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

abrdn Fund Managers Limited is the Authorised Contractual Scheme Manager ("ACS Manager") of the Authorised Contractual Scheme. The ACS Manager is responsible for managing and administering the ACS' affairs in compliance with the Regulations.

The ACS Manager is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook to be included in it. abrdn Fund Managers Limited accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**ABRDN ACS I**

**(An authorised contractual scheme formed as a Co-Ownership Scheme under section 235A of the Financial Services and Markets Act 2000)**

**(A Non-UCITS Retail Scheme)**

This Prospectus has been prepared in accordance with the Rules of the Financial Conduct Authority as contained in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and is dated and is valid as at 13 January 2025. This Prospectus replaces any previous Prospectus issued in respect of abrdn ACS I.

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

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## Important Information

abrdn Fund Managers Limited, the Authorised Contractual Scheme Manager ("ACS Manager"), is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information in this document does not contain any untrue or misleading statement or omit any matters required by FCA Rules to be included in it. abrdn Fund Managers Limited accepts responsibility accordingly.

No person has been authorised by the ACS Manager to give any information or make any representations in connection with the offering of Units other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been made by the ACS Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the ACS have not changed since the date of this document.

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

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

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

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

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

The provisions of the ACS Deed are binding on each of its Unitholders (who are taken to have notice of them).

This Prospectus has been approved for the purpose of section 21 of FSMA by abrdn Fund Managers Limited.

This Prospectus is based on information, law and practice at the date of this document. The ACS Manager cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with abrdn Fund Managers Limited that this is the most recently published Prospectus.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the ACS Manager is a member or any alternative arrangement provided, is available on request.

The Units have not been and will not be registered in the United States under the Securities Act of 1933, as amended (the "Securities Act"), or any US state securities laws, and neither the Sub-funds nor the ACS has been or will be registered in the United States under the Investment Company Act of 1940, as amended (the "1940 Act"), and Unitholders will not be entitled to the benefits of such registration. Accordingly, except as provided below, no Units may be offered or sold, directly or indirectly, in the United States, any state thereof or its territories or possessions or to any US Person. The ACS Manager may authorise the offer and sale of Units in the United States or to a limited number or category of US Persons provided that, if so authorised, Units will be offered and sold only to such persons and in such manner as will not require registration of the ACS, any Sub-fund, or the Units under the securities laws of the United States or any state thereof. The Units have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor has any such authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus as may be amended or supplemented from time to time. Any representation to the contrary is a criminal offence. Certain restrictions also apply to subsequent transfers of Units in the United States or to US Persons (please see the compulsory redemption provisions entitled "3.8 Restrictions and Compulsory Redemption" of the Prospectus). Should a Unitholder become a US Person they may be subject to adverse tax consequences including without limitation US withholding taxes and tax reporting.

Applicants will be required to certify that they are not US Persons precluded from purchasing, acquiring or holding Units.

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

**The price of Units in the ACS and the income from them may go down as well as up and an investor may not get back the amount invested.**

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1. **DEFINITIONS**

<b>Defined Term</b>	<b>Meaning</b>
<b>“ACS”</b>	abrdn ACS I, an authorised contractual scheme constituted as a Co-Ownership Scheme;
<b>“ACS Deed”</b>	the deed constituting the ACS in accordance with the COLL , as amended from time to time;
<b>“ACS Manager”</b>	abrdn Fund Managers Limited, the authorised contractual scheme manager and its successors as authorised contractual scheme manager, of the ACS;
<b>“ACS Manager’s Group”</b>	the group of companies consisting of the ultimate holding company of the ACS Manager and each of the subsidiaries of that holding company;
<b>“Administrator”</b>	Northern Trust Global Services SE, or such other entity as is appointed to act as administrator to the ACS from time to time;
<b>“AIFM Directive”</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as amended, supplemented, replaced or consolidated from time to time;
<b>“AIFMD Level 2 Regulation”</b>	Commission Delegated Regulation (EU) 231/2013 supplementing Directive 2011/16/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as it applies in the UK by virtue of the EUWA;
<b>“Annual Management Charge”</b>	the periodic fee payable to the ACS Manager as set out in detail in Appendix I as applicable to each Class and Sub-fund;
<b>“Approved Bank”</b>	as defined in the glossary of definitions in the FCA Rules;
<b>“Associate”</b>	any member of the ACS Manager’s Group or any other person whose business or domestic relationship with the ACS or the ACS’s associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties;
<b>“Auditor”</b>	KPMG LLP, or such other entity as is appointed to act as auditor to the ACS from time to time;
<b>“Authorised Contract”</b>	a contract which the ACS Manager is authorised to enter into on behalf of the Unitholders for the purposes of, and in connection with, the acquisition, management and/or disposal of any Scheme Property (but does not include a contract by which a person becomes a Unitholder);
<b>“Base Currency”</b>	the currency in which the accounts of the ACS are to be prepared. The base currency of the ACS is

