


Royal London Property Fund
(the “Company”)

Prospectus



Royal London Unit Trust Managers Limited
Authorised and regulated by the Financial Conduct Authority

Valid as at 1 July 2023

This document constitutes the Prospectus for the Company which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook. Copies of this Prospectus have been sent to the FCA and the Depositary.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

"the ACD"	means the authorised corporate director of the Company, Royal London Unit Trust Managers Limited;
"the Act"	means the Financial Services and Markets Act 2000 (as amended from time to time);
"Approved Bank"	has the meaning given to it in the glossary of definitions in the FCA Rules;
"Body Corporate"	means a body corporate incorporated in any jurisdiction (including 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 in Counsel;
"COLL"	means the Collective Investment Schemes Sourcebook (as amended from time to time);
"Class"	means a class of Share in the Company;
"the Company"	means the Royal London Property Fund;
"Dealing Day"	means for the purchase and redemption of Shares: the last business day of each calendar month, between 9.00 a.m. and 5.00 p.m.;
"Depository"	means NatWest Trustee and Depository Services Limited or any successor from time to time;
"the EEA"	means the European Economic Area;
"EEA State"	means a member state of the European Union and any other state which is within the EEA;
"EEA UCITS scheme"	means a collective investment scheme established in accordance with the UCITS Directive in an EEA State;
"Eligible Institution"	has the meaning given to it in the glossary of definitions in the FCA Rules;
"EPM" or "Efficient Portfolio Management"	means the use of techniques and instruments which relate to transferable securities and approved money market instruments and which fulfil the following criteria: (a) they are economically appropriate in that they are realised in a cost effective way; (b) they are entered into for one or more of the following specific aims: (i) reduction of risk; (ii) reduction of cost; (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL as more fully described in Appendix 2;

"EUWA"	means the European Union (Withdrawal) Act 2018;
"the FCA"	means The Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN, or any successor regulatory body;
"the Feeder Fund"	means the Royal London Property Trust;
"the Handbook"	means the FCA's Handbook of rules and guidance (in its entirety and including COLL);
"the Instrument"	means the instrument of incorporation, as amended from time to time, pursuant to which the Company is governed;
"the NAV" or "Net Asset Value"	means the value of the scheme property of the Company less the liabilities of the Company as calculated in accordance with the Instrument;
"Non-UCITS retail scheme"	means a non-UCITS retail scheme as defined in the glossary of definitions in the FCA Rules, being a UK collective investment scheme which is not a UK UCITS scheme but is available to retail investors under the FCA Rules;
"PAIF"	means an open-ended investment company which is a Property Authorised Investment Fund, as defined in Part 4A of the Tax Regulations and COLL 6.2.23;
"Property Investment Business"	means "property investment business" as defined in the Tax Regulations, and summarised in Appendix 2;
"the Regulations"	means the Open Ended Investment Companies Regulations 2001 (as amended);
"Scheme Property"	means the scheme property of the Company required under the COLL Sourcebook to be given for safekeeping to the Depositary;
"Share"	means a share in the Company;
"the Tax Regulations"	means the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964), as amended from time to time;
"UCITS Directive"	means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended and which applies to EEA UCITS schemes;
"UK"	means the United Kingdom of Great Britain and Northern Ireland;
"UK AIF"	means an alternative investment fund within the scope of the UK AIFM Rules;
"UK AIFM"	means an alternative investment fund manager for the purposes of the UK AIFM Rules;
"UK AIFM Rules"	means the FUND Sourcebook, the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 No. 328, the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773), the rules issued by the FCA (at any time) and ESMA (prior to 31 December 2020) and any provisions of Directive 2011/01/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as supplemented by Commission Delegated Regulations (EU) No. 231/2013 of 19 December 2012, which form part of UK law by virtue

of the EUWA, in each case including any amendments or updates made in relation thereto;

“UK Benchmarks Regulation”

means the UK version of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, which is part of UK law by virtue of the EUWA and as such may be amended from time to time;

“UK UCITS Rules”

means the COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325, including any amendments or updates made in relation thereto; and

“UK UCITS scheme”

means a UK UCITS as defined in the glossary of definitions to the FCA Rules.

SECTION 1 - MAIN FEATURES OF THE COMPANY FOR INVESTORS

The following information should be read in conjunction with other information contained in the "Additional Information" section 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 PAIF. Investors should only consider investing in the PAIF if they understand the risks involved including the risk of losing all capital invested.

Name

Royal London Property Fund

Investment Objective

The Fund's investment objective is to carry on Property Investment Business, and to manage cash raised from investors for investment in the Property Investment Business, with the intention of achieving a total return (1) over the long term, which should be considered as a period of 7-plus years, by investing predominantly in UK commercial properties (2).

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

Investment Policy

At least 80% of the Fund will be invested in UK commercial properties.

If the Fund's manager believes it is in the best interests of the Fund, they may invest the remainder (up to 20%) of the Fund's assets in transferable securities (3), real estate investment trusts (4), exchange-traded funds (5), money-market instruments (6) and deposits. Up to 15% of this portion of the Fund may be invested in other funds, known as collective investment schemes, including those managed by Royal London Unit Trust Managers Limited or another Royal London Group company.

As a balanced UK property portfolio, the Fund can invest across business sectors and regions. The Fund's manager will seek to balance the income from 'core' holdings with active management, taking advantage of opportunities when they arise to enhance the Fund's value. The Fund will aim to purchase properties of suitable quality and manage them actively and effectively, until positive market conditions allow them to sell on beneficial terms.

The Fund's manager aims to mostly acquire properties which are fully let to tenants of sound financial strength, but can take a measured exposure to development property. Investments

Type of Fund

Non-UCITS retail scheme

Authorisation and Launch of Company

The Company was authorised and launched on 28 May 2010.

The Company was launched following the merger into it of the Royal London Authorised Property Unit Trust on 28 May 2010. This unit trust was originally constituted on 31 May 1991 and was authorised on 27 May 2010.

Investment Adviser

Royal London Asset Management Limited

will be made in a wide range of UK commercial property, with diversification geographically throughout the UK and across a range of business sectors and tenant covenant.

The Fund may also make investments that derive their value from another closely related underlying investment (known as derivatives). Such investments are only permitted for efficient portfolio management purposes (7).

A small portion of assets will generally be held in cash to provide for investment in new opportunities and to manage inflows and outflows of investors' money.

The Fund will typically have 25-50 individual holdings.

Benchmark

The Fund's performance can be compared against the MSCI/AREF All Property Fund Index. The benchmark is considered an appropriate benchmark for performance comparison as it best reflects the scope of the Fund's investment policy.

Notes

1 A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

2 Commercial properties are properties that are used for business purposes, such as offices, shops and industrial units or warehouse facilities. The latter may be used for a number of purposes, including leisure facilities, hotels and residential properties.

3 Securities that can be readily transferred between two investors.

4 A type of property fund that is listed on a stock exchange and benefits from tax advantages.

5 Exchange-Traded Funds (ETFs) are tradeable on an index in a similar way to individual shares. ETFs track other indices and provide a lower-cost method of diversifying a portfolio.

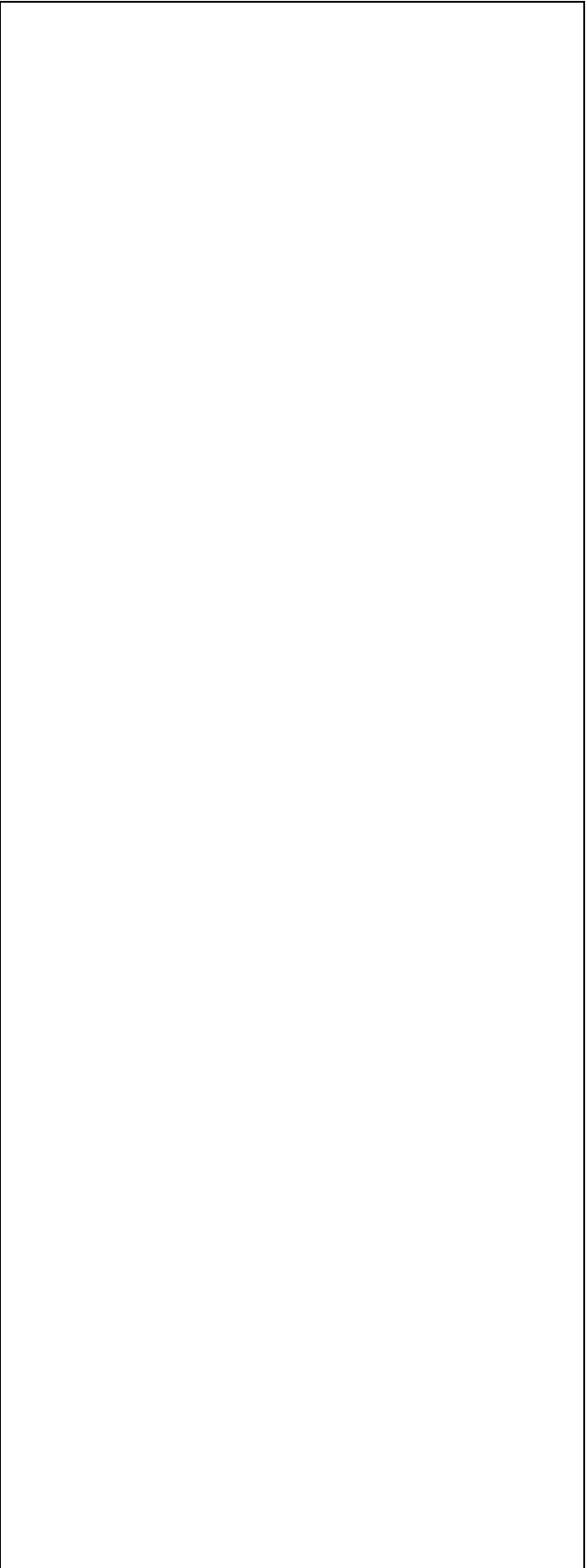
6 Short-term, more liquid investments issued by public bodies or corporations.

7 A list of approved investment techniques, including the use of derivatives used to protect against excessive risk reduce cost or generate extra income or growth.

Eligibility for Individual Savings Account (ISA)

ISAs are not currently available.

Minimum Investment Levels



ACD's Reports

(a) Min. Holding and Initial Investment

£100,000

(b) Min. Subsequent Investment

£100,000

(c) Min. Redemption Amount

£100,000

(d) Min. Regular monthly Investment

N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Royal London Group.

Management Charges

(a) Preliminary Charge

0.00%

(b) ACD's Periodic Management Charge

0.60%

(c) Redemption Charge

0.00%

Charges will be deducted from income.

Types of Shares

Class A Accumulation Shares (Institutional)*
Class B Income Shares (Institutional)

*Note: The feeder fund for the Company, the Royal London Property Trust, may acquire Class A Accumulation Shares (Institutional) only.

