents at the ACD's request;
 - 7.1.16.5 environmental costs arising in relation to immovable property which are payable as a matter of law;
 - 7.1.16.6 the costs and disbursements of legal advisers instructed by the ACD or Investment Manager in connection with immovable property transactions to which the ACD in the name of the Company is party;
 - 7.1.16.7 insurance premiums payable in respect of all immovable property investments held by the Company (to the extent that these are not the responsibility of, or cannot be recovered from, any or all of the tenants for the time being of such Investments);
 - 7.1.16.8 the fees and expenses of legal advisers and other agents and expenses generally incurred in connection with:
 - (a) proceedings of any sort brought to prove or protect the Company's title to and/or right over any immovable property;
 - (b) carrying out repairs to any immovable property that is not occupied for the time being, or where the tenants for the time

being refuse or are not for any reason obliged to carry out such repairs;

- (c) service on any tenant of a notice under section 146 Law of Property Act 1925, including preparation where appropriate of a schedule of dilapidations and court proceedings against such tenant for forfeiture of his lease and/or possession of the premises;
 - (d) proceedings for arrears of rent, service charge, insurance or any other sums due from tenants;
 - (e) service of notices under the Landlord and Tenant Act 1954 terminating business tenancies, subsequent court proceedings, and any compensation payable to tenants for disturbance as a result of successful termination of business tenancies;
 - (f) service of rent review notices, negotiation of rent reviews (including, without limitation the remuneration of agents appointed to carry out any such negotiation), and any related court proceedings; and
 - (g) project management fees for the supervision of building projects;
- 7.1.16.9 the fees and expenses of any arbitrator or expert appointed to settle any dispute to which the ACD is party in the name of the Company, wherever the relevant tenant is not obliged to pay these under his lease;
- 7.1.16.10 the cost of negotiating and preparing licences to assign the lease of, or carry out alterations to, part or all of any immovable property held by the Company, where this is not payable by the relevant tenant; and
- 7.1.16.11 any costs or expenses properly payable by a tenant of part or all of any immovable property held by the Company where he has defaulted, or where the ACD or Investment Manager consider that it is in the interests of Shareholders to meet such costs or expenses (whether or not the Company sues for reimbursement); and

7.1.17 any payments otherwise due by virtue of the COLL Sourcebook.

VAT is payable on these charges where appropriate.

Any third party research received in connection with investment advisory services that an Investment Manager or the ACD provides to the Company will be paid for by the Investment Manager or the ACD, as relevant in relation to the Company, out of its fees and will not be charged to the Company.

References to the Company paying expenses and incurring expenses include expenses paid by and incurred by the ACD on behalf of the Company in connection with the operations of the Company or in the course of its duties and responsibilities as ACD.

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

Expenses are allocated between capital and income in accordance with the Regulations. The costs of purchasing and selling immovables and interests in immovables are allocated to capital and all other property costs are generally allocated to income. The ACD estimates that income expenses likely to be incurred by the Company in respect of immovable property in which it has an interest will be 0.40% of NAV per annum. The actual income expenses incurred will vary according to the properties, tenancies and tenants obtained.

7.2 Charges payable to the ACD

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Company for each Class of shares based on the relevant Net Asset Value of the Company for each Class. The annual management charge is payable monthly in arrears calculated on a daily basis and payable on the first Business Day of the following month. The current fees for each Class (expressed as a percentage per annum of the Net Asset Value of each Class) are shown in Appendix I.

In addition, the ACD shall be entitled to a registrar's fee of £38.98 per annum (as at 1 January 2025) for each holding on the Register and any plan sub-register. This fee is adjusted upwards on 1 January each year by an amount corresponding to the increase in the Retail Price Index since the previous 1 January.

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on these charges or expenses where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased in accordance with the Regulations and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date.

The ACD may only introduce a new category of remuneration for its services payable out of the property in accordance with the Regulations and after it has made available a revised Prospectus to reflect the introduction and the date of its commencement.

7.3 Investment Manager's fees

The Investment Manager's fees and expenses (plus any VAT) other than the performance fee if any for providing investment management and investment advisory services will be paid by the ACD out of its remuneration under the ACD Agreement.

7.4 Property Adviser's fees

The Property Adviser's fees and expenses (plus any VAT) for providing property investment advisory services will be paid by the ACD out of its remuneration under the ACD Agreement.

7.5 Property Manager's fees

The Property Manager's fees and expenses (plus any VAT) in respect of managing Company properties, professional fees and other expenses incurred in the purchase and sale of immovables are paid out of scheme property and are not paid by the ACD out of its remuneration under the ACD agreement. The Property Manager is entitled to retain fees chargeable to tenants for the account of the Property Manager under the terms of their leases, including for the negotiation and preparation of licences to assign the lease or carry out alterations.

7.6 Depositary's fees and expenses

The Depositary's remuneration, which is payable out of the Scheme Property, is a periodic charge at such annual percentage of the value of the Scheme Property as is set out below, with the Company being valued and such remuneration accruing and being paid on the same basis as the ACD's periodic charge. Currently, the ACD and the Depositary have agreed that the Depositary's remuneration in respect of the Company shall be calculated at a maximum of 0.025% per annum of the Company's Net Asset Value. In addition, the Depositary may charge transaction fees ranging from £4.00 to £100 according to the asset.

The Depositary is permitted to increase its remuneration, subject to the agreement of the ACD, in accordance with the Regulations and after the ACD has made available a revised Prospectus showing the new rate of remuneration and its commencement date.

The Depositary is also entitled to receive out of the Scheme Property remuneration for such services in performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the COLL Sourcebook. Currently the Depositary does not receive any remuneration or service charges under this paragraph. The introduction of or increase in any such charges is subject to obtaining the requisite consent from Shareholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Depositary. Service charges 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 Depositary's periodic charge is to be made or as soon as practicable thereafter.

In addition to the remuneration referred to above, the Depositary will be 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 Company, subject to approval by the ACD.

7.7 Custodian's fees and expenses

The Depositary has appointed State Street Bank and Trust Company as the Custodian of the property of the Company and is entitled to receive reimbursement of the Custodian's fees as an expense of the Company. State Street Bank and Trust Company's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Company are held. Currently, the lowest rate is 0.0004% and the highest rate is 0.50%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £6 - £105 per transaction. The current rate of the transaction charge and/or custodian charges may only be increased, or a

new type of charge introduced, in accordance with the Regulations and after the ACD has revised and made available the Prospectus to reflect the new rate and date of its commencement.