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	pounds sterling. Sub-funds may from time to time at the discretion of the ACS Manager be denominated in a currency other than the base currency. The currency of each Sub-fund is set out in Appendix I;
<b>“Benchmark Regulation”</b>	Regulation (EU) 2016/1011 of the European Parliament and 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 as it applies in the UK by virtue of the EUWA;
<b>“Business Day”</b>	Monday to Friday (except for a public holiday in England and Wales and other days at the discretion of the ACS Manager);
<b>“Certificate of Eligibility”</b>	the certificate in the form set out in Appendix V, or as may be amended by the ACS Manager from time to time, to be provided by each new prospective Unitholder confirming that they are an Eligible Investor;
<b>“Class” or “Classes”</b>	in relation to Units, means (according to the context) all of the Units related to a single Sub-fund or a particular class or classes of Unit related to a single Sub-fund;
<b>“COLL”</b>	the Collective Investment Schemes Sourcebook forming part of the FCA Rules;
<b>“Conversion”</b>	the conversion of Units in one Class in a Sub-fund to Units of another Class in the same Sub-fund and “Convert” shall be construed accordingly;
<b>“Co-Ownership Scheme”</b>	a collective investment scheme which satisfies the conditions in section 235A(3) of FSMA and which is authorised for the purposes of FSMA by an authorisation order;
<b>“Custodian”</b>	The Northern Trust Company, London Branch, and/or such person appointed by the Depositary from time to time provide custody services in relation to the Scheme Property;
<b>“Dealing Cut Off Point”</b>	in respect of each Dealing Day, the time by which orders to purchase or redeem Units must be received by the ACS Manager, as further disclosed in relation to each Sub-fund in Appendix I;
<b>“Dealing Day”</b>	any day on which banks in London are open for business other than days (as determined by the ACS Manager in its discretion) where, in respect of any exchange or market on which a substantial portion of a Sub-fund’s portfolio is traded, such exchange or market is closed. The days on which banks in London are open for business which are not dealing days will be available at the registered office of the ACS Manager and on the website at <a href="http://www.abrdn.com">www.abrdn.com</a> ;