Pricing

The Company is dual priced.

Base Currency

Sterling (£)

General

As a Shareholder you are entitled to a copy of the latest report and accounts and the Key Features Document for the Company at any time, which is available on request.

As a Shareholder you have voting rights, see Section 2 paragraph 16 for further details.

Annual 30 April

Half Yearly 31 August

Income Payment Dates

Final.....14 January

Interim...14th day of every month

Accounting Dates

Final 31 December

Interim..... 31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November

Income

This Company pays income distributions or accumulates income monthly (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see page 27.

Investor Profile and Eligible Investors

The Company is marketable to retail and institutional investors.

Shares in the Company are available only to investors who are not Bodies Corporate, however, the ACD may, from time to time at its absolute discretion, permit investment in the Company by Bodies Corporate but only in accordance with the provisions as set out in Section 2 paragraph 11(B).

Eligible investors may, however, register their Shares in the name of a nominee (or other similar arrangement) which itself is a Body Corporate.

The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value:

(a) under the Gross Method is 1.1:1; and

(b) under the Commitment Method is 1.1:1.

Eligible Markets

The approved securities and derivatives in which the Company may invest in are limited to the securities and derivatives traded on the eligible securities and derivatives markets listed in Appendix 1 and compatible with the Investment Objective and Policy of the Company.

John Michael Brett
Jill Jackson
Hans Georgeson

The above named directors are all executive directors of the ACD (except for John Michael Brett and Jill Jackson who are non-executive directors) and are involved in the management of other companies within the Royal London group of companies.

Registered Office: 80 Fenchurch Street
London
EC3M 4BY
Place of Business: 80 Fenchurch Street
London
EC3M 4BY
Administration Centre: 80 Fenchurch Street
London
EC3M 4BY

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the "ACD Agreement").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The ACD Agreement may be terminated by either party after the expiry of three years from the date of incorporation of the Company on not less than twelve months' written notice or earlier upon the happening of certain specified events. The ACD Agreement terminates automatically if the ACD ceases to be the director of the Company or the Company is wound up. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 20 (Expenses of the Company) below.

The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD.

(3) Depositary

The Depositary of the Company is NatWest Trustee and Depositary Services Limited, a limited company incorporated in England & Wales. Its registered office, head office and principal place of business are situated at 250 Bishopsgate, London EC2M 4AA. The principal business activity of the Depositary is trustee and depositary services. The Depositary is authorised and regulated by the FCA. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by the regulator.

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Company. In addition, the Depositary is responsible for ensuring that the Company's cash flows are properly monitored, and that all payments made by or on behalf of investors for subscriptions have been received.

The appointment of the Depositary has been made under an agreement between the Company, the ACD and the Depositary (the "Depositary Agreement"). The Depositary Agreement may be terminated on six notice, or sooner in certain circumstances including where there is an unremedied material breach, provided that the
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Depository may not voluntarily retire except on the appointment of a new Depository. The Depository Agreement also provides for an indemnity from the Company in favour of the Depository in each case in respect of liabilities incurred as a consequence of its acting as depository except any liability in respect of any intentional or negligent breach by the Depository of the provisions of the Depository Agreement.

Subject to the Handbook, the UK AIFM Rules and the COLL Sourcebook, the Depository has full power under the Depository Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as depository in relation to safekeeping of assets.

The Depository has delegated custody of the non-immovable property to HSBC Bank plc (the "Custodian").

The terms of the Depository Agreement between the Company, the ACD and the Depository provide that the Depository be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties as required by the Regulations.

(4) Investment Adviser

The Investment Adviser to the Company is Royal London Asset Management Limited, a company limited by Shares and incorporated in England and Wales, registered no 2244297. Its ultimate holding company is The Royal London Mutual Insurance Society Limited, the same as that of the ACD. The Investment Adviser is authorised to carry out designated investment business in the United Kingdom by virtue of the fact that it is authorised and regulated by the Financial Conduct Authority. The Investment Adviser's principal activity is investment management.

Registered Office: 80 Fenchurch Street
London

EC3M 4BY

The appointment of the Investment Adviser has been made under an agreement between the ACD and the Investment Adviser (the "Investment Advisory Agreement"). The Investment Adviser is appointed to make investment decisions on behalf of the ACD in relation to the property of the Company within the limits stipulated by the Act, the FCA Rules and the investment objectives of the Company. Deals in respect of these investment decisions are instructed by the Investment Adviser through unconnected brokers, or property agents, on an arm's length basis, with no commission being payable to the Investment Adviser. The Investment Advisory Agreement shall continue in effect until terminated by either party serving three months' notice of cancellation in writing on the other party.

The terms of the Investment Advisory Agreement include the provision of investment management to attain the investment objectives of the Company, the purchase and sale of investments and (where applicable) on the exercise of voting rights relating to such investments. The Investment Adviser has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Adviser's report half yearly for inclusion in the Company's Report for circulation to Shareholders. Subject to the agreement of the ACD, the Investment Adviser may appoint sub-investment advisers to discharge some or all of these duties. The Investment Advisory Agreement may be terminated by either party on not less than three months' written notice or earlier upon the happening of certain specified events, or immediately by the ACD if it decides that it is in the best interests of Shareholders to do so.

The Investment Adviser will receive a fee paid by the ACD out of its remuneration received each month from the Company as explained in paragraph 20 below. Any third party research received in connection with investment management services that the Investment Adviser provides to the PAIF will be paid for by the Investment Adviser.

The Investment Adviser will not be considered as a broker fund adviser under the Handbook in relation to the Company.

(5) Registrar

The ACD has appointed SS&C Financial Services Europe Limited as Registrar to maintain the register of Shareholders of the Company, at the following address:

SS&C House
St Nicholas Lane
Basildon

Essex SS15 5FS

The register of Shareholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address or the principal place of business of the ACD free of charge during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The Registrar's mailing address is PO Box 9035, Chelmsford, Essex, CM99 2XB.

The Registrar will receive a fee paid by the ACD out of its remuneration received each month from the Company as explained in paragraph 20 below.

The register of Shareholders is conclusive evidence as to the persons entitled to the Shares entered in the register. No notice of any trust, express, implied or constructive, shall be entered on the register of Shareholders in respect of any Share and the ACD and the Depository shall not be bound by any such notice.

(6) Auditors

The Auditors to the Company appointed by the ACD are:

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

The Auditors are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument

(7) Standing Independent Valuer

In relation to the immoveable property held by the Company, the Investment Advisor has appointed a Standing Independent Valuer

Cushman and Wakefield LLP
43-45 Portman Square
London
W1A 3BG

The Standing Independent Valuer was appointed pursuant to an agreement dated 28 September 2017 between the Investment Advisor and the Standing Independent Valuer (the "Property Valuation Agreement"). Under the terms of the Property Valuation Agreement, the Standing Independent Valuer must carry out its obligations under the agreement in accordance with the applicable provisions of COLL.

The Property Valuation Agreement expires 31 August 2022 but may be terminated by either party for insolvency of the other party, and by the Investment Advisor at any time if the Standing Independent fails to attain service levels or remedy a material breach of agreement.

No valuer will be treated as independent for the purposes of valuing property if, at any time during the preceding 12 months, that independent valuer has received a fee, or any other commercial benefit, whether from the Company or otherwise, in connection with any transaction entered into by the Company in relation to that property.

No person shall qualify for appointment as standing independent valuer unless it is either a body corporate or a partnership.

The Standing Independent Valuer will receive a fee from Scheme Property as explained in paragraph 20 (Expenses of the Company) below.

(8) Property Manager

In relation to the immovable property held by the Company, the Investment Advisor has appointed a Property Manager:

Jones Long LaSalle (JLL) Limited
30 Warwick Street
London
W1B 5NH

The Property Manager was appointed pursuant to an agreement dated 22 September 2009 between the Investment Advisor and the Property Manager (the "Property Management Agreement") and is responsible for the day to day management of the immovable property.

The Property Management Agreement expires 28 February 2021 but may be terminated by either party for insolvency of the other party and by the Investment Advisor at any time if the Property Manager fails to attain service levels or remedy a material breach of agreement.

The Property Manager will receive a fee from Scheme Property as explained in paragraph 20 (Expenses of the Company) below.

(9) Conflicts of Interest

The ACD, the Investment Adviser and other companies within the ACD's and/or the Investment Adviser's group may, from time to time, act as investment manager or adviser to other funds or sub-funds which follow similar investment objectives to those of the Company. It is therefore possible that the ACD and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Company or that a conflict exists between the Company and other funds managed by the ACD.

Each of the ACD and the Investment Adviser will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Adviser Agreement respectively 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 and the Investment Adviser will ensure that the Company and other collective investment schemes 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 an appropriate format.

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

The ACD has a conflicts of interest policy, a summary of which is available on its website, www.rlam.co.uk. The policy focuses on ensuring conflict avoidance in the first instance, and management and disclosure of conflicts where and when applicable, as well as on-going monitoring to ensure the appropriate proper standards are maintained. It also covers the potential conflicts of interest arising in the course of investment business between the ACD, its employees and its clients, that could significantly impact the interests of funds managed by the ACD in the absence of adequate controls.

(10) Characteristics of Shares

(A) Share Types

There are two types of Shares permissible under the Instrument: income Shares and accumulation Shares. Section 1 specifies whether the Company issues income or accumulation Shares.

Accumulation Shares: accumulate income within the Company's property. Each accumulation Share represents the appropriate number of Shares in the Company.

Income Shares: distribute income. Each income Share represents an equal Share in the Company.

The purchase of Shares entitles the holder to participate in the property of the Company and receive a proportion of any distributable income, which in the case of accumulation Shares, will be represented by an increase in the value of the Shares.

The Instrument allows gross income and gross accumulation Shares to be issued as well as net income and net accumulation Shares. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by Company. Currently, however, only net income and net accumulation Shares are available, and all references in this Prospectus to income and accumulation Shares are to net income and accumulation Shares.

(B) Classes of Shares

The Instrument permits the Company to issue various classes of Shares. The Company currently issues the following classes:

Class A Accumulation Shares (Institutional)
Class B Income Shares (Institutional)

The Feeder Fund invests in Class A Accumulation Shares (Institutional) only.

The Share classes may be distinguished by their criteria for subscription, minimum subscription and holding requirements, and fee structure. See also Section 1 for further details.

Where the Company has different classes of Shares any class may attract different charges and so monies may be deducted in unequal proportions. In such circumstances the proportionate interests of the classes within the Company will be adjusted accordingly.

(11) The Purchase and Redemption of Shares

(A) Application to Purchase Shares

Investors may purchase Shares in the Company by application in writing on a calendar month basis.

The property of the Company is normally valued at close of business on the last business day of each calendar month for the purpose of determining the issue, cancellation, sale and redemption prices of Shares, where appropriate. All deals will be executed on a forward price basis which is the price calculated by reference to the next valuation point.