The Depositary is also entitled to be reimbursed out of the property of the Company in respect of remuneration charged by the Custodian for such services, being services delegated to the Custodian by the Depositary in performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the COLL Sourcebook. Currently the Depositary does not receive any remuneration or service charges under this paragraph. The introduction of or increase in any such charges is subject to obtaining the requisite consent from Shareholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Custodian. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears.

The following further expenses may also be paid out of the property of the Company:

- 7.7.1 all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- 7.7.2 all charges and expenses incurred in connection with the collection and distribution of income;
- 7.7.3 all charges and expenses incurred in relation to the preparation of the Depositary's annual Report to shareholders; and
- 7.7.4 all charges and expenses incurred in relation to stocklending.

Subject to current HM Revenue & Customs regulations, VAT at the prevailing rate may be payable in addition to the Depositary's remuneration, the Custodian's remuneration and the above expenses.

7.8 Charges in respect of the Standing Independent Valuer's services

Charges in respect of the Standing Independent Valuer's services are calculated as a percentage of the value of relevant immovable property held by the Company and are payable out of Scheme Property.

7.9 Charges in respect of fund accounting and unit pricing services

The cost of third party services is based on a tiered ad valorem fee based on total net average monthly assets of UK authorised funds managed by the ACD. The annual ad valorem fee rate is:

First £100 million	4.0 basis points
Next £500 million	3.0 basis points
Excess above £600 million	2.00 basis points

These charges are payable monthly out of Scheme Property.

7.10 Charges payable to the stock lending agent and stock lending administrator

The stock lending agent is entitled to receive fees out of the Scheme Property (plus VAT thereon) for its services in relation to stock lending. The fee is generally calculated as a percentage of the income from stock lending.

The stock lending administrator is entitled to charge a fee comprised of transaction and ad valorem charges at rates agreed from time to time between the ACD on behalf of the Company and the stock lending administrator in respect of stock lending transactions of the Company.

The stock lending agent's and stock lending administrator's fees and expenses are paid out of Scheme Property and do not form part of and are not paid from the ACD's or Depositary's fees and expenses.

7.11 Allocation of fees and expenses between Classes

All the above fees, duties and charges (other than those borne by the Manager) will normally be allocated to all Classes pro rata to the value of the Net Asset Value of the Class, although the Manager has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

8. SHAREHOLDER MEETINGS AND VOTING RIGHTS

8.1 Annual General Meeting

The Company does not hold annual general meetings.

8.2 Class Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Company, but by reference to Shares of the Class concerned and the Shareholders and value and prices of such Shares.

8.3 Requisitions of Meetings

The ACD may requisition a general meeting at any time.

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

8.4 Notice and Quorum

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

8.5 Voting Rights

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

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting was sent out.

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

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company

except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

“Shareholders” in this context means Shareholders on the date seven days before the notice of the relevant meeting was sent out but excludes Shareholders who are known to the ACD not to be Shareholders at the time of the meeting.

8.6 Variation of Class rights

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class.

9. TAXATION

9.1 General

The information below is a general guide based on current UK law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of the Company and of investors who are UK-resident (except where indicated) and hold Shares as investments. The tax treatment of investors depends on their individual circumstances and may be subject to change in the future. Shareholders or prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice if they are in any doubt about their tax position.

9.2 The Company

The Company is exempt from United Kingdom tax on capital gains realised on the disposal of its investments (including interest-paying securities and derivatives).

The Company qualifies as a PAIF for tax purposes. Accordingly, the income generated by its Property Investment Business will be exempt from tax. Any dividend income it receives from UK companies or, in general, from non-UK companies will also be exempt from tax. It would, however, be subject to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made, or a tax charge otherwise arises.

The distributions of the Company will be split into up to three streams for UK tax purposes:

- property income distributions, representing income from the Company's Property Investment Business;
- PAIF dividend distributions representing any dividends received by the Company and certain other income; and
- PAIF interest distributions representing the net amount of all other income received by the Company.

9.3 Shareholders

9.3.1 Income

Individual Shareholders:

Property income distributions ('PIDs')

Property income distributions made to Shareholders are subject to deduction of income tax at 20%. The tax deducted will satisfy in full the tax liability on it of Shareholders subject to basic rate income tax. Shareholders with unused personal allowance can reclaim tax deducted from HM Revenue and Customs. Shareholders who are higher or additional rate taxpayers will have further tax

to pay on the gross PID, 40% and 45% respectively, but both will receive credit for tax deducted at source.

PAIF interest distributions

Individual UK-resident taxpayers are entitled to a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of interest and interest distributions (including PAIF interest distributions) is free of tax. For higher rate taxpayers, the allowance is £500, and for additional rate taxpayers the amount is nil. To the extent that any interest distribution falls within this allowance or an individual's unused personal tax allowance, then the individual will be able to reclaim the tax deducted from those distributions. Where an individual receives more interest and interest distributions than the savings allowance, the income tax deducted will satisfy the investor's basic rate liability to tax. Higher rate taxpayers will have an additional liability of 25% of the amount received. Additional rate taxpayers will have an additional liability of 31.25% of the amount received. UK non-taxpayers and starting rate taxpayers should be able to reclaim the tax deducted from HM Revenue & Customs.

From April 2017, no tax will be deducted from any interest distributions. As a result, where individuals' interest and interest distributions exceed their personal savings allowances, they will be liable to pay income tax at their highest rates (20% for basic rate, 40% for higher rate and 45% for additional rate taxpayers) on the taxable amount.

PAIF dividend distributions

PAIF dividend distributions will be treated as if they were dividends paid to their Shareholders. No tax is deducted from them and there is no tax credit attached to them.

For individual Shareholders resident in the UK, the first £500 of dividends and dividend distributions received from 6 April 2024 is free of income tax (the dividend allowance). Where an individual's dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates reflecting the Shareholder's highest rate of tax. Dividend tax rates are 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional rate taxpayers. Dividends received within a Shareholder's allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

Corporate Shareholders: Property income distributions are generally paid to corporation tax payers without the deduction of tax at source and taxed as profits of a property business. PAIF interest distributions are also generally paid gross to corporation tax payers, and are taxed as yearly interest in their hands. PAIF dividend distributions are treated in the same way as dividends paid by UK companies, and are therefore exempt from corporation tax.

Corporate streaming rules which apply commonly to authorised investment funds' distributions do not apply to PAIF dividend distributions.

Tax-exempt Shareholders: Tax-exempt investors such as local authorities, charities, pension schemes and ISA managers may be paid gross property income distributions and PAIF interest distributions and accumulations. However, the ACD (or its nominee) will need to be satisfied that the recipient is the beneficial owner and that it is entitled to be paid gross property income distributions and gross interest distributions and/or accumulations. The ACD may require a suitable indemnity from the recipient before a gross payment can be made. Otherwise, Shareholders who are exempt from tax on income will be able to reclaim from HM Revenue & Customs the basic rate income tax withheld on the payment of property income distributions and PAIF interest distributions. From 6 April 2017, all interest distributions are made gross so no tax will be deducted from any interest distributions.