<b>“Depository”</b>	Northern Trust Investor Services Limited, or such other person as is appointed to act as depository of the ACS from time to time;
<b>“EEA”</b>	European Economic Area;
<b>“EEA State”</b>	a state which is a contracting party to the agreement on the EEA signed at Oporto on 2 May 1992, as it has effect for the time being;
<b>“Eligible Investor”</b>	<p>one of the following:</p> <ul style="list-style-type: none"> <li>(a) a professional ACS investor (being a person who is a professional client for the purpose of the Markets in Financial Instruments Directive (as set out in Appendix IV));</li> <li>(b) a large ACS investor (being a person who in exchange for Units makes a payment of not less than £1 million or contributes property with a value of not less than £1 million); or(c) a person who already properly holds units in the ACS,</li> </ul> <p>or a nominee of such entity (and “Eligible Investors” shall be construed accordingly);</p>
<b>“EPM” or “Efficient Portfolio Management”</b>	<p>the use of techniques and instruments which relate to transferable securities and approved money market instruments and which fulfil the following criteria:</p> <ul style="list-style-type: none"> <li>(a) they are economically appropriate in that they are realised in a cost effective way; and</li> <li>(b) they are entered into for one or more of the following aims: <ul style="list-style-type: none"> <li>(i) reduction of risk;</li> <li>(ii) reduction of cost;</li> <li>(iii) generation of additional capital or income for the relevant Sub-fund with a risk level which is consistent with the risk profile of the relevant Sub-fund and the diversification rules laid down in the COLL ;</li> </ul> </li> </ul>
<b>“Exchange Traded Funds (ETFs)”</b>	a basket of securities (bonds, company shares, etc.) which trade on an exchange. The constituents of the basket are selected so that the ETF’s performance replicates something else, typically an index. ETFs are often used to obtain exposure cheaply and because they trade on an exchange, are generally easy to buy and sell;

<b>“EUWA”</b>	the European Union (Withdrawal) Act 2018;
<b>“FCA”</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time;
<b>“FCA Rules”</b>	the FCA’s handbook of rules and guidance as amended from time to time;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“GDPR”</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as it applies in the UK by virtue of the EUWA;
<b>“HMRC”</b>	His Majesty’s Revenue & Customs;
<b>“Investment Manager”</b>	abrdn Investments Limited, the investment manager appointed by the ACS Manager in respect of the ACS, or such other entity as may from time to time be appointed as investment manager;
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of a Sub-fund (or, as the context requires, of all existing Sub-funds of the ACS) less all the liabilities of that Sub-fund (or of all existing Sub-funds of the ACS) determined in accordance with the ACS Deed;
<b>“MiFID” or “Markets in Financial Instruments Directive”</b>	means the Markets in Financial Instruments Directive 2014/65/EU as may be amended, supplemented, replaced or consolidated from time to time;
<b>“OTC”</b>	over-the-counter;
<b>“Register”</b>	the register of Unitholders;
<b>“Registrar and Transfer Agent”</b>	Northern Trust Global Services SE UK Branch, or such other entity as is appointed to act as registrar and transfer agent to the ACS from time to time;
<b>“Regulations”</b>	the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (SI 2013/1388) and the FCA Rules (including the COLL) and any other applicable rules made under FSMA from time to time in force. This does not include guidance or evidential requirements contained in the FCA Rules;
<b>“Scheme Property”</b>	the scheme property of a Sub-fund or of all existing Sub-funds (as appropriate);
<b>“SDR”</b>	the FCA’s Policy Statement 23/16 on sustainability disclosure requirements and investment labels;
<b>“Securities Act”</b>	the United States Securities Act of 1933 (as may be amended or re-enacted);



<b>“Securities Financing Transactions” or “SFTs”</b>	<p>as defined in article 3 of the Securities Financing Transactions Regulation, i.e. any or all of the following:</p> <ul style="list-style-type: none"> <li>(a) a repurchase transaction;</li> <li>(b) securities or commodities lending and securities or commodities borrowing;</li> <li>(c) a buy-sell back transaction or sell-buy back transaction;</li> <li>(d) a margin lending transaction;</li> </ul>
<b>“Securities Financing Transactions Regulation” or “SFTR”</b>	the UK version of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of Securities Financing Transactions and of reuse and amending Regulation (EU) No 648/2012 which is part of UK law by virtue of the EUWA, as such regulation apply in the UK from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020;
<b>“Sub-fund” or “Sub-funds”</b>	a sub-fund of the ACS (being part of the Scheme Property of the ACS which is pooled separately) to which specific assets and liabilities of the ACS may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund;
<b>“Switch”</b>	the switch, where permissible, of Units of one Sub-fund for Units of another Sub-fund and “Switching” shall be construed accordingly;
<b>“Taxation”</b>	all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them;
<b>“Tax Services Agreement”</b>	the agreement entered into between the ACS Manager and the Custodian for the provision of tax services including, in particular, preparing and submitting tax reclaims or claiming relief at source on behalf of the Unitholders, where applicable;
<b>“Total Return Swap” or “TRS”</b>	a derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;
<b>“UCITS Scheme”</b>	a UK UCITS;
<b>“UK”</b>	United Kingdom;
<b>“UK CRR”</b>	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and