Investors should complete an application form available from the ACD and send it to the ACD, on or before 12 noon on the relevant Dealing Day, at its Administration Centre with a cheque payable to ROYAL LONDON UNIT TRUST MANAGERS LIMITED. On acceptance of the application, Shares will be sold at the relevant issue price, and a contract note confirming the sale price and the number of Shares sold together with, in appropriate cases, a notice of the applicant's right to cancel, will be issued.

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.

Note: The ACD may, at its absolute discretion, accept assets in the form of securities or immovable property (of a minimum value of £10million) in whole or in part satisfaction of the cash price from investors wishing to buy Shares. (See paragraph 11(F) for further details).

Payment is due on receipt of the contract note and cheques, made payable to ROYAL LONDON UNIT TRUST MANAGERS LIMITED together with the Name Ticket giving full registration details, should be returned to the ACD at its Administration Centre.

Default by a purchaser in payment of any monies under the purchaser's application will entitle the Depository to cancel any rights of the purchaser in the Shares. In the case of default, the ACD will hold the purchaser liable, or jointly and severally liable with any agent of the purchaser, for any loss sustained by the ACD as a consequence of a fall in the price of Shares.

The ACD reserves the right to reject any application for Shares in whole or in part in which case the application money or any balance will be returned by post at the risk of the applicant. The ACD would only expect to reject an application for Shares when this would be in the interests of Shareholders in the Company.

(B) Bodies Corporate and Nominees Acquiring Shares

Bodies Corporate (excluding nominees acquiring Shares) that wish to invest in the Company may only do so indirectly through the feeder fund linked to the Company: the Royal London Property Trust.

The ACD may from time to time, at its absolute discretion, permit investment in the Company by Bodies Corporate but only in accordance with the following:

(a) Certificate Required wherever Shares are Registered in a Corporate Name

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

i) all the Shares as beneficial owner; or

ii) some or all of the Shares on behalf of one or more other Bodies Corporate, in which case it must further certify that:

(a) its own interest and those of each of the other beneficial owners is less than 10% of the NAV of the Company;

(b) each of the other Bodies Corporate has given the undertakings described below:

(i) Undertaking Required from Any Corporate Nominee

Any Body Corporate that acquires Shares and holds them otherwise than as beneficial owner must undertake to disclose to the ACD the names and Shareholding of each Body Corporate on whose behalf it is holding Shares, in this case each of the other Bodies Corporate.

(ii) Undertaking Regarding Size of Holding Required from Any Corporate Owner

Any Body Corporate that acquires Shares as beneficial owner, trustee (other than of a bare trust) or personal representative (whether the 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 of the Company; and

b) on becoming aware that it has acquired 10% or more of the NAV of the Company, to reduce its holding of that NAV below 10%.

In the event that a Body Corporate is close to reaching the 10% investment limit but wishes to remain invested in the Company, it should contact the ACD with a view to switching its Shares in the Company for units in the Feeder Fund.

(C) Dealing Charges

The price per Share at which Shares are bought, redeemed or switched will be determined based on the issue price or the cancellation price calculated in accordance with Appendix 3. Any preliminary charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

(a) Preliminary Charge

The ACD may impose a charge on the purchase of Shares in each Class. The current preliminary charge is calculated as a percentage of the amount invested by a potential Shareholder as set out in Section 1. The ACD may waive or discount the preliminary charge at its discretion.

The preliminary charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current preliminary charge of a Class may only be increased in accordance with COLL.

From the preliminary charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries including the Investment Adviser and its Associates.

(b) Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. The current redemption charge is calculated as a percentage of the amount redeemed by a Shareholder as set out in Section 1. The ACD may waive or discount the redemption charge at its discretion.

The current redemption charge of a Class may only be increased in accordance with COLL.

(c) Charges on Switching

On the switching of Shares between Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching.

The ACD's current policy is not to charge for switching Shares in one Class for Shares in another Class, for the first switch in any 12 month period

A shareholder switching all or some of his shares in the Company for units or shares in another authorised fund operated by the ACD will be subject to the normal redemption terms.

(D) Redeeming Shares

Shareholders may redeem Shares in the Company in writing on a calendar month basis, in the following manner:

To redeem Shares, investors should provide a written instruction, three months in advance of a monthly Dealing Day, to the ACD at its Administration Centre with instructions to redeem the relevant number (if known) or value of Shares. The Shares will be repurchased at the price calculated at the valuation point on the appropriate Dealing Day. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid no later than the close of business on the fourth business day following receipt of a signed form of renunciation.

The three month notice period may be waived (completely or in part) at the discretion of the ACD provided this does not materially prejudice Shareholders.

(E) Transfer of Shares

Shareholders are entitled to transfer their Shares to another eligible 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 instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer if a Body Corporate fails to comply with paragraph 11(B) above and unless any provision for SDRT due has been paid.

The ACD does not currently permit the transfer of Shares by electronic means but may do so in the future at its discretion. For further details please contact the ACD.

(F) Issues of Shares in Exchange for In Specie Assets and In-Specie Redemptions

The ACD may, in its absolute discretion, arrange for the Company to issue Shares in exchange for assets as well as cash, but will only do so where the amount represents in excess of £10 million of assets and where it and the Depositary are satisfied 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.

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of the Company or in some way detrimental to the Company, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders. Whether the property is transferred or sold there shall be deducted from it a cash amount which would have normally been borne by the Company on a sale of the property.

(G) Deferred Redemption

The ACD may permit deferral of redemptions at a valuation point on a Dealing Day to a valuation point on the following Dealing Day, in the following month, in respect of which the validly submitted redemption notice was received and accepted, where the requested redemptions exceed 5% of the Net Asset Value.

Following the end of a period of deferred redemption, redemption payments will be paid in the order of the relevant redemption requests, on a 'first come, first served' basis.

(H) Limited Redemption

The ACD may limit the redemption of Shares provided that the Company provides for redemptions at least once in every six months. Different arrangements for the redemption of Shares may be applied to different Share classes provided that there is no prejudice to the interests of any Shareholder. This limited redemption facility will only be used in extreme circumstances and Shareholders' interests will be taken into account.

(I) Bodies Corporate Holding Shares

- (i) No Body Corporate may be beneficially entitled directly or indirectly to 10% or more of the Net Asset Value of the Company. See also paragraph 9(B) regarding corporate holders.
- (ii) 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 must treat a proportion of the Shares representing the excessive holding (or the proportion it reasonably believes to be an excessive holding) as "affected Shares" for the purposes of (J) below and the provisions of that paragraph will apply to them except that for thirty days there shall be substituted "as soon as reasonably possible".
- (iii) In addition, the ACD at its discretion may transfer the Shareholding of Bodies Corporate referred to in (ii) above into the Feeder Fund in exchange for the issue to such Bodies Corporate of units in the Feeder Fund.

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

Furthermore, pursuant to COLL 4.2.5R 22A(3), in the event that the ACD reasonably considers that a Body Corporate holds more than 10% of the net asset value of the Company, 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.

(J) Restrictions on Holding Shares and Compulsory Transfer and Redemption

The ACD may from time to time take such action or 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 it 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"):

- (i) 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
- (ii) 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
- (iii) 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 if the ACD considers that any Shares may give rise to a situation discussed in (i), (ii) or (iii), 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 COLL.

If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his 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 or the beneficial owner is qualified and entitled to own the affected Shares, he 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.

This may include a situation in which a Shareholder has moved to a different jurisdiction which either does or may give rise to a situation described in (i), (ii) or (iii) above.

In the event that the ACD redeems or transfers Shares in circumstances set out in this paragraph 11(J) and paragraph 11(I), then any tax change so triggered shall remain the responsibility of the relevant Shareholder and not of the ACD or any other entity.

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

(K) Switching Shares

Subject to paragraph 11(L) and any restrictions on the eligibility of investors for a particular Share class, a Shareholder may at any time Switch all or some of his Shares of one class ("the Original Shares") for Shares of another class ("the New Shares") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation point applicable at the time the Original Shares are redeemed and the New Shares are issued.

A Shareholder may also at any time, subject to eligibility, switch all or some of his Shares in the Company for units or Shares in another authorised fund operated by the ACD (for a list of these funds see Appendix 5) and in such cases a discount in the level of any preliminary charge may be negotiated with the ACD. Such a discount will be entirely at the ACD's discretion.

Telephone switching instructions may be given but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before switching is effected. 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 clause 29(R) below for further information.

On the switching of Shares between classes in the Company the Instrument authorises the imposition of a charge on switching.

The ACD may, therefore, at its discretion make a charge on the switching of Shares between Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any preliminary charge on the New Shares, subject to certain waivers.

There is currently no charge for switching Shares in one Class for Shares in another Class of the Company for the first such switch in any 12 months period. (Note that the Shareholder must meet the eligibility criteria in order to switch to the other Class).

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on such conversion) or refuse to effect any switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. Written instructions must be received by the ACD before the valuation point on a Dealing Day to be dealt with at the prices at the valuation point on that Dealing Day or at such other valuation point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a valuation point will be held over until the next Dealing Day.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

A Shareholder who switches between Classes of Shares will not be given a right by law to withdraw from or cancel the transaction.

(L) Suspension of Issue, Cancellation, Sale and Redemption of Shares

(a) Suspension by the ACD or upon instruction of the Depositary

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares where due to exceptional circumstances it is in the interests of all the Shareholders.

(b) Suspension for Material Uncertainty

The ACD will suspend the issue, cancellation, sale and redemption of Shares where the Standing Independent Valuer has expressed material uncertainty in accordance with VPS (valuation and performance standard) 3 paragraph 2.2(o) and the guidance at VPGA10, RICS Valuation Global Standards 2017 (The Red Book) (effective from 1 July 2017) about the value of one or more immovables held within the Fund and that material uncertainty applies to at least 20% of the NAV of the Company.

Suspension for material uncertainty will be implemented by the ACD as soon as possible, and in any event by the end of the second business day after the day on which the Standing Independent Valuer expresses material uncertainty. When dealing recommences following a suspension for material valuation uncertainty, the ACD will provide an additional valuation point as soon as is reasonably possible.

Notwithstanding the foregoing, dealings in Shares may continue provided that:

- (a) as soon as possible and in any event by the end of the second business day after the day on which the Standing Independent Valuer expresses such material uncertainty, the ACD and the Depositary agree that dealings in Shares should continue;
- (b) the ACD and Depositary have a reasonable basis for concluding that a temporary suspension of dealings in Shares 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 when making the decision under (b).

If a decision is taken not to suspend dealings in Shares during a period of material uncertainty, the ACD and the Depositary will subsequently review the decision at least every 14 days. The ACD will inform the FCA of the results of each such review.

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 details on its website or other general means, sufficient details 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.

(M) Publication of Prices

The most recent prices of the Company are currently published daily on the following websites: www.rlam.co.uk, www.trustnet.com. The most recent prices of the Company can also be obtained by calling 0345 602 3604 which is charged at local rates.