Overseas Shareholders: The position of overseas investors will depend on their personal circumstances and in particular whether they can benefit from a double tax convention and, if so, its terms.

For all income allocations: A tax voucher showing the amount of the income distributed or deemed to be distributed (in the case of accumulation shares) to the Shareholder and the tax deducted will be sent to Shareholders at the time of a distribution.

9.3.2 **Capital Gains Tax**

Shareholders 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 Shares, 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 2024-2025 tax year £3,000). From 30 October 2024 for basic rate taxpayers the rate of 18% is applied to all chargeable gains in excess of the annual exempt amount. For higher rate and additional rate taxpayers a rate of 24% is applied to all chargeable gains in excess of the annual exempt amount. The corporate Shareholder indexation relief was frozen from 1 January 2018.

Special rules apply to life insurance companies and dealers in securities holding investments in authorised investment funds. Individuals who are not resident in the UK may also be liable to UK tax on capital gains under anti-avoidance legislation.

9.4 **Income equalisation**

9.5 When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the Share's price is a return of capital and is not taxable in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing capital gains realised on their disposal.

Stamp duty land tax

The Company will generally be liable to stamp duty land tax on the purchase of property at 5% or land and buildings transaction tax.

9.6 **Value added tax**

The Company is registered for VAT and VAT incurred by the Company (for example on property management fees and expenses) should generally be recoverable.

9.7 **Foreign Account Tax Compliance**

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 passthru 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 Company will need to be disclosed.

Please note that the ACD has determined that US Persons are not permitted to own Shares in the Company.

9.8 **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 Company to report account holder information to HMRC about its Shareholders. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

9.9 **Mandatory disclosure of cross-border tax planning arrangements (DAC6)**

The European Council Directive 2018/822 (known as DAC6) provides for the mandatory automatic exchange of information on reportable cross-border arrangements. In principle, DAC6 requires intermediaries to report potentially aggressive cross-border tax planning arrangements, so that this information can be exchanged between the tax authorities of the UK and the Member States of the European Union.

HMRC has confirmed that EU Directive DAC6 ceased to apply in the UK at 11pm on 31 December 2020 following the conclusion of the post-Brexit trade deal between the UK and the EU. Only arrangements that would have fallen within Category D of DAC6 will now need to be reported, in line with the OECD's mandatory disclosure rules. The change applies retrospectively so no disclosures will need to be made for any arrangements that fall into one of the other hallmarks set out in DAC6 entered into on or after 25 June 2018.

DAC6 is based on certain indicators (hallmarks), most of which are targeting arrangements that have the characteristics of aggressive tax planning in which the Company does not engage.

10. **WINDING UP OF THE COMPANY**

- 10.1 The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under Chapter 7.3 of the COLL Sourcebook. The Company may only be wound up under the COLL Sourcebook.
- 10.2 Where the Company is to be wound up under the COLL Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.
- 10.3 The Company may be wound up under the COLL Sourcebook if:
- 10.3.1 an extraordinary resolution to that effect is passed by Shareholders; or
 - 10.3.2 the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or an event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up (for example, if the share capital of the Company is below its prescribed minimum, currently £35m, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Company); or
 - 10.3.3 the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company.
- 10.4 On the occurrence of any of the above:
- 10.4.1 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company;
 - 10.4.2 the Company will cease to issue and cancel Shares in the Company and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company;
 - 10.4.3 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
 - 10.4.4 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
 - 10.4.5 the corporate status and powers of the Company and, subject to 10.4.1 and 10.4.4 above, the powers of the ACD shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders

proportionately to their rights to participate in the property of the Company. In the case of the Company the ACD shall also publish notice of the commencement of the winding up of the Company in the London Gazette. If the ACD has not previously notified Shareholders of the proposal to wind up the Company, the ACD shall, as soon as practicable after the commencement of winding up of the Company, give written notice of the commencement to Shareholders. When the ACD has caused all of the property to be realised and all of the liabilities of the Company to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company.

As soon as reasonably practicable after completion of the winding up of the Company, the ACD shall notify the FCA that the winding up has been completed.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company, will be paid into court within one month of the dissolution.

Following the completion of a winding up of the Company, the ACD must prepare a final account showing how the winding up took place and how the property was distributed. The Auditor of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA and to each Shareholder (or the first-named of joint Shareholders) on it within two months of the completion of the winding up or termination.

11. GENERAL INFORMATION

11.1 Accounting Periods

The annual accounting period of the Company ends each year on the last day of February (the accounting reference date). The interim accounting period ends each year on 31 August.

11.2 Income Allocations

Allocations of income are made in respect of the income available for allocation in each accounting period. Distributions of income for income Shares are issued or paid within two months of the relevant income allocation period or one month in the case of monthly distributions as set out in Appendix I.

In the case of accumulation Shares, income will become part of the capital property of the Company and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Company in respect of that period, and deducting the charges and expenses of the Company paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's 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 other matters.

11.3 Annual Reports

The annual report of the Company will be published within four months of each annual accounting period and the half yearly report will be published within two months of each interim accounting period and are available to Shareholders on request in writing or by telephoning 0800 085 2752. The annual report and half yearly reports are prepared as long reports.

11.4 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at Cannon Place, 78 Cannon Street, London EC4N 6AG:

- (a) the most recent annual and half yearly reports of the Company;
- (b) the Prospectus;
- (c) the Instrument of Incorporation (as amended); and
- (d) the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from in relation to the annual and half yearly long reports of the company and the Prospectus which are available free of charge).

11.5 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the ACD Agreement between the Company and the ACD; and
- (b) the Depositary Agreement between the Company and the Depositary.

Details of the above contracts are given under section 6 above.

11.6 Notices to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

11.7 Telephone Recordings

The ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call as coming from the relevant investor. If the ACD is asked to provide a recording of a particular call, the ACD may ask for further information to help it identify the exact call to which the request relates.

11.8 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Columbia Threadneedle Fund Management Limited, PO Box 9040, Chelmsford, Essex CM99 2XH. Neither the ACD nor the Administrator is authorised to give investment advice and persons requiring such advice should consult an independent financial adviser. All applications for Shares are made solely on the basis of the current Prospectus, and investors should ensure that they have the most up to date version.

11.9 Complaints

The ACD has appointed a Complaints Officer to investigate and resolve any complaints which should be addressed to it at PO Box 9040, Chelmsford, Essex CM99 2XH (Telephone 0330 123 3798).