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	investment firms, as it applies in the UK by virtue of the EUWA, read together with any "CRR rules" as defined in section 144A of FSMA;
<b>"UK UCITS"</b>	an undertaking for collective investment in transferable securities established in the UK within the meaning of section 236A and 237 of FSMA;
<b>"UCITS Directive"</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended (including by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014);
<b>"Unit" or "Units"</b>	a unit or units in the ACS (including fractions of Units, with one fraction being equivalent to one-hundredth of a Unit);
<b>"Unitholder"</b>	a holder of registered Units;
<b>"US" or "United States"</b>	the United States of America (including the States and the District of Colombia) and any of its territories, possessions and other areas subject to its jurisdiction;
<b>"US Persons"</b>	a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7;
<b>"Valuation Point"</b>	the point, whether on a periodic basis or for a particular valuation, at which the ACS Manager carries out a valuation of the Scheme Property for the ACS or a Sub-fund (as the case may be) for the purpose of determining the price at which Units of a Class may be issued, cancelled or redeemed, on each Dealing Day, as set out in Appendix I;
<b>"VAT"</b>	value added tax; and
<b>"VIE" (variable interest entity)</b>	a structure that enables foreign investors to gain indirect exposure to companies with foreign ownership restrictions.

## 2. DETAILS OF THE ACS AND ITS STRUCTURE

### 2.1. General Information

#### 2.1.1 The ACS

abrdn ACS I is an authorised contractual scheme in co-ownership form authorised by the FCA with effect from 23 October 2020. The FCA's product reference number for the ACS is 936982.

The ACS has an unlimited duration.

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As a consequence of being constituted as an authorised co-ownership scheme, the Sub-funds may be treated as tax-transparent for the purposes of income and/or gains by relevant taxing jurisdictions where Unitholders are subject to taxation and therefore, in most cases, also treated as tax-transparent by the jurisdictions from which any underlying income or gains arising to the Sub-fund are derived. Such tax-transparency cannot, however, be guaranteed. The ACS is treated as tax-transparent in the UK.

Where a Sub-fund is regarded as tax-transparent in relevant taxing jurisdictions, each Unitholder should be entitled to claim the benefits of any applicable double taxation treaty between that Unitholder's jurisdiction of residence and the jurisdiction in which any underlying income or gains arise, subject to the conditions listed below being fulfilled. Each Unitholder should take appropriate advice as to the tax treatment of their investment in a Sub-fund.

In order for such treaty benefits to be available in relation to any underlying income and gains, it will generally be necessary that the Unitholder's jurisdiction of tax residence (the "investor jurisdiction") recognises the tax-transparency of the relevant Sub-fund and that the jurisdiction having primary taxing rights over such income and gains (the "investment jurisdiction") respects the transparent treatment of the Sub-fund by the investor jurisdiction. In cases where either the tax authority in the investor jurisdiction does not recognise the tax-transparency of the Sub-fund or the tax authority in the investment jurisdiction does not respect the transparent treatment by the tax authority in the investor jurisdiction, withholding or other taxes may arise which would not have arisen had the Unitholder directly owned the underlying investments. In other words, that Unitholder would not obtain the benefits of tax-transparency in relation to such income or gains.