Shares are not listed or dealt in or on any investment exchange.

(N) Money Laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is required to undertake various checks on all transactions.

These checks involve the need to obtain independent documentary verification of the identity and permanent address of the person applying to open the account, and of any third party making payments into the account. The checks may include an electronic search of information held about such a person, which can incorporate information held on the electoral roll and the use of credit reference agencies.

Completion of our application forms represents permission from you to access this information, in accordance with the UK version of General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any consequential national data protection legislation.

The ACD is also required to record details of all beneficial owners of investments (i.e. in circumstances where one person owns these investments acting on behalf of another person, for example a trustee, the ACD will need information on the person(s) on whose behalf the investments are held). Consequently the ACD also needs this information to be provided.

(O) International tax reporting

The United Kingdom has enacted regulations relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA). The Company is a passive non-financial entity for these purposes, not a financial institution and so is not required to collect or report information under the regulations.

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

Shareholders refusing to provide the requisite information to the ACD may be reported to HM Revenue & Customs. If a prospective investor is concerned about this, he should take appropriate advice.

(P) Cancellation Rights

Where a person purchases Shares the Conduct of Business Sourcebook (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA related) intended to lead to a client agreement.

(Q) Minimum Values

Various minima apply to transactions in the Company, although (subject to COLL) these minima may be varied at the discretion of the ACD.

- (i) The minimum value of Shares held by any one Shareholder is shown in Section 1.
- (ii) The minimum values of Shares which may be the subject of any one purchase transaction for an initial purchase and for a subsequent purchase are also shown in Section 1.
- (iii) The minimum value of Shares which may be the subject of any one redemption transaction is shown in Section 1 (subject to the resulting balance of Shares held by such Shareholder being not less than the minimum holding).

The ACD may exercise the right to redeem the remaining Shares of a holding that has dropped below the minimum, which is shown in Section 1. These limits may be waived or reduced on a case by case basis at the ACD's discretion and no mandatory policy exists.

(R) Non Certificated Shares

The Company does not issue Share certificates. Title to the Shares is evidenced by entries on the register of Shareholders which is maintained by the Registrar. Shareholders will receive twice per year a statement of their holdings.

(12) Valuation

(A) Monthly Valuations

For the purposes of determining the prices at which Shares may be purchased from or redeemed by the ACD, the ACD will carry out a valuation of the Scheme Property at 5.00p.m. (the "valuation point") on the last business day (a day on which The London Stock Exchange Limited is open for business) of each calendar month, unless otherwise agreed by the Depositary. However, the ACD may, at its discretion, value the Company at any other time.

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 any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a valuation point for the purposes of dealings. Where permitted and subject to COLL, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment. (See paragraph (12)F (fair value pricing) below).

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

A request for the purchase of Shares in the Company must be received by the seventh business day of a calendar month.

A request for the redemption of Shares in the Company must be received by the seventh business day of a calendar month.

A dealing request received after these times will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the valuation point on that next Dealing Day.

Please refer to paragraph 11 ("The purchase and redemption of Shares") for further details on dealing.

(B) Valuation of the Company

The Company is dual priced. Valuations of Scheme Property for the purpose of the calculation of issue and cancellation and purchase and redemption prices will be carried out on both an issue and cancellation basis. Details of how the Scheme Property is valued for these purposes are set out at Appendix 3.

(C) Valuation of Immovable Property

The Standing Independent Valuer is responsible for valuing the immovables directly or indirectly 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. The Standing Independent Valuer will conduct its valuations on the basis of "market value" in accordance with UKVPS 3 and 2.3 of UKVPGA of the RICS Valuation – Global Standards 2017, UK national supplement 2018 (the RICS 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.

(D) Pricing of Shares

The Company is dual priced. This means that the valuation on an issue basis is used to establish the purchase price of new Shares and that the valuation on a cancellation basis is used to establish the redemption price of Shares.

The minimum price at which Shares may be sold back to the ACD (sale price/repurchase price) is arrived at by valuing the assets on the basis of the amount that the Company would receive if the assets were sold (i.e. market prices less dealing costs and expenses) and dividing the result by the number of Shares in existence (taking account of accumulation Shares). This minimum price is also known as "cancellation" price and is the lowest price that the ACD can set as the sale price.

The maximum price at which Shares may be sold by the ACD (offer price/buying price) is arrived at by valuing the assets of the Company on the basis of the cost of acquiring those assets (i.e. market prices, dealing costs, stamp duty, stamp duty land tax, etc), dividing this by the number of Shares in existence (taking account of accumulation Shares) and adding on the ACD's preliminary charge. The ACD sets the sale (sell) and purchase (buy) prices within this permitted range.

For large deals, being for these purposes redemptions in excess of 1% of the NAV of the Company, the ACD may redeem at the cancellation price.

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.

Investors should note that the costs of dealing in commercial property are significantly higher than those normally associated with equities and bonds, and as such the spread on the Company's portfolio is likely to be in excess of 5% in addition to any preliminary charge.

(E) Box Management

The ACD will not manage a box.

All Shares redeemed will be cancelled and all Shares issued will be newly created.

Shares transferred or executed in the secondary market will not impact the box.

(F) Fair Value Pricing

Where the ACD 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").

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

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;
- (f) listings suspensions or de-listings.

(G) Rapid Sales

Where liquidity concerns which impact the Fund or a particular immovable asset held within the Fund arise, the ACD may elect to sell immovable assets quickly in order to meet redemption request as they fall due. Where this occurs, the ACD may agree a fair and reasonable price for the relevant immovable assets to reflect a rapid sale. In such instances, the need to sell assets promptly may dictate a sale price which is below market value.

Such rapid sales may be effected in conjunction with fair value pricing adjustments as described above at (12) (F). Where rapid sales take place, the value of the Fund will be reduced accordingly. There is no guarantee that a fair and reasonable price can be obtained in all circumstances. Accordingly, the ACD may, in consultation with the Standing Independent Valuer, use its discretion in deciding whether to effect a rapid sale or retain immovable assets in anticipation of a recovery in market value. As a consequence, the NAV of the Company may decrease.

(13) Shareholder Meetings

The Company shall not hold annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and 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.

The ACD or the Depositary may requisition a general meeting at any time.

Shareholders may also requisition a general meeting. 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 with the Depositary. The ACD or the Depositary must convene a general meeting no later than eight weeks after receipt of such requisition.

(14) Notice and Quorum

Shareholders will receive at least fourteen 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. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses. In the case of joint named holders the notice will be sent to the first named holder.

(15) Shareholders

Shareholders for these purposes mean those Shareholders on the Shareholder register on a date seven days before the notice of the meeting is sent out.

(16) Voting

The following provisions apply to voting at a general meeting:

- (a) At meetings of Shareholders an extraordinary resolution (meaning a resolution carried by a majority consisting of 75% of the total number of votes cast for and against such resolution) put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by one or more holders present in person or by proxy (see further below).
- (b) Except where the COLL Sourcebook or the Instrument 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.
- (c) Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- (d) If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (e) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith and a poll demanded on any other question shall be taken at such time and place as the chairman directs.
- (f) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) On a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote.
- (h) On a poll the voting rights for each Share must be the proportion of the voting rights attached to all of the Shares in issue that the price of the Share bears to the aggregate price or prices of all the Shares in issue, and 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.
- (i) A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

- (j) In the case of joint Shareholders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders.
- (k) On a poll votes may be given either personally or by proxy.
- (l) In order to be valid, a vote by proxy must be deposited at such place as the Depositary, or the ACD with the approval of the Depositary, may in the notice convening the meeting direct (or if no such place is appointed then at the registered office of the ACD) at least 48 hours prior to the meeting.
- (m) 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.
- (n) Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Shareholder on the ground (however formulated) of mental disorder, the ACD may in its absolute discretion upon or subject to production of such evidence of the appointment as the ACD may require, permit such receiver or other person on behalf of such Shareholder to vote on a poll in person or by proxy at any meeting of Shareholders or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of Shares in relation to such a meeting.
- (o) No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote may be disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- (p) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the ACD may approve or in its absolute discretion accept (including as to how it may be signed or sealed). The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the ACD) be lodged with the instrument appointing the proxy pursuant to the next following paragraph, failing which the instrument may be treated as invalid.
- (q) An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to or at the ACD's head office) by the time which is forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- (r) A vote cast by proxy shall not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of title to the Shares concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the ACD at its head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
- (s) Any corporation which is a holder of Shares in the Company may by resolution of the directors or other governing body of such corporation and in respect of any Share or Share in the Company of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were the individual Shareholder in the Company and such corporation shall for the purposes of the Instrument be deemed to be present in person at any such meeting if an individual so authorised is present.

(17) How Distributable Income is Determined and Paid

In order to determine the amount of income distributable to holders of income Shares, the distribution policy of the ACD is to distribute all available income, after deduction of those expenses which are chargeable in calculating the distribution.

The ACD calculates the total income generated from the Company's investments, i.e. property rents, interest and dividend income, and then deducts the relevant expenses from the income streams in accordance with the relevant statutory provisions, other than those relating to the purchase and sale of investments and stamp duty reserve tax.

The ACD's periodic management charge and all other expenses are deducted from income apportioned as described above for the purpose of calculating the distribution for income Shares.

Shareholders may not elect to reinvest income in the Company. If Shareholders wish to reinvest income then they should acquire accumulation Shares.

Where accumulation Shares are issued, the same calculation basis for apportioning the expenses will be used. The 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.

(A) ACD's Policy on Smoothing of Income Distributions within an Annual Accounting Period

In order to conduct a controlled dividend flow to Shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed in accordance with COLL.

(B) Income Equalisation

Income equalisation will not be applied to Shares issued by the Company.

(C) Unclaimed Distributions

Each distribution warrant contains a request that it be presented for payment to a bank within six months, otherwise it should be sent back to the Registrar to make suitable arrangements for it to be revalidated. Any such distribution payment not claimed by the payee will be treated in accordance with the client money rules in the Handbook as described in paragraph (18) below.

(18) Unclaimed Cash or Assets

In accordance with the client money rules in the 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 will transfer unclaimed distributions back to the capital property of the Company and otherwise may give unclaimed client money or assets to a registered charity of its choice. The ACD will be able to do this only in accordance with general law, the Handbook, and where it has taken all necessary steps to trace the Shareholder and return the money or the assets.

If the client money or client asset is equal to or below the 'de minimis level' set by the client money rules in the Handbook (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 or asset to charity but it will still attempt to contact Shareholders at least once before doing so. The time periods set out above during which the money or assets may not be 'paid away' to charity continue to apply.

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

(19) Reports

The ACD's annual reports will be published four months after the appropriate annual accounting period and the ACD's half-yearly reports will be published two months after the end of the appropriate half-yearly accounting period each year. Long reports are available on request from the ACD.