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the ACD or the Company is a member (including, if relevant, membership through

a branch) or any alternative arrangement provided, are also available on request. A copy of the ACD's guide to making a complaint is also available upon request.

11.10 Risk Management

A statement on the methods used for risk management in connection with the Company and the quantitative limits used together with the current risk yields of the main categories of investment is available in the company's financial statements and/or on the website www.columbiathreadneedle.com.

11.11 Investor Profile

The Company is intended to provide investment opportunities for investors wishing to maintain a UK commercial property exposure. It may be suitable for investors seeking exposure to the UK property markets who view their investment as long term, i.e. at least 5 years. The Company is appropriate for an investor with basic knowledge, or an informed investor, or an experienced investor. The Company may be purchased with or without professional financial advice. The Company has been classified as a non-complex investment product so there is no requirement to have prior knowledge or experience of this type of investment before investing.

The Company is designed to be used as a standalone solution or form part of a portfolio of investments. The product is not guaranteed and the value of the product can go up or down.

11.12 Past Performance

Information on the past performance of the Company is provided in Appendix IV and is also available in the current NURS-KII and from www.columbiathreadneedle.com.

11.13 Genuine Diversity of Ownership

Shares in the Company are and will continue to be widely available. The intended categories of investors are retail and institutional investors.

Shares in the Company are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract them.

11.14 Information available to Shareholders

The following information will be made available to Shareholders in the annual report:

11.14.1 the percentage of the Company'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;

11.14.2 the current risk profile of the Company, including:

11.14.2.1 the measures used to assess the sensitivity of the Company's portfolio to the most relevant risks to which the Company is or could be exposed;

- 11.14.2.2 if risk limits set by the ACD have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; and
- 11.14.2.3 the total amount of leverage employed by the Company calculated in accordance with the gross and commitment methods; and
- 11.14.2.4 any material changes to the information above.

It is intended that Shareholders will be notified immediately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which the Company may employ will be provided to Shareholders without undue delay.

11.15 Changes to the Company

The ACD will assess, in consultation with the Depositary and in accordance with COLL 4.3, whether changes which are proposed to be made to the Company (including, for example, any change to the investment policy or investment strategy) are to be treated for the purposes of Shareholder notification as being fundamental, significant or notifiable.

Fundamental changes require approval by Shareholders of the Company before being implemented.

Significant changes require the ACD to provide the relevant Shareholders with at least 60 days' prior written notice of the proposed change.

Notifiable changes require the ACD to provide the relevant Shareholders with appropriate pre- or post-event notice of the change.

11.16 Shareholders' Rights against Service Providers

It should be noted that Shareholders will only be able to exercise their rights directly against the Company and will not have any direct contractual rights against the service providers of the Company appointed from time to time.

11.17 Fair Treatment of Investors

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

- 11.17.1 Acting in the best interests of the Company and of the investors;

- 11.17.2 Executing the investment decisions taken for the account of the Company in accordance with the objective, the investment policy and the risk profile of the Company;
- 11.17.3 Ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- 11.17.4 Ensuring that fair, correct and transparent pricing models and valuation systems are used;
- 11.17.5 Preventing undue costs being charged to the Company and investors;
- 11.17.6 Taking all reasonable steps to avoid conflicts of interests 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 Shareholders; and
- 11.17.7 Recognising and dealing with complaints fairly.

11.18 **Preferential treatment of investors**

From time to time the ACD may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the ACD will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the Company and its investors.

In particular, the ACD may typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers, institutional investors including fund of fund investors and fund-link investors. The ACD may also have agreements in place with such groups of investors which result in them paying a reduced annual management charge.

11.19 **Best Execution**

The ACD must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The ACD's order execution policy sets out (i) the systems and controls that have been put in place and (ii) the factors which the ACD expects to consider when effecting transactions and placing orders in relation to the Funds. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Funds.

Details of the order execution policy are available on the ACD's website at www.columbiathreadneedle.com. If you have any questions regarding the policy please contact the ACD or your professional adviser.

Unclaimed money or assets In accordance with the client assets rules in the FCA Handbook, if client money is unclaimed for a period of six years, or client assets are unclaimed for a period of 12 years, the ACD may pay away such monies or the liquidated

proceeds of the assets to a registered charity of its choice. The ACD will be able to do this only in accordance with general law, the FCA Handbook, and where it has taken reasonable steps to trace the Shareholder and return the money or assets.

In accordance with the client money rules in the FCA Handbook, if client money is unclaimed for a period of six years and is equal to or below the applicable 'de minimis level' (that is, £25 or less for retail clients and £100 or less for professional clients) then there are fewer requirements for the ACD to fulfil before it may pay the money to charity but it will still attempt to contact Shareholders at least once before doing so.

Payment of any unclaimed money or assets to charity will not prevent Shareholders from claiming the money or assets in the future.

11.20 Inducements

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Company, the Investment Manager or ACD (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or ACD will return to each relevant Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Company; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Fund.

11.21 Benchmark Regulation

Regulation (EU) 2016/1011 as such regulation forms part of the domestic law of the United Kingdom (the "Benchmark Regulation") applies in respect of the indices used as benchmarks by the Funds. The administrators of the benchmarks are included in the public register maintained by the FCA. The Benchmark Regulation requires the ACD to produce and maintain robust written plans setting out the actions that it would take if an index should materially change or cease to be produced. Actions taken by the Fund pursuant to this plan may result in changes to the investment policy of a Fund, which may have an adverse impact on the value of an investment in a Fund.

APPENDIX I

COMPANY DETAILS

Name: CT UK Commercial Property Fund ICVC

Investment objective:

It is intended that the Company will be a PAIF at all times and as such the investment objective of the Company is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below.

The Company aims to achieve a return combining capital growth and income over the long term (5-7 years).

Investment policy

The invested assets of the Company will consist of a diversified portfolio of UK commercial property. Such exposure will be gained directly, as well as indirectly, for example, via real estate investment trusts. Indirect investment, including participation in co-ownership arrangements, is permitted where the arrangements do not result in additional restrictions on the liquidity of the Company. Up to 10% of the net asset value of the Company may be invested in collective investment schemes.

The Company is actively managed and the Company seeks to add value through strategic asset allocation, stock selection and asset management.

The proportion of invested assets from time to time may vary depending on market conditions and the availability of properties on acceptable terms. At all times, the Company will maintain an allocation of assets for liquidity purposes which is expected, in normal market conditions, to be approximately 15% of the total assets of the Company but this can vary significantly depending upon flows and outlook for the section and is also actively managed. This proportion of the Company will comprise transferable securities including government and corporate fixed interest securities, collective investment schemes, money market instruments, deposits and derivatives, cash and near cash.