It will be the responsibility of the Custodian, where appropriate, to make the necessary filings for reclaims of any tax withheld in cases where such reclaims are available or to claim relief at source in those jurisdictions where it believes such reclaims or such relief is available, on behalf of the Unitholder and as agreed with the ACS Manager (the "tax services"). The tax services will be provided to a Unitholder by the Custodian subject to: (i) the provision by the ACS Manager, where relevant in accordance with the terms of the Tax Services Agreement, to the Custodian of such documents, affidavits or certificates as the Custodian may reasonably request, including: (a) where available, a ruling from the relevant tax authority in any non-UK investor jurisdictions confirming that it regards or treats the Sub-funds as transparent for tax purposes; or (b) an opinion from an internationally recognised law firm or firm of independent certified public accountants in the investor jurisdictions confirming the basis upon which the relevant tax authority regards or treats the Sub-funds as transparent for tax purposes; and (c) such Unitholder having completed the relevant application form and provided such other documentation as listed in paragraph 3.1.1 below and subject to the Custodian being provided by the investor with such documents and information as it may reasonably require regarding the investor, in particular in relation to such investor's tax status eligibility for relevant tax treaty benefits.

Any economic benefit from such claims will be attributed to the appropriate Class of Units in the relevant Sub-fund, in order that only the Unitholders entitled to relevant treaty benefits should benefit from the amounts reclaimed. To this end, Unitholders will be required to provide the ACS Manager and/or the Custodian with evidence of their tax residence and of their particular tax status for treaty benefit purposes and domestic law reliefs within that jurisdiction. It will be the responsibility of the Unitholder to notify the ACS Manager and/or the Custodian promptly should there be a change in such status and, in any event, immediately upon becoming aware of such change.

The Custodian will have no responsibility for providing any tax services to a Unitholder (or accrue for the amount of reclaimable tax which the Unitholder may be entitled to) in relation to its investment in a Sub-fund where: (a) the ACS Manager has redeemed the Unitholder's Units or Converted its Units into a Class of Units for Unitholders who are not entitled to benefit from any reduction of withholding tax under a relevant double taxation treaty: (i) as a result of a change in the Unitholder's tax status; (ii) where the Unitholder has failed to provide complete and accurate documents and information in a timely fashion, or (iii) where the Unitholder fails to meet any other relevant investment criteria for the relevant Sub-fund or Class; (b) where the value of any withholding tax relief sought is less than the Custodian's de-minimis provisions relating to the recoverability of tax notified to the ACS Manager from time to time; (c) the ACS Manager has instructed the Depositary to apply for an ACS or Sub-fund level withholding tax exemption or relief in a particular investment jurisdiction on behalf of the ACS or a Sub-fund; or (d) where the Custodian has requested but not been supplied with (i) a ruling from the relevant tax authority and/or (ii) an opinion from an internationally recognised law firm or firm of independent certified public accountants in any investment jurisdiction confirming the basis upon which the relevant tax authority regards or treats the Sub-funds as transparent for tax purposes in the relevant

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investment jurisdiction where (aa) it has agreed to provide the tax services and there has been a change of applicable law, (bb) it has not previously agreed to provide the tax services, or (cc) any changes are proposed to be made to the ACS or a Sub-fund which may affect the tax-transparency of the ACS or the Sub-fund.

Any income or tax reclaim attributable to a Unitholder which is accrued in the Net Asset Value per Unit but not yet received by the relevant Sub-fund, will be taken into account in the calculation of the Net Asset Value per Unit for all the purposes of the ACS (except where the context specifically requires otherwise). If it transpires that any such amount is paid to the Unitholder or the Unitholder was not entitled to the tax reclaimed or the tax reclaim fails in whole or in part (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), then the Unitholder will be required to pay over to the Sub-fund a matching or equivalent amount (while all exchange rate risk will be borne by the Sub-fund). In the event that a Unitholder does not make good any such amount for whatever reason, the liability will remain with the relevant Sub-fund.

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

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

All communications in relation to this Prospectus will be in English.

## **2.2. The Structure of the ACS**

### **2.2.1 The Sub-funds**

The ACS is structured as an umbrella authorised contractual scheme, in that different Sub-funds may be established from time to time by the ACS Manager with the approval of the FCA. On the introduction of any new Sub-fund, a revised Prospectus will be prepared setting out the relevant details of each Sub-fund. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the ACS as an investment.

The ACS is a non-UCITS retail scheme.