(20) Expenses of the Company

(A) ACD's Preliminary Charge

The ACD is permitted to levy a preliminary charge (plus value added tax if applicable) on the issue price of Shares, as shown in Section 1.

The current preliminary charge may be increased by the ACD, at the ACD's discretion, in accordance with COLL.

Regular saving is not currently permitted in the Company.

(B) ACD's Periodic Management Charge

The ACD is entitled under the Instrument to make a periodic management charge. At the date of publication, the ACD makes a periodic management charge at the rate shown in Section 1 (plus value added tax if applicable) per annum, although the ACD reserves the right to review this rate. The periodic management charge is calculated on a daily basis and deducted monthly from the Scheme Property. The ACD's periodic management charge is currently deducted from the income property of the Company and is apportioned across the exempt and taxable income. If the income is not sufficient, then expenses may be deducted also from the capital property of the Company. The ACD reserves the right to split charges to both income and capital.

The ACD's periodic management charge may be increased by the ACD, at the ACD's discretion, in accordance with COLL.

(C) Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. The current redemption charge is calculated as a percentage of the amount redeemed by a Shareholder as set out in Section 1. The ACD may waive or discount the redemption charge at its discretion.

(D) Performance Fee

There is no performance fee charged to the Fund.

(D) Depositary's Fees and Expenses

The Depositary receives for its own account a periodic fee which will accrue and be payable on the same basis as the ACD's periodic management charge. The rate of the periodic fee is agreed between the ACD and the Depositary and is currently 0.10% of the Net Asset Value per annum. This rate can be varied from time to time in accordance with COLL. This remuneration will accrue and be paid on the same basis as the ACD's periodic charge.

In addition to the periodic fee referred to above, the Depositary or the Custodian shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Item	Range
Transaction Charges	£5 to £45
Custody Charges	0.16% to 0.20%

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Company and may purchase or sell or deal in the purchase or sale of Scheme

Property, provided always that the services concerned and any such dealing are in accordance with the provisions of COLL.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, COLL or by the general law.

On a winding up of the Company the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to COLL by the Depositary.

(E) Registrar fee

The costs of establishing and maintaining the register (and any plan sub-register) may be deducted from Scheme Property. The current fee is 0% but may be increased by the ACD, at the ACD's discretion, in accordance with COLL.

(F) Standing Independent Valuer fee and Property Manager Fee

- (a) The fee of the Standing Independent Valuer will be deducted from Scheme Property. The current annual fees are up to 0.033% plus VAT and a fee calculated by reference to a percentage of the service charge in respect of the monthly value of the immovable property assets of the Company respectively. The fees may be increased by the ACD, at the ACD's discretion, in accordance with COLL.
- (b) The fee for the Property Manager will be deducted from Scheme Property. The fee is determined on a per Property basis depending on the number of units being rented within each property. The current fees range from £1,150 to £5,750 per property, and are subject to change depending on the specific property.

(G) Other Expenses of the Company

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

- (a) Any costs and disbursements incurred in the management and administration of immovable property acquired by the Company, including the following (without limitation):
 - i) all legal and conveyancing costs
 - ii) 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;
 - iii) the cost of searches at the Land Charges Registry;
 - iv) 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;
 - v) the costs and disbursements of legal advisers instructed by the ACD or Investment Adviser in connection with immovable property transactions to which the ACD in the name of the Company is party;

- vi) 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);
 - vii) the fees and expenses of legal advisers and other agents and expenses generally incurred in connection with:
 - proceedings of any sort brought to prove or protect the Company's title to and/or right over any immovable property;
 - 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;
 - 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;
 - proceedings for arrears of rent, service charge, insurance or any other sums due from tenants;
 - 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; and
 - 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;
 - viii) 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;
 - ix) 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
 - x) 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 Adviser consider that it is in the interests of Shareholders to meet such costs or expenses (whether or not the Company sues for reimbursement);
- (b) Broker's commission, fiscal charges and other disbursements which are:
- (i) necessary to be incurred in effecting transactions for the Company; and
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and
- (c) Interest on borrowings permitted under the Instrument and COLL, and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings; and
- (d) The costs and expenses of the Feeder Fund; and
- (e) Taxation and duties payable in respect of the property of the Company, the Instrument or the issue of Shares and any stamp duty reserve tax charged; and
- (f) Any costs incurred in modifying the Instrument including costs incurred in respect of meetings of holders convened for purposes which include the purpose of modifying the Instrument where the modification is:-

- i) necessary to implement or necessary as a direct consequence of any change in the law (including changes in COLL); or
 - ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the ACD and the Depositary agree is in the interest of holders; or
 - iii) to remove from the Instrument obsolete provisions; and
- (g) Any costs incurred in respect of meetings of holders convened by the Depositary or on a requisition by Shareholders not including the ACD or an associate of the ACD; and
 - (h) Liabilities on unitisation, amalgamation or reconstruction where the property of a body corporate or other collective investment scheme is transferred to the Depositary in consideration of the issue of Shares to Shareholders in that body or to participate in the other scheme in accordance with COLL; and
 - (i) The audit fee properly payable to the auditor and value added tax thereon plus any proper expenses of the auditor;
 - (j) The periodic fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
 - (k) Costs of establishing and maintaining the register and/or plan sub-register;
 - (l) the fees payable to the Standing Independent Valuer and the Property Manager;
 - (m) Subject to current HM Revenue & Customs regulations, value added tax at the prevailing rate may be payable in connection with the Depositary's remuneration, the Custodian's remuneration and any of the expenses in this section H.
 - (n) Any legal fees for advice or legal services provided to the Company;
 - (o) Any costs incurred in the winding-up of the Company;
 - (p) Any costs incurred in the production and distribution of regulatory materials, which includes any costs of preparing, printing, publishing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders; and
 - (q) Any other costs or expenses permitted by the COLL sourcebook.

(21) Taxation

This information is based on United Kingdom law and practice known at the date of this document. **Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.** The tax consequences for each Shareholder of acquiring, holding, redeeming or disposing of Shares depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Prospective Shareholders should seek their own professional advice as to this, as well as to any relevant exchange control or other relevant laws and regulations if they are in any doubt as to their tax position.

The Company: The Company is an authorised scheme and so is not liable to tax on capital gains on the disposal of any of its property (including interest-bearing 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 United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. The Company 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 Company's distributions will be split into up to three streams for United Kingdom tax purposes:

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

Tax-exempt United Kingdom Shareholders: United Kingdom 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. PAIF dividend distributions and PAIF interest distributions are paid without deduction of tax.

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

Individual United Kingdom Shareholders: Property income distributions will be made to Shareholders subject to deduction of tax at 20%. United Kingdom individuals will be liable to income tax on this income at their marginal rate and may set off the tax deducted against their tax liability. PAIF dividend distributions and (from 6 April 2017) PAIF interest distributions are paid without deduction of tax. PAIF dividend distributions are taxable at the appropriate dividend tax rate subject to any relevant unused personal allowances (including a dividend allowance of £2,000 each tax year) and PAIF interest distributions are taxable as yearly interest also subject to any relevant unused personal allowances (including a personal savings allowance of £1,000 for basic rate taxpayers (reduced to £500 for higher rate taxpayers and to nil for additional rate taxpayers)).

Non-United Kingdom Shareholders: Non-United Kingdom resident Shareholders will not generally be entitled to reclaim any part of the tax credit on an income distribution or accumulation from HM Revenue & Customs, although it will generally satisfy their United Kingdom tax liability on that income. They may also be able to offset the tax credit against their liability to tax in their own country. This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom. Non-United Kingdom resident Shareholders may also be able to claim a refund from HM Revenue & Customs of part of any tax deducted from an income distribution or accumulation. This will also depend on the terms of any double taxation agreement between their country of residence and the United Kingdom.

For all income allocations: A tax voucher showing the amount of the income deemed to be distributed for United Kingdom tax purposes to the Shareholder and the tax deducted will be sent to Shareholders at the time.

Capital gains

The sale of Shares by a Shareholder will constitute a disposal for the purposes of United Kingdom tax on capital gains.

The extent of any liability to United Kingdom tax will depend upon the particular circumstances of the Shareholder. For Shareholders within the charge to corporation tax, net capital gains on Shares should be added to their profits chargeable to corporation tax.

Any individual Shareholders resident or ordinarily resident in the United Kingdom will generally be liable to tax on their capital gains, subject to any unused annual exempt amount.

Shareholders who are not resident or ordinarily resident in the United Kingdom will generally not be liable to United Kingdom tax on capital gains.

SDRT

There is no Stamp Duty or Stamp Duty Reserve Tax (SDRT) payable on issues or redemptions of shares in the Company.

SDRT may be payable in certain circumstances when a Shareholder transfers ownership of Shares directly to another person. In such cases as permitted by COLL the ACD reserves the right not to register the transfer of Shares until an amount to be notified by the ACD and not exceeding the rate of SDRT applied to the value of Shares transferred has been paid to the ACD.

SDLT

Stamp duty land tax (SDLT) is payable by the Company on the purchase of property investments in England and Northern Ireland.

LBTT

Land and Buildings Transaction Tax (LBTT) is payable by the Company on the purchase of property investments in Wales and Scotland.

(22) Risk Factors

General Market Risks

Any stock market investment involves risk. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from an independent financial adviser.

Market Risks

The value of investments and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. Past performance is not a guide to future performance and when you sell your investment you may get back less than you originally invested, regardless of how well the Company performs.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on the Company if heavily or solely invested in that asset class or region.

If you transfer or switch into the ACD's other funds you should appreciate that during a part of the period of transfer your investment will be in cash. This means that until your cash is reinvested into the fund(s) of your choice you will not be exposed to any gains or falls in stock markets.

Effect of charges from capital

The effect of taking charges from capital can be to reduce the growth potential of the capital value of the investment but will increase the amount of income (which may be taxable) available for distribution to Shareholders.

Performance risk

There is no guarantee for the performance of your investment and investors may get back less than they put in.

NOTE ***Remember the price of Shares and income from them can go down as well as up. The Company should generally be regarded as long-term investment. Statements in this document concerning taxation are based on the taxation laws in force at the time of publication.***

Capital risk

Where an preliminary charge is imposed, an investor who sells their 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.

Having purchased Shares you will be entitled, should you wish, to cancel the contract within fourteen days of receipt of the contract note. If the value of a lump sum investment falls before notice of cancellation is given, a full refund of the original investment may not be provided but rather the original amount less any fall in value. If the value rises before cancellation is given, only the original amount shall be returned.

Derivatives

The Investment Manager may employ derivatives solely for the purposes of Efficient Portfolio Management ("EPM"). The use of derivatives for EPM purposes is not expected to affect the risk profile of the Company.

The use of these instruments may however from time to time expose the Company to volatile investment returns and increase the volatility of the net asset value of the Company.

The Company does not currently use derivatives for investment purposes.