Derivatives may be used for investment purposes as well as for efficient portfolio management. The use of derivatives will be limited.

**Comparator
Benchmark**

The ACD believes that an appropriate comparison for this Fund is the IA Direct Property Sector Median, given the investment policy of the Fund and the approach taken by the manager when investing the Fund's portfolio.

The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Fund has performed. Past performance

tables are provided at Appendix IV.

Final accounting date:	Last day of February
Final distribution date:	30 April
Interim income allocation date:	31 August 2011 and annually thereafter
Valuation Point:	12:00 noon
Cut-Off Point:	In respect of any Dealing Day, 11:59:59
ISA status	Yes
Share Classes and type of Shares:	Class 1 Shares income Class 1 Shares accumulation Class 2 Shares income Class 2 Shares accumulation Class 4 Shares accumulation* Class F Shares accumulation

	Class 1 Shares	Class 2 Shares	Class 4 Shares*	Class F Shares
Initial charge:	0%	0%	0%	0%
Annual ACD fee:	1.5%	0.75%	0%	0%

Investment minima:	Class 1 Inc Shares	Class 1 Acc Shares	Class 2 Inc Shares	Class 2 Acc Shares	Class 4 Acc Shares*	Class F Acc Shares**
Initial:	£1,000	£1,000	£250,000	£500,000	£10,000	N/A
Holding:	£1,000	£1,000	£1,000	£1,000	£10,000	N/A
Top-up:	£1,000	£1,000	£1,000	£1,000	£10,000	N/A
Monthly saving:	£50	£50	£50	£50	N/A	N/A
Redemption:	£100	£100	£100	£100	£10,000	N/A

Investor profile The Company is intended to provide investment opportunity for investors wishing to obtain exposure to the assets in which the Company invests. Please refer to the information on typical investor profiles set out above.

If you are not sure if the Company is suitable for you, please seek investment advice.

The maximum level of leverage for the Company is:

(a) under the Gross Method is 110% of the Company's Net Asset Value; and

(b) under the Commitment Method is 110% of the Company's Net Asset Value.

*This Class is only available in respect of internal investments by CTI entities.

**Class F is available only to the Feeder Fund.

APPENDIX II

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Approved transferable securities and approved derivatives are classified by reference to the eligible securities markets and eligible derivatives markets in this Appendix.

Securities markets established in the UK or an EEA State on which transferable securities admitted to official listing in the UK or an EEA State are dealt in or traded are eligible securities markets.

Additional eligible securities markets and the eligible derivatives markets available to the Company are shown below.

New eligible securities markets and eligible derivatives markets for the Company may only be added to the existing list in accordance with the Regulations and after the ACD has revised the Prospectus to reflect the intended change and the date of its commencement.

Eligible securities markets:

All EEA regulated markets

International Securities Markets Association

Grey Book Market

SWX Swiss Exchange

NASDAQ & OTC markets regulated by NASDAQ

Eligible derivatives markets:

LIFFE

Eurex

CME

OSE (Osaka Securities Exchange)

Hong Kong Futures Exchange

Sydney Futures Exchange

Tokyo Stock Exchange

Globex

SGX Singapore

APPENDIX III

INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General

The Scheme Property of the Company will be invested with the aim of achieving the investment objective of the Company but subject to the limits set out in the Company's investment policy, this Prospectus and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to non-UCITS retail schemes. These limits apply to the Company as summarised below.

It is intended that the Company will be a PAIF at all times. HM Revenue & Customs has provided confirmation to the ACD that the Company meets the requirements to qualify as a PAIF under Regulation 690 of the Tax Regulations.

Consequently, the net income of the Company deriving from Property Investment Business will be at least 60% of the Company's net income in each of the Company's accounting periods, and the value of the assets involved in Property Investment Business will be at least 60% of the value of the total value of the assets held by the Company at the end of each of the Company's accounting periods. For the purpose of this paragraph, net income means the amount falling to be dealt with under the heading "net revenue/expenses before taxation" in the Company's statement of total return for the period.

From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the Scheme Property in money-market instruments and/or cash deposits, provided the Company satisfies all those provisions in the Tax Regulations required for it to maintain its PAIF tax status, including the PAIF loan creditor condition.

The ACD does not currently use securities financing transactions for the Company.

1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policies of the Company, the Scheme Property aims to provide a prudent spread of risk.

1.2 Cover

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

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

1.2.2.1 it must be assumed that in applying any of those rules, the Company must also simultaneously satisfy any other obligation

relating to cover; and

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

2. Investment in immovable property

- 2.1 "Property Investment Business" is defined in the Tax Regulations at the time of this Prospectus as property rental business (meaning property rental business within the meaning given by section 104 Finance Act 2006, and the property rental business of any intermediate holding vehicle), owning shares in UK real estate investment trusts (REITs), and shares or units in non-UK REITs.
- 2.2 The Company may invest up to 100% in value of its Scheme Property in eligible immovables, both directly and indirectly, through transferable securities, collective investment schemes (including ETFs) and securities issued by intermediate property holding companies. All investments will be made in the manner described in the investment policy of the Company as set out in Appendix I.
- 2.3 Not more than 15% in value of the Company is to consist of any one immovable. Immovables adjacent to or in the vicinity of another immovable included in the Scheme Property, or another legal interest in an immovable which is already in the Scheme Property, shall be deemed to be one immovable provided, in the opinion of an appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable. The figure of 15% may be increased to 25% once the immovable has been included in the Scheme Property.
- 2.4 Income received from any one group in an accounting period must not be attributable to immovables comprising (a) more than 25%; or (b) in the case of a government or public body, more than 35%, of the value of the Scheme Property.
- 2.5 Not more than 20% in value of the Scheme Property is to consist of mortgaged immovables and any mortgage must not secure more than 100% of the valuation received from an appropriate valuer.
- 2.6 The aggregate of any mortgages under paragraph 2.5, any borrowings under paragraph 29 below and any transferable securities which are not approved securities must not at any time exceed 20% of the value of Scheme Property.
- 2.7 The Company may invest up to 50% of its Scheme Property in immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment.
- 2.8 The Company may grant an option to a third party to buy an immovable in the Scheme Property provided the value of the relevant immovable does not exceed 20% of the value of the Scheme Property together with, where appropriate, the value of investments in (a) unregulated collective investment schemes; and (b) any transferable securities which are not approved securities.
- 2.9 Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.

2.10 The ACD may undertake, where appropriate, property development and funding of such development to the extent permitted by COLL.

2.11 **Eligible Immovables**

2.11.1 Subject to FCA approval and COLL 4.3, the Company may acquire land or a building which is situated in the United Kingdom.

2.11.2 The ACD must take reasonable care to determine that the title to the underlying immovable is a good marketable title.

2.11.3 The ACD must have received a report from an appropriate valuer which contains a valuation of the underlying immovable (with and without any relevant subsisting mortgage) and which states that in the appropriate valuer's opinion the immovable would, if acquired by the Company or the intermediate investment vehicle, be capable of being disposed of in a reasonable timeframe at that valuer's valuation;

or

the ACD must have received a report from an appropriate valuer stating that the immovable is adjacent to, or in the vicinity of another immovable included in the Company or is another legal interest in an immovable which is already included in the property of the Company, and that in the opinion of the appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.

2.11.4 An immovable must be bought or be agreed by enforceable contract to be bought within six months after receipt of the report of the appropriate valuer. An immovable must not be bought, if it is apparent to the ACD that the report of the appropriate valuer could no longer reasonably be relied on. An immovable must not be bought at more than 105% of the valuation for the relevant immovable in the report of the appropriate valuer.

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

2.11.6 An appropriate valuer must be a person who has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area. In addition, an appropriate valuer must be qualified to be a standing independent valuer of a non-UCITS retail scheme or be considered by the Standing Independent Valuer to hold an equivalent qualification. An appropriate valuer must also be independent of the ACD and the Depositary and must not have engaged himself or any of his associates in relation to the finding of the immovable for the Company.

3. **Non-UCITS retail schemes - general**

3.1 Subject to the investment objective and policy of the Company, the Scheme Property must,

except where otherwise provided in COLL 5 only consist of any or all of:

- 3.1.1 transferable securities;
 - 3.1.2 money-market instruments;
 - 3.1.3 units or shares in permitted collective investment schemes;
 - 3.1.4 permitted derivatives and forward transactions;
 - 3.1.5 permitted deposits; and
 - 3.1.6 permitted immovables
- 3.2 Transferable securities and money-market instruments held within the Company must (subject to paragraph 3.5 of this Appendix) be:
- 3.2.1 admitted to or dealt on an eligible market as described below;
 - 3.2.2 be approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraphs 11 (Investment in money market instruments) and 13 (Appropriate information for money market instruments) in this Appendix;
 - 3.2.3 recently issued transferable securities provided that:
 - 3.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
 - 3.2.3.2 such admission is secured within a year of issue.
- 3.3 The Company may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 3.3.1 the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
 - 3.3.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;
 - 3.3.3 reliable valuation is available for it as follows:
 - 3.3.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - 3.3.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

- 3.3.4 appropriate information is available for it as follows:
 - 3.3.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 3.3.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.3.5 it is negotiable; and
- 3.3.6 its risks are adequately captured by the risk management process of the ACD.
- 3.4 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
 - 3.4.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
 - 3.4.2 to be negotiable.
- 3.5 Not more than 20% in value of the Scheme Property is to consist of transferable securities, which are not approved securities (aggregated with the value of the Scheme Property which can be invested in unregulated collective investment schemes as set out in paragraph 8.5).
- 3.6 The requirements on spread of investments generally and in relation to investment in government and public securities, do not apply until 12 months after the later of:
 - 3.6.1 the date when the authorisation order in respect of the Company takes effect; and
 - 3.6.2 the date the initial offer commenced,
- 3.7 provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.
- 3.8 Up to 5% of the Scheme Property of the Company may be invested in warrants.
- 4. **Closed end funds constituting transferable securities**
- 4.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph 3.3 and 3.4 and either:
 - 4.1.1 where the closed end fund is constituted as an investment company or a unit

trust:

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

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

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

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

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

5. **Transferable securities linked to other assets**

5.1 The Company may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.3 and 3.4 above; and

5.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Company can invest.

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

6. **Eligible markets regime: purpose**

6.1 To protect investors the markets on which investments of the Company are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

6.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

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

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

6.3.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.

6.4 A market not falling within paragraph 6.3 of this Appendix is eligible for the purposes of

COLL 5 if:

- 6.4.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
 - 6.4.2 the market is included in a list in the Prospectus; and
 - 6.4.3 the Depositary has taken reasonable care to determine that:
 - 6.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 6.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 6.5 In paragraph 6.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
7. **Spread: general**
- 7.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 8 applies.
 - 7.2 Not more than 20% in value of the Scheme Property of the Company is to consist of deposits with a single body.
 - 7.3 Not more than 10% in value of the Scheme Property of the Company is to consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
 - 7.4 The limit of 10% in paragraph 7.3 above is raised to 25% in value of the Scheme Property of the Company in respect of covered bonds (the Company does not currently invest in covered bonds).
 - 7.5 In applying paragraph 7.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
 - 7.6 Not more than 35% in value of the Scheme Property of the Company is to consist of the units or shares of any one collective investment scheme.
 - 7.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of the Company.
 - 7.8 For the purpose of calculating the limit in paragraph 7.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
 - 7.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;

- 7.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 7.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
 - 7.8.4 can be fully enforced by the Company at any time.
- 7.9 For the purposes of calculating the limits in paragraph 7.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 7.9.1 comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and
 - 7.9.2 are based on legally binding agreements.
- 7.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 7.10.1 it is backed by an appropriate performance guarantee; and
 - 7.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.
8. **Spread: government and public securities**
- 8.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- 8.1.1 the United Kingdom or an EEA State;
 - 8.1.2 a local authority of the United Kingdom or an EEA State;
 - 8.1.3 a non-EEA State; or
 - 8.1.4 a public international body to which the United Kingdom or one or more EEA States belong.
- 8.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 8.3 The Company may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 8.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Company;

- 8.3.2 no more than 30% in value of the Scheme Property of the Company consists of such securities of any one issue;
- 8.3.3 the Scheme Property of the Company includes such securities issued by that or another issuer, of at least six different issues;
- 8.3.4 the disclosures in the Prospectus required by the FCA have been made.
- 8.4 In giving effect to the foregoing object more than 35% of the Scheme Property may be invested in such securities issued or guaranteed by the Government of the United Kingdom.
- 9. **Investment in collective investment schemes**
- 9.1 Up to 10% of the value of the Scheme Property of the Company may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the requirements of paragraphs 9.1.1 to 9.1.5. Such investment is limited to the extent required to comply with the PAIF Regulations.
 - 9.1.1 The Second Scheme must:
 - 9.1.1.1 be a UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
 - 9.1.1.2 be authorised as a non-UCITS retail scheme; or
 - 9.1.1.3 be recognised under the provisions of s.264, s.270 or s.272 of the Act; or
 - 9.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
 - 9.1.1.5 be a scheme not falling within paragraphs 9.1.1.1 to 9.1.1.4 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.
 - 9.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
 - 9.1.3 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.
 - 9.1.4 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.
 - 9.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 9.1.2

to 9.1.4 apply to the Company as if it were a separate scheme.