Inflation risk

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

Tax

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

Exchange Traded Funds

These funds represent a basket of securities that are traded on an exchange and therefore, unlike collective investment schemes, they do not necessarily trade at the net asset value of their underlying holdings. As a result they may trade at a price which is above or below the value of the underlying portfolio.

Depository Handling Scheme Property

The Depository has a duty to ensure that it safeguards and administers the Scheme Property in compliance with the Handbook governing the protection of client assets ("Client Asset Rules"). The Depository is not under a duty to comply with the Handbook on handling money received or held for the purpose of buying or selling securities and investments ("Client Money"). Moreover, with respect to handling Scheme Property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the Scheme Property may not be protected under the Client Asset Rules. In the event that the Depository becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any Scheme Property which consists of Client Money, client assets held in a CSS or any other client assets which the Depository or any of its delegates is not required or has failed to hold in accordance with the Client Asset Rules."

Specific risks associated with the Company

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.

Suspension Risk: In extreme market conditions, suspension of redemptions could become necessary to balance the interests of continuing shareholders with those seeking to redeem.

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.

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.

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.

Deferred redemption: Investors should note that, in times of poor liquidity, requests for redemption may be deferred for up to one month. See paragraph 11(G) for further details.

PAIF status: 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 the Company's PAIF status.

(23) Eligible Markets

Please note that in the interest of investor information and protection a list of the securities and derivatives exchanges/markets in non-EEA States (including the markets on which transferable securities are admitted to official listing) in which the Company will or may invest through or deal on, can be found in Appendix 1 to this Prospectus. The list of eligible markets has been decided by the ACD after consultation with the Depositary and the Investment Adviser. In accordance with the investment objective and policy of the Company, only a small proportion of Scheme Property is likely to be invested on such markets.

(24) Investment Limits

The ACD's discretion to invest or apply scheme property is subject to the restrictions and limitations on investment set out in COLL and in Appendix 2 to this Prospectus.

(25) Winding up of the Company

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook.

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.

The Company shall be wound up under the COLL Sourcebook:

1. if an extraordinary resolution to that effect is passed by Shareholders; or
2. when the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up (for example, if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to wind-up the Company); or
3. on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company.

On the occurrence of any of the above:

4. COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company;
5. 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;
6. 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;
7. 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;
8. the corporate status and powers of the Company and subject to 4 to 7 above, the powers of the Depositary 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 Scheme Property. 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 Scheme 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 Depositary 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 by the ACD 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 Scheme Property was distributed. The auditors 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.

(26) Liquidity Risk Management

Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. There is therefore a heightened risk of being unable to meet redemption requests due to market liquidity risk when investing in immovables.

The ACD has established a liquidity management policy and procedures for the qualitative and quantitative assessment of existing positions taken by the Company and to assess whether intended investments would have a material impact on the overall liquidity profile of the Company. In following these procedures, the assessment by the ACD takes account of actual and anticipated subscription and redemption flows, investor concentration, the current level of readily realisable assets in the Company and the time required to realise further assets, prices and or spreads of investments in both normal and exceptional liquidity conditions.

These factors are monitored and managed to ensure the liquidity profile of the Company is aligned appropriately with the anticipated redemption flows. The ACD conducts regular stress testing (at least annually) of the Company's portfolio in order to fully understand the liquidity profile of the Company.

The Company permits redemptions on a monthly basis but with Shareholder's required to provide 3 months' advance notice of their intention to redeem. The ACD may waive this notice period at its discretion provided that this does not materially prejudice Shareholders. The ACD also has additional tools to deal with liquidity constraints which could arise in exceptional circumstances. The Company may (i) borrow cash to meet redemptions within the limits in Appendix II; (ii) defer a redemption request to the next Dealing Day where requested redemptions exceed 5% of the Net Asset Value (iii) apply the in specie redemption provisions at paragraph 11(F); iv) apply further limitations in respect of redemptions as described at paragraph 11(H); v) apply fair value pricing in accordance with paragraph 12 (F); and/or vi) effect rapid sales in line with paragraph 12(G) above.

In addition, in exceptional circumstances and where it is in the interest of all investors in the Company, the ACD can temporarily suspend dealing in the Company (see "Suspension of issue, Cancellation, Sale and Redemption of Shares" at paragraph 11(L) above).

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

(27) Leverage

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.

In managing the assets of the Company, the ACD may from time to time use leverage, either in the form of borrowings (for example, for the purposes of funding acquisitions in anticipation of receiving subscriptions or to meet redemption requests as part of the liquidity management of the Company) or through leverage obtained by nature of the derivative products in which the Company invests.

The ACD is required to express the level which the Company's leverage will not exceed – this is set out in Section 1 above. In addition, the total amount of leverage employed by the Company will be disclosed in its annual report. For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in derivative positions, or by any other means. The UK AIFM Rules require that each leverage ratio be expressed as the ratio between

a fund's exposure and its net asset value, and prescribes two required methodologies, the gross methodology and the commitment methodology for calculating such exposure.

Under the gross method, the exposure of the Company is calculated as follows:

1. include the sum of all assets purchased, plus the absolute value of all liabilities;
2. 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 bond;
3. derivative instruments are converted into the equivalent position in their underlying assets;
4. exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
5. 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
6. include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Under the commitment method, the exposure of the Company is calculated in the same way as under the gross method; however, where "hedging" offsets risk and "netting" eliminates risk, these values are not included.

(28) Delivery Versus Payment (DvP) Exemption

The ACD may make use of the DvP Exemption as set out in the 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: (i) 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 Fund within the timeframes set out in the Handbook; or (ii) 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 Handbook.

(29) General Information

(A) 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 55 Gracechurch Street, London, EC3V 0UF:

- the most recent annual and half yearly reports of the Company;
- the Instrument of Incorporation (and any amending documents);
- the Prospectus; and
- the material contracts (including the service contract between the ACD and the Company) referred to in this prospectus.

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 the most recent Prospectus and annual and half yearly long reports of the Company and the Instrument or Incorporation which are available free of charge to anyone who requests).

(B) Information available to Shareholders

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- 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 fees will apply to these assets;

- the current risk profile of the Company, and information on the risk management systems used by the ACD to manage those risks;
- the total amount of leverage employed by the Company calculated in accordance with the gross and commitment methods; and
- any material changes to the information above.

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

(C) Changes to the Company

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. In addition, the ACD will consider whether FCA approval is required in relation to the proposed change.

Changes to the Company's investment objective and policy will usually be significant or fundamental, unless those changes are only for clarification purposes and do not result in any change in how the Company is managed.

If a change is regarded as fundamental, Shareholder approval will be required. If a change requires Shareholder approval, this will mean that Shareholders will need to approve the change at a meeting. The procedure for Shareholder meetings is described above at paragraph 13.

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

(D) Accounting periods

The annual accounting period of the Company ends each year on 31 December (the accounting reference date) with the half yearly interim accounting period ending on 30 June.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date.

(E) Legal and tax restrictions

Persons interested in subscribing for Shares should inform themselves as to:

- i) the legal requirements within their own countries for subscription of Shares;
- ii) any foreign exchange restrictions which may be encountered;
- iii) the income tax, estate tax and other tax consequences of becoming a Shareholder.

(F) Notices

Any notices required to be served on Shareholders or any documents required to be sent out to Shareholders will be sent by post to the address noted on the register or in the case of joint Shareholders the address of the first named Shareholder.

(G) Complaints

If you have any complaint about the operation or marketing of the Company you should in the first instance make such complaint to the Customer Services Manager at Royal London, Royal London House, Alderley Road, Wilmslow, Cheshire SK9 1PF. If your complaint is not dealt with to your satisfaction, you can then complain to: The Financial Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London E14 9SR. Making a complaint will not prejudice your rights to commence legal proceedings.

(H) Professional liability risks

The ACD covers potential professional liability risks arising from its activities as the Company's UK AIFM through a combination of professional liability insurance and additional own funds.

(I) 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:

- acting in the best interest of the Company and of the investors;
- 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;
- ensuring that the interests of any group of investors are not placed above the interests of any other group of investors except as disclosed in accordance with the Handbook;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- preventing undue costs being charged to the Company and investors;
- 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 investors; and

The following groups of investors may have preferential terms:

- Investors in the Company's predecessor fund have a reduced annual management charge as founder investors to the Company.
- Large investors (those investing in excess of £20 million) may have a reduced initial charge, by agreement with the ACD.

(J) Shareholders' rights

- Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time). paragraph 29(G) ("Complaints"), 13 ("Shareholder Meetings") and 16 ("Voting"), 19 ("Reports") and 29(A) ("Documents of the Company") of this prospectus set out important rights about Shareholders' participation in the Company.
- Shareholders may have no direct rights against the service providers to the Company set out in paragraphs 1 to 8.
- The ACD must ensure that this Prospectus does not contain any untrue or misleading statement or omit any matter required to be disclosed in the Prospectus by COLL and the FCA's Investment Fund Sourcebook. To the extent that a Shareholder incurs loss as a consequence of an untrue or misleading statement or omission, the ACD may be liable to compensate that Shareholder subject to the ACD having failed to exercise reasonable care to determine that the statement was true and not misleading or that the omission was appropriate, in accordance with the Handbook.
- Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation (as detailed at paragraph 29(G) above and paragraph 29(N) below).
- Shareholders who are concerned about their rights in respect of the Company should seek legal advice.

(K) Commission

The ACD effects transactions on which commissions or other charges are payable, through other affiliated Group companies including The Royal London Mutual Insurance Society Limited and Royal London Cloud_UK\209253311\5

Savings Limited, as well as through other unconnected brokers. Information about dealing commissions and mark-ups and mark-downs paid in respect of these transactions will be given in the ACD's annual report to Shareholders. When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the PAIF, the Investment Adviser 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 Adviser 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.

The Investment Adviser may, however, accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the PAIF; 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 the PAIF.

(L) Factsheets

A factsheet detailing investment performance for the Company is enclosed with the NURS KIID.

(M) Genuine Diversity of Ownership

Shares in the Company are and will continue to be widely available. The intended categories of investors are pension schemes and other 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.

(N) Compensation Scheme

If the ACD or the Depositary or both of them are unable to meet any of their respective liabilities to the Shareholder, the Shareholder may be entitled to compensation under the Financial Services Compensation Scheme, details of which can be obtained from the Share Manager or the Financial Conduct Authority. Please note however that if a Shareholder is an overseas financial services institution, compensation will not be available.

(O) Overseas Investments outside the UK

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Shares unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Shares in the Company which are described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America to or for the account or benefit of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, the United States Investment Company Act of 1940 and similar requirements of such state securities laws.

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 United States Securities Act of 1933 and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the PAIF is, accordingly, not open for investment by any U.S. 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 U.S. Person or acquiring Shares for the account or benefit, directly or indirectly, of a U.S. 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.

(P) Governing law and jurisdiction

The ACD treats a Shareholder’s participation in the Company as governed by the law of England and Wales. The English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Shareholder’s participation in the Company.