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

9.3 The Company may, subject to the limit set out in paragraph 9.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Company or one of its associates.

10. Investment in nil and partly paid securities

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

11. Investment in money-market instruments

11.1 Subject to the restrictions of the PAIF Regulations, the Company may invest in money-market instruments which are within the provisions of 3.2 above or 11.2 below and subject to the limit of 20% referred to in 7.2 above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.

11.2 In addition to instruments admitted to or dealt in on an eligible market, the Company may invest in an approved money-market instrument provided it fulfils the following requirements:

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

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

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

11.3.1 the instrument is an approved money-market instrument;

11.3.2 appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10CR; and

11.3.3 the instrument is freely transferable.

12. Issuers and guarantors of money-market instruments

12.1 The Company may invest in an approved money-market instrument if it is:

- 12.1.1 issued or guaranteed by any one of the following:
 - 12.1.1.1 a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - 12.1.1.2 a regional or local authority of the United Kingdom or an EEA State;
 - 12.1.1.3 the Bank of England, the European Central Bank or a central bank of an EEA State;
 - 12.1.1.4 the European Union or the European Investment Bank;
 - 12.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - 12.1.1.6 a public international body to which the United Kingdom or one or more EEA States belong; or
- 12.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 12.1.3 issued or guaranteed by an establishment which is:
 - 12.1.3.1 subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - 12.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 12.2 An establishment shall be considered to satisfy the requirement in 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 12.2.1 it is located in the European Economic Area;
 - 12.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 12.2.3 it has at least investment grade rating;
 - 12.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.
- 13. **Appropriate information for money-market instruments**
 - 13.1 In the case of an approved money-market instrument within 12.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 12.1.1.2 or a public international body within 12.1.1.6 but is not guaranteed by a central authority within 12.1.1.1, the following information must be available:
 - 13.1.1 information on both the issue or the issuance programme, and the legal and

- financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- 13.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 13.1.3 available and reliable statistics on the issue or the issuance programme.
- 13.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 12.1.3, the following information must be available:
 - 13.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 13.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 13.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 13.3 In the case of an approved money-market instrument:
 - 13.3.1 within 12.1.1.1, 12.1.1.4 or 12.1.1.5; or
 - 13.3.2 which is issued by an authority within 12.1.1.2 or a public international body within 12.1.1.6 and is guaranteed by a central authority within 12.1.1.1;
- 13.4 information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.
- 14. **Leverage**
- 14.1 This section explains in what circumstances and how the ACD may use leverage in respect of the Company, the different leverage calculation methods and maximum level of leverage permitted.
- 14.2 Leverage when used in this Prospectus means the following sources of leverage can be used when managing the Company:
 - 14.2.1 cash borrowing, subject to the restrictions set out in paragraph 25 ("Borrowing");
 - 14.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to paragraphs 14.8 ("Derivatives: General"), 16.1 ("Permitted transactions (derivatives and forwards)"), 19 ("Transactions for the purchase of property"), 20 ("Requirement to cover sales"), 21 ("OTC transactions in Derivatives"), 24 ("Cover for investment in derivatives and forward transactions") and 25 ("Borrowing").
- 14.3 The ACD is required to calculate and monitor the level of leverage of the Company,

expressed as a ratio between the exposure of the Company and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method. In both calculations, the ACD shall exclude borrowing arrangements entered into if these are temporary in nature and are fully covered by contractual capital commitments from investors in the Company.

14.4 Under the gross method, the exposure of the Company is the absolute value of all positions taken by the Company. For the calculation of the exposure of the Company according to the gross method, the ACD shall:

14.4.1 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Company, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality government bond;

14.4.2 convert derivative instruments into the equivalent position in their underlying assets;

14.4.3 exclude cash borrowings that remain in cash or cash equivalents (as referred to in 14.4.1 above) and where the amounts payable are known;

14.4.4 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and

14.4.5 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

14.5 Under the commitment method, the exposure of the Company the sum of the absolute value of all positions. For the calculation of the exposure of the Company under the commitment method, the ACD shall:

14.5.1 convert derivative instruments into an equivalent position in the underlying asset of that derivative (unless they are derivative instruments which have certain specific features as set out more specifically in the AIFMD);

14.5.2 apply certain netting and hedging arrangements;

14.5.3 include exposures resulting from the reinvestment of cash borrowing;

14.5.4 include other arrangements such as convertible borrowings, repurchase agreements, reverse repurchase agreements, securities lending, and securities borrowing.

14.6 Further information regarding these different leverage calculation methods can be found in the AIFMD and the Supplementary Information on Risk Management Process which is available upon request.

14.7 The maximum level of leverage which the Company may employ, calculated in accordance

with the gross and commitment methods, is stated in Appendix I.

- 14.8 In addition, the total amount of leverage employed by the Company will be disclosed in the annual report.

15. **Derivatives: general**

The Company may use derivatives for investment purposes to maximise the return on non-property assets in the Company and is not restricted to derivatives based on property assets or returns. The exposure to the underlying assets must be within the investment limits set by the Regulations and the Company must have property suitable to cover its total exposure, taking into account the value of the underlying assets, any reasonable foreseeable market movement, counterparty risk and the time available to liquidate any positions.

As non-property assets will be held awaiting investment in property or to provide liquidity to service redemption requests strategies will be generally short term with limited risk to capital. It is not intended that the use of derivatives in this way will cause the Net Asset Value of the Company to have high volatility or otherwise cause the existing risk profile to change. However, where derivatives are used for investment purposes, there remains a possibility that the share price of the Company may be more volatile than would otherwise have been the case.

The Company's ability to obtain appropriate returns from its derivatives strategies will depend on the availability of investment opportunities with appropriate risk characteristics, including the credit standing of counterparties.

- 15.1 A transaction in derivatives or a forward transaction must not be effected for the Company unless the transaction is of a kind specified in paragraph 16.1 below (Permitted transactions (derivatives and forwards)); and the transaction is covered, as required by paragraph 24 (Cover for transactions in derivatives and forward transactions).
- 15.2 Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: general, COLL 5.2.12R Spread: government and public securities) except for index based derivatives where the rules below apply.
- 15.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 15.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 15.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
- 15.4.2 its economic characteristics and risks are not closely related to the economic

characteristics and risks of the host contract; and

- 15.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 15.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 15.6 Where the Company invests in an index based derivative, provided the relevant index falls within COLL 5.6.2R (Relevant Indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.
- 16. **Efficient Portfolio Management**
 - 16.1 The Company may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve the Company entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA's COLL sourcebook.
 - 16.2 There is no guarantee that the Company will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Company may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
 - 16.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Company. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Company. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Company.
 - 16.4 To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral the Company may accept. A copy of this is available from the ACD on request.
 - 16.5 Investors should note that EPM transactions may be effected in relation to the Company in circumstances where the ACD has, either directly or indirectly, an interest which may

potentially involve a conflict of their obligations to the Company. Where a conflict cannot be avoided, the ACD will have regard to its responsibility to act in the best interests of the Company and its investors. The ACD will ensure that the Company and its investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.