(Q) International tax reporting

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". As a result the ACD may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Feeder Fund to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By applying to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the ACD or its agent. If a Shareholder does not provide the necessary information, the ACD will be required to report it to HM Revenue & Customs.

(R) Telephone Recording

Please note that 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 we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

(S) Best Execution

The ACD must act in the best interests of the PAIF when executing decisions to deal on behalf of the PAIF. The RLAM Execution and Allocation Policy sets out (i) the systems and controls that have been put in place and (ii) the basis upon which the ACD will effect transactions and place orders in relation to the PAIF whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible outcome for each transaction undertaken on behalf of the company. Details of the best execution policy are available from the ACD on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

(T) UK Benchmarks Regulation

Where the ACD uses a benchmark for the purposes of the UK Benchmarks Regulation, it will, where relevant maintain a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided.

(U) Your Personal Information

The ACD's privacy notice details the collection, use and sharing of Shareholders' personal information in connection with their investment in the Company. The privacy notice can be found on the ACD's website at www.rlam.co.uk.

This notice may be updated from time to time and Shareholders should confirm that they hold the latest version. Shareholders who access the Company through an intermediary such as a wealth manager or a platform service should also contact that organisation for information about its treatment of their personal information.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor) must also show the privacy notice to those individuals.

APPENDIX 1 - ELIGIBLE MARKETS

Investors should be aware that in order to qualify as an approved security, the market upon which any security is traded must be as an "eligible market".

An eligible market is a securities market established in the UK or an EEA state on which transferable securities admitted to official listing in that country are dealt in or traded.

At the time of preparation of this Prospectus, the markets in which the Company will deal are as follows:

Eligible securities markets:

United Kingdom

Eligible derivatives markets:

The London International Financial Futures and Options Exchange ("LIFFE")

The London Securities & Derivatives Exchange Limited ("OMLX")

APPENDIX 2 - INVESTMENT AND BORROWING POWERS

1. General

The Company is intended to 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.

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 investment policy, this Prospectus, the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to PAIF schemes and the relevant provisions 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 its 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 its 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 property of the Company in money-market instruments and/or cash deposits, provided that the Company satisfies all those provisions in the Tax Regulations required for it to maintain its PAIF tax status.

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 objective and policy 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 the Scheme Property in eligible immovables. The Company intends to invest in immovables both directly and indirectly, through transferable securities, collective investment schemes (including ETFs) and securities issued by intermediate property holding companies. These immovables will be UK commercial property. All investments will be made in the

manner described in the investment policy of the Company in Section 1.

- 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 of the Company 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 24 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 Any underlying investment in land or a building held within the property of the Company must be situated in the United Kingdom. Subject to FCA approval and COLL 4.3, the Company may acquire land or a building which is situated in the United Kingdom but which is held in an offshore holding structure which is itself a permitted investment for the purposes of COLL 5.6.
- 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. Additional information on the Standing Independent Valuer is provided in Section 2 paragraph 7 of this Prospectus.

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; and
 - 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 Units at the request of any qualifying Unitholder under the 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 Units at the request of any qualifying Unitholder; 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 9).

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,

provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

3.7 The Company may not invest 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 paragraph 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 paragraph 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 Handbook; or

6.3.2 a market in the UK 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 to government and public securities.
- 7.2 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- 7.3 Not more than 10% in value of the Scheme Property 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 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 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.
- 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 Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR (as defined in the glossary to the FCA Handbook); 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 to government and public securities ("such securities").
- 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 consists of such securities of any one issue;
 - 8.3.3 the Scheme Property 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.

9. **Investment in collective investment schemes**

- 9.1 Up to 15% of the value of the Scheme Property may be invested in units or Shares in other collective investment schemes (each a "Second Scheme") provided that Second Scheme satisfies all of the following conditions.
- 9.1.1 The Second Scheme must:
 - 9.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UK UCITS Rules, or in the case of an EEA UCITS, the UCITS Directive; 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 Financial Services and Markets Act 2000; 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 each sub-fund as if it were a separate scheme.
 - 9.1.6 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 stated that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 9.2 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**

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 The Company may invest up to 100% in money-market instruments which are within the provisions of paragraph 3.2 above or paragraph 11.2 below and subject to the limit of 20% referred to in paragraph 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 UK, 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 UK 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 UK 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 European Union 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 European Union law.

12.2 An establishment shall be considered to satisfy the requirement in paragraph 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 UK or 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 European Union law.

13. **Appropriate information for money-market instruments**

13.1 In the case of an approved money-market instrument within paragraph 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 paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 but is not guaranteed by a central authority within paragraph 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 paragraph 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 paragraphs 12.1.1.1, 12.1.1.4 or 12.1.1.5; or

13.3.2 which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 and is guaranteed by a central authority within paragraph 12.1.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

14. **Derivatives: General**

The Investment Manager may employ derivatives solely for the purposes of hedging in accordance with Efficient Portfolio Management.

- 14.1 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 15 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 23 (Cover for transactions in derivatives and forward transactions).
- 14.2 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.
- 14.3 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.
- 14.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 14.4.1 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;
 - 14.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 14.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 14.5 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.
- 14.6 Where the Company invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (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.

15. **Efficient Portfolio Management**

- 15.1 The Company may utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.
- 15.2 Permitted transactions are those that the ACD reasonably regards as economically appropriate to EPM, that is:

- 15.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- 15.2.2 Transactions for the generation of additional capital growth or income for the Company by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
 - 15.2.2.1 pricing imperfections in the market as regards the property which the Company holds or may hold; or
 - 15.2.2.2 receiving a premium for the writing of a covered call option or a cash covered put option on property of the Company which the Company is willing to buy or sell at the exercise price, or
 - 15.2.2.3 stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

- 15.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. A permitted transaction may at any time be closed out.

16. **Permitted transactions (derivatives and forwards)**

- 16.1 A transaction in a derivative must be:
 - 16.1.1 in an approved derivative; or
 - 16.1.2 be one which complies with paragraph 20 (OTC transactions in derivatives).
- 16.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Company is dedicated: transferable securities, money-market instruments, deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 9 (Investment in collective investment schemes), permitted immovables, gold, financial indices which satisfy the criteria set out in COLL 5.2.20R, interest rates, foreign exchange rates, and currencies.
- 16.3 The exposure to the underlyings in paragraph 16.2 above must not exceed the limits in paragraph 7 and 8 above.
- 16.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 16.5 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.
- 16.6 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 19.2 are satisfied.
- 16.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Handbook).

17. Financial indices underlying derivatives

17.1 The financial indices referred to in paragraph 16.2 are those which satisfy the following criteria:

17.1.1 the index is sufficiently diversified;

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

17.1.3 the index is published in an appropriate manner.

17.2 A financial index is sufficiently diversified if:

17.2.1 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;

17.2.2 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

17.2.3 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.

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

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

17.3.2 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

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

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

17.4.1 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

17.4.2 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.

17.5 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 16.2 be regarded as a combination of those underlyings.

18. Transactions for the purchase of property

18.1 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.

19. Requirement to cover sales

19.1 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.

- 19.2 The above does not apply where:
- 19.2.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
 - 19.2.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the Scheme Property of the Company which falls within one of the following asset classes:
 - 19.2.2.1 cash;
 - 19.2.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 - 19.2.2.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 19.3 In the asset classes referred to in paragraph 19.2, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.
20. **OTC transactions in derivatives**
- 20.1 Any transaction in an OTC derivative under paragraph 16.1.2 must be:
- 20.1.1 in a future or an option or a contract for differences;
 - 20.1.2 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;
 - 20.1.3 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
 - 20.1.4 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:
 - 20.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 20.1.4.2 if the value referred to in paragraph 20.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
 - 20.1.5 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:
 - 20.1.5.1 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

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

20.2 For the purposes of paragraph 20.1.3 "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.

21. **Risk management**

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.

22. **Investments in deposits**

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.

23. **Cover for transactions in derivatives and forward transactions**

23.1 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.

23.2 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 the 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.

23.3 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).

23.4 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.

23.5 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.

23.6 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.

23.7 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.

23.8 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.

23.9 The global exposure relating to derivatives may not exceed the net value of the Scheme Property.

24. **Borrowing**

24.1 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 23 of this Appendix as long as the normal limits on borrowing (see below) are observed.

- 24.2 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 27 (General power to borrow) of this Appendix do not apply to that borrowing.
25. **Cash and near cash**
- 25.1 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:
- 25.1.1 the pursuit of the Company's investment objective; or
 - 25.1.2 the redemption of Shares; or
 - 25.1.3 efficient management of the Company in accordance with its investment objective; or
 - 25.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Company.
- 25.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.
26. **General**
- 26.1 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 Shares, efficient management of a the Company or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Company.
- 26.2 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.
- 26.3 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.
27. **General power to borrow**
- 27.1 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.
- 27.2 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Company.
- 27.3 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).
28. **Restrictions on lending of money**
- 28.1 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.
- 28.2 Acquiring a debenture is not lending for the purposes of paragraph 28.1, nor is the placing of money on deposit or in a current account.

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

- 29.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 29.2 Transactions permitted by paragraph 31 (Stock lending) are not to be regarded as lending for the purposes of paragraph 29.1.
- 29.3 Nothing in this paragraph prevents the Depositary at the request of the ACD 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.

30. **Guarantees and indemnities**

- 30.1 Pursuant to a modification by consent of COLL 5.6.22R(9) 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 that: this will not result in any undue risk to shareholders (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.
- 30.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 30.3 Paragraphs 30.1 and 30.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used in accordance with COLL 5, and:
- 30.3.1 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
 - 30.3.2 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
 - 30.3.3 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.

31. **Stock lending**

- 31.1 The entry into stock lending transactions and repo contracts for the account of the Company is permitted for the generation of additional income for the benefit of the Company, and hence for its investors.
- 31.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 31.3 The stock lending permitted by this section may be exercised by the Company when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of risk.
- 31.4 The Company or the Depositary at the request of Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company, are in a form which is

acceptable to the Depositary and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by a home state regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

- 31.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 31.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Company.
- 31.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions and repo contracts.

APPENDIX 3 - VALUATION FOR DUAL PRICING

1. General

- 1.1 The valuation of the property of the Company takes place as at a valuation point fixed by the ACD and set out in the Prospectus under the heading "Valuation".
- 1.2 The valuation is in the Company's base currency.
- 1.3 Prices used are the most recent prices that can reasonably be obtained after the valuation point with a view to giving an accurate valuation as at that point.
- 1.4 A valuation is in two parts, one on an issue basis and one on a cancellation basis.
- 1.5 To convert to the base currency the value of property which would otherwise be valued in another currency the ACD will either:
 - 1.5.1 select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the ACD would normally deal if it wished to make such a conversion; or
 - 1.5.2 invite the Depositary to agree that it is in the interests of unitholders to select a different rate, and, if the Depositary so agrees, use that other rate.