- 16.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Company, net of direct and indirect operational costs.

17. Permitted transactions (derivatives and forwards)

- 17.1 A transaction in a derivative must be:

- 17.1.1 in an approved derivative; or
- 17.1.2 be one which complies with paragraph 21 (OTC transactions in derivatives).

- 17.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Company is dedicated:

- 17.2.1 transferable securities;
- 17.2.2 money-market instruments;
- 17.2.3 deposits;
- 17.2.4 permitted derivatives under this paragraph;
- 17.2.5 collective investment scheme units permitted under paragraph 9 (Investment in collective investment schemes);
- 17.2.6 permitted immovables;
- 17.2.7 gold;
- 17.2.8 financial indices which satisfy the criteria set out in COLL 5.2.20R;
- 17.2.9 interest rates;
- 17.2.10 foreign exchange rates; and
- 17.2.11 currencies.

- 17.3 The exposure to the underlyings in paragraph 17.2 above must not exceed the limits in paragraphs 7 and 8 above.

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

- 17.5 A transaction in a derivative must not cause the Company to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 17.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 17.2 are satisfied.
- 17.7 Any forward transaction must be with an Eligible Institution or an Approved Bank.
18. **Financial indices underlying derivatives**
- 18.1 The financial indices referred to in paragraph 17.2 are those which satisfy the following criteria:
- 18.1.1 the index is sufficiently diversified;
 - 18.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 18.1.3 the index is published in an appropriate manner.
- 18.2 A financial index is sufficiently diversified if:
- 18.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 18.2.2 where it is composed of assets in which the Company is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
 - 18.2.3 where it is composed of assets in which the Company cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 18.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 18.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 18.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 18.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 18.4 A financial index is published in an appropriate manner if:
- 18.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for

components where a market price is not available; and

- 18.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 18.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 17.2 be regarded as a combination of those underlyings.

19. **Transactions for the purchase of property**

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

20. **Requirement to cover sales**

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

21. **OTC transactions in derivatives**

- 21.1 Any transaction in an OTC derivative under paragraph 17.1.2 must be:
 - 21.1.1 in a future or an option or a contract for differences
 - 21.1.2 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;
 - 21.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
 - 21.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- 21.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 21.1.4.2 if the value referred to in paragraph 21.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
 - 21.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - 21.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
 - 21.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property of the Company and which is adequately equipped for such a purpose.
- 21.2 For the purposes of paragraph 21.1.3, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
- 22. **Risk management**
- 22.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of the Company's positions and their contribution to the overall risk profile of the Company.
- 23. **Investments in deposits**
- 23.1 The Company may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.
- 24. **Cover for investment in derivatives and forward transactions**
- 24.1 The Company may invest in derivatives and forward transactions as long as the exposure to which the Company is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 24.2 Cover ensures that the Company is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, the Company must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed. Detailed requirements for cover of the Company are set out below.
- 24.3 A future is to be regarded as an obligation to which the Company is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which the Company is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option

as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

- 24.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 24.5 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally.
- 24.6 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 24.7 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.
- 24.8 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 24.9 The global exposure relating to derivatives held in the Company may not exceed the net value of the Scheme Property.

25. **Borrowing**

- 25.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 24 of this Appendix as long as the normal limits on borrowing (see below) are observed.
- 25.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 29 (General power to borrow) of this Appendix do not apply to that borrowing.

26. **Cash and near cash**

- 26.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
 - 26.1.1 the pursuit of the Company's investment objectives; or
 - 26.1.2 the redemption of shares; or
 - 26.1.3 efficient management of the Company in accordance with its investment objectives; or

- 26.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Company.
- 26.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.
27. **General**
- 27.1 It is envisaged that the Company will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of the Company or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Company.
- 27.2 Where the Company invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Company by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 27.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Company but, in the event of a consequent breach, the ACD 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 Shareholders.
28. **Underwriting**
- 28.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company.
29. **General power to borrow**
- 29.1 The ACD may, on the instructions of the Company and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.
- 29.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Company.
- 29.3 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).
30. **Restrictions on lending of money**
- 30.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Company if it is paid to a person (the "payee") on the basis that it should be repaid, whether or not by the payee.

30.2 Acquiring a debenture is not lending for the purposes of paragraph 30.1 nor is the placing of money on deposit or in a current account.

31. **Restrictions on lending of property other than money**

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

31.2 Nothing in this paragraph prevents the Company or the Depositary at the request of the Company from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5.

32. **General power to accept or underwrite placings**

32.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Company.

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

32.3 The exposure of the Company to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

33. **Guarantees and indemnities**

33.1 The Company must not provide any guarantee or indemnity in respect of the obligation of any person.

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

33.3 The Depositary for the account of the Company, may provide a guarantee or indemnity in respect of any acquisition or holding of an immovable permitted under COLL 5.6.18R and 5.6.19R, provided the Depositary is satisfied on reasonable grounds that: this will not result in any undue risk to Shareholders in the Company (and it has taken reasonable steps to mitigate such risk); and no recourse may be had to Scheme Property under COLL 5.5.9R(2) where the depositary (or a delegate) fails to perform an obligation by reason of its negligence, default, breach of duty or breach of trust.

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

33.5 Paragraphs 33.1 and 33.2 do not apply in respect of the Company to any indemnity or

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

- 33.5.1 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
- 33.5.2 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 33.5.3 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first shareholders in the Company.

APPENDIX IV

PAST PERFORMANCE

Past performance information is updated annually.

FUND NAME	31/01/2023 to 31/01/2024	31/01/2022 to 31/01/2023	31/01/2021 to 31/01/2022	31/01/2020 to 31/01/2021	31/01/2019 to 31/01/2020	31/01/2018 to 31/01/2019
CT UK Commercial Property Fund ICVC SC2 Acc ¹	3.15	-10.33	18.71	-3.82	-4.48	3.42

Total return on mid to mid-price basis with no allowance for initial charges. Past performance is not necessarily a guide to future performance.

¹ The previous past performance was stated to relate to Class 1 accumulation shares. However, it has been discovered that it in fact relates to the Class 2 accumulation shares as set out above.

DIRECTORY

ACD and The Company

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