2. What is included in the valuation?

- 2.1 All of the Company's property is included, subject to adjustments arising as detailed in this Appendix, as at the valuation point.
- 2.2 If the Depositary has been instructed to issue or cancel shares, the ACD will assume (unless the contrary is shown) that:
 - 2.2.1 the Depositary has done so;
 - 2.2.2 the Depositary has paid or been paid for them; and
 - 2.2.3 all consequential action required by this Appendix or by the Instrument has been taken.
- 2.3 If the Depositary has issued or cancelled shares but consequential action (see paragraph 2.2 above) is outstanding, the ACD will assume that it has been taken.
- 2.4 If agreements for the unconditional sale or purchase of property are in existence but uncompleted, the ACD will assume:
 - 2.4.1 completion; and
 - 2.4.2 that all consequential action required by their terms has been taken.
- 2.5 The ACD will not include in paragraph 2.4 above any agreement which is:
 - 2.5.1 a future or contract for differences which is not yet due to be performed; or

- 2.5.2 an unexpired option written or purchased for the Company which has not yet been exercised.
- 2.6 The ACD will include in paragraph 2.4 any agreement the existence of which is, or could reasonably be expected to be, known to the ACD, assuming that all other persons in the ACD's employment take all reasonable steps to inform the ACD immediately of the making of any agreement.
- 2.7 If the underlying investment is real property and it is common practice in the jurisdiction in which it is situated to dispose of the real property together with a holding vehicle then the holding vehicle together with the real estate asset may be valued.
- 3. Tax and other adjustments**
- 3.1 The ACD will deduct an estimated amount for anticipated tax liabilities (if any):
- 3.1.1 on unrealised capital gains if liabilities have accrued and are payable out of the property of the Company;
 - 3.1.2 on realised capital gains if liabilities have accrued in respect of previously completed and current accounting periods;
 - 3.1.3 on income if liabilities have accrued;
 - 3.1.4 including stamp duty reserve tax and any other fiscal charge not covered under this deduction.
- 3.2 The ACD will then deduct:
- 3.2.1 an estimated amount for any liabilities payable out of the Scheme Property and any value added or other tax on it (treating any periodic items as accruing from day to day);
 - 3.2.2 the principal amount of any outstanding borrowings whenever payable;
 - 3.2.3 any accrued but unpaid interest on borrowings;
 - 3.2.4 the value of any option written (if the premium for writing the option has become part of the property of the Company); and
 - 3.2.5 in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).
- 3.3 The ACD will add an estimated amount for accrued claims for repayment of taxation levied:
- 3.3.1 on capital (including capital gains); or
 - 3.3.2 on income.
- 3.4 The ACD will then add:
- 3.4.1 any other credit due to be paid into the Scheme Property;

3.4.2 in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point);

3.4.3 any SDRT provision anticipated to be received.

(Valuation of the property of the Company on an issue basis

The valuation of Scheme Property for that part of the valuation which is on an issue basis is as follows:

3.4.4 Property which is not cash (or other assets dealt with in paragraphs 6 and 2.2 shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) immovable property:

(i) by a standing independent valuer (as defined in the glossary to the FCA Rules) appointed by the ACD with the approval of the Depository on the basis of an 'open market value' as defined in Practice Statement 2.3 of the RICS Valuation Standards (The Red Book) (6th edition published January 2008) as updated and amended from time to time;

(ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes building, internal inspection), at least once a year; and

(iii) on the basis of the last full valuation, at least once a month;

and in each case, plus any dealing costs (as defined below);

(b) units or shares in a collective investment scheme:

(i) if a single price for buying and selling units or shares is quoted, at that price plus any dealing costs (as defined below), any preliminary charge payable by the Company on the purchase of the units or shares, and any dilution levy or SRDT provision which would be added in the event of a purchase by the Company of the units or shares in question (except that, where the ACD, or an associate of the ACD, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Company, the valuation must not include any preliminary charge payable in the event of a purchase by the Company of those units or shares); or

(ii) if separate buying (offer) and selling (bid) prices are quoted, at the buying price, less any expected discount plus any dealing costs (as defined below), but where the ACD, or an associate of the ACD, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Company, the issue price shall be taken instead of the buying price; or

(iii) 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 or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;

(c) exchange-traded derivative contracts:

- (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
- (ii) if separate buying and selling prices are quoted, at the relevant price;
- (d) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- (e) any other investment:
 - (i) the best available market dealing offer price (on the most appropriate market in a standard size) plus any dealing costs, (as defined below)); or
 - (ii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- (f) property other than that described in (a), (b), (c), (d) and (e) above: at a value which, in the opinion of the ACD, is fair and reasonable (plus any dealing costs (as defined below)).

Valuation of the property of the Company on a cancellation basis

a The valuation of property of the Company for that part of the valuation which is on a cancellation basis is as follows:

3.4.5 Property which is not cash (or other assets dealt with in paragraphs 6 and 2.2 shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- a. immovable property:
 - (i) by a standing independent valuer (as defined in the glossary to the FCA Rules) appointed by the ACD with the approval of the Depositary, on the basis of an 'open market value' as defined in Practice Statement 2.3 of the RICS Valuation Standards (The Red Book) (6th edition published January 2008) as updated and amended from time to time;
 - (ii) on the basis of a full valuation with physical inspection (including, where the immovable is or includes and building, internal inspection), at least once a year; and
 - (iii) on the basis of the last full valuation, at least once a month;

and in each case, less any dealing costs (as defined below);
- b. units or shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs (as defined below), any redemption charge payable by the Company on the sale of the units or shares, (taking account of any expected discount) and any dilution levy or SDRT provision which would be deducted in the event of a sale by the Company of the units or shares (except that, where the ACD, or an associate of the ACD, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Company, any redemption charge

payable in the event of a sale by the Company of those units or shares must not be deducted)); or

- (ii) if separate buying (offer) and selling (bid) prices are quoted, at the selling price less any dealing costs (as defined below) and any redemption charge payable on the sale of the units or shares taking account of any expected discount (except that, where the ACD, or an associate of the ACD, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Company, the cancellation price shall be taken instead of the selling price; or
 - (iii) 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 or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
- c. exchange-traded derivative contracts:
- (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the relevant price;
- d. over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- e. any other investment:
- (i) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs (as defined below)); or
 - (ii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- f. property other than that described in (a), (b), (c), (d) and (e) above: at a value which, in the opinion of the ACD is fair and reasonable (less any dealing costs (as defined below)).

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

For the purposes of this Appendix 3, "dealing costs" means any costs and charges incurred in buying or selling immovable property, including stamp duty land tax and any fiscal charges, commission or other charges payable in the event of the Company carrying out the transaction in question (but excluding any preliminary charge payable by the Company on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Company are the least that could reasonably be expected to be paid in order to carry out the transaction.

APPENDIX 4 - PAST PERFORMANCE OF THE COMPANY

Please remember that the value of Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements.

Past performance is not a guide to future performance and when you sell your investment you may get back less than you originally invested, regardless of how well the Company performs.

The following past performance table is provided for the share classes of the Company and shows a comparison against the benchmark and performance target where stated in the Company's investment objective.

The table shows performance in British pounds after the ongoing charges and the portfolio transaction costs have been paid. Entry and exit charges are excluded from calculations of past performance.

	Dec 2017 to Dec 2018 Actual %	Dec 2018 to Dec 2019 Actual %	Dec 2019 to Dec 2020 Actual %	Dec 2020 to Dec 2021 Actual %	Dec 2021 to Dec 2022 Actual %
Royal London Property Fund (Acc)*	3.21	-0.27	-3.22	16.73	-8.95
Royal London Property Fund (Inc)*	3.75	0.32	-3.01	17.44	-8.84
AREF IPD Quarterly Other Balanced Property Index*	7.43	1.78	-1.04	18.03	-8.54

The PAIF was launched on 18 May 2010 following a merger from the Royal London Exempt Property Unit Trust which was originally launched on 31 May 1991.

*** Please note that prior to 1st July 2023, the Royal London Property Fund used a different benchmark and past performance is shown against the AREF IPD Quarterly Other Balanced Property Index. From 1st July 2023, past performance will be shown against MSCI/AREF All Property Fund Index.**

APPENDIX 5 - FUNDS MANAGED BY THE ACD

Royal London Unit Trust Managers Limited manages the following funds which are currently open for subscription:

Royal London Equity Funds ICVC

Royal London UK Opportunities Fund
Royal London UK Mid-Cap Growth Fund
Royal London European Growth Fund
Royal London UK Core Equity Tilt Fund
Royal London Japan Equity Tilt Fund
Royal London UK All Share Tracker Fund
Royal London UK Dividend Growth Fund
Royal London US Equity Tilt Fund
Royal London UK Equity Income Fund
Royal London UK Equity Fund
Royal London UK Smaller Companies Fund
Royal London Asia Pacific ex Japan Equity Tilt Fund
Royal London Europe ex UK Equity Tilt Fund
Royal London Emerging Markets ESG Leaders Equity Tracker Fund
Royal London Global Equity Diversified Fund
Royal London Global Equity Select Fund
Royal London Global Sustainable Equity Fund
Royal London Global Equity Income Fund
Royal London UK Broad Equity Tilt Fund
Royal London Sustainable Growth Fund

Royal London Bond Funds ICVC

Royal London Sterling Credit Fund
Royal London Global Index Linked Fund
Royal London Corporate Bond Fund
Royal London UK Government Bond Fund
Royal London Index Linked Fund
Royal London Short Term Fixed Income Fund
Royal London Short Term Fixed Income Enhanced Fund
Royal London Short Term Money Market Fund
Royal London International Government Bond Fund
Royal London Diversified Asset-Backed Securities Fund
Royal London Short Duration Global Index Linked Fund
Royal London Short Duration Gilts Fund
Royal London Investment Grade Short Dated Credit Fund
Royal London Cautious Managed Fund

Royal London Bond Funds II ICVC

Royal London Ethical Bond Fund
Royal London Short Duration Credit Fund
Royal London Sustainable Short Duration Corporate Bond Fund

Royal London Property Fund (PAIF)

Royal London Property Trust (a feeder fund for the Royal London Property Fund)

Royal London UK Real Estate Fund

Royal London UK Real Estate Feeder Fund (a feeder fund for the Royal London UK Real Estate Fund)

Royal London Multi-Asset Funds ICVC

Royal London GMAP Conservative Fund
Royal London GMAP Defensive Fund
Royal London GMAP Balanced Fund
Royal London GMAP Growth Fund
Royal London GMAP Adventurous Fund
Royal London GMAP Dynamic Fund
Royal London Monthly Income Bond Fund
Royal London Multi Asset Strategies Fund
Royal London Sustainable Growth Fund

If you would like the Prospectus or latest ACD/Manager's Report and Accounts for any of the above funds please call the Registrar on 03456 04 04 04.