The assets of each Sub-fund are beneficially owned by the Unitholders in that Sub-fund as tenants in common and must not be used to discharge any liabilities of, or meet any claims against, any person other than the Unitholders in that Sub-fund. Consequently, the assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL and the investment objective and policy of the relevant Sub-fund. Whilst the provisions of FSMA provide for segregated liability between Sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts, it is not known how those foreign courts will react to the segregated liability provisions in FSMA.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the ACS attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Units of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACS Manager in a manner which it believes is fair to the Unitholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

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

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

Units may not be issued to a person other than an Eligible Investor. Each Eligible Investor will be allocated, subject to confirmation by the investor, a Unit Class that is appropriate for that Eligible Investor's tax status, determined on the information provided by the investor within the required documentation and certificates as described in this Prospectus. Each Unit Class may contain as many Unitholders as the ACS Manager in its discretion determines. The Unitholders in any particular Unit Class will each be of the same tax status and/or of the same investor type and generally with the same tax residence. As such, each Unit Class will have a withholding tax rate or reclaim rate applicable to the investors permitted into that Unit Class for the purposes of making appropriate treaty claims.

Consequently, in addition to the certificate of eligibility in the form set out in this Prospectus, each Eligible Investor will be required to provide the ACS Manager and/or the Custodian with such information and documents (including, but not limited to, a tax power of attorney, a United States W-8 Series tax form, investment market specific tax documentation, other affidavits or certificates) within the time indicated as the ACS Manager and/or Custodian (as applicable) may require regarding the investor and its tax status to enable appropriate tax treaty benefits to be available. The cost of providing such documents will be borne by the investor.

In addition, each Eligible Investor will be required to complete a valid application form before such investor will be permitted to subscribe for units.

Investors must also meet the other investment eligibility criteria (as set out in this Prospectus) for the Unit Class applicable to them (such as the minimum initial investment, subsequent subscriptions and holding levels for each Unit Class in a Sub-fund).

In the event that the ACS Manager becomes aware that the Units are vested in a person other than an Eligible Investor (or reasonably believes this to be the case) the ACS Manager reserves the right to, as soon as practicable, convert the Unitholder's Units into a more appropriate Class in the relevant Sub-fund (if one is available) or to redeem such Units forthwith. In these circumstances, where the ACS Manager has decided to redeem all such Units as set out above, the Unitholder will immediately be deemed to have renounced title to the entire holding to the ACS Manager and the ACS Manager will redeem the entire holding. This will normally be at the next Valuation Point but the ACS Manager may create a special Valuation Point for this purpose upon giving the Depositary reasonable prior notice of the creation of such special Valuation Point. Unitholders should note that where the ACS Manager has decided to convert a Unitholder's Units into a more appropriate Class, as set out above, the appropriate Class of Units may be a Class for Unitholders who are not entitled to benefit from any reduction of withholding tax under a relevant double taxation treaty.

Where it comes to the attention of the ACS Manager either through the Unitholder informing the ACS Manager or otherwise that an Eligible Investor holds Units in a Class which is inappropriate to its tax status (for example where the tax reclaim rate diverges from that of other Unitholders in that Class due to changes in its own tax status or domestic exemptions affecting that Unitholder), or where the Unitholder has failed to provide the ACS Manager with such documentation as the ACS Manager may require in order to establish the Unitholder's tax status, or does not meet any of the other investment or eligibility criteria for the Sub-fund or Class in which the investor intends to invest or is invested, the ACS Manager reserves the right to redeem or convert (at the ACS Manager's discretion and if an appropriate Class is available) such Units, as appropriate, forthwith. This will normally be the next Valuation Point but the ACS Manager may create a special Valuation Point for this purpose, upon giving the Depositary reasonable prior notice. Unitholders should note that where the ACS Manager has decided to convert a Unitholder into a more appropriate Class (where one is available), as set out above, the appropriate Class of Units may be a Class for Unitholders who are not entitled to benefit from any reduction of withholding tax under a relevant double taxation treaty. In the event that no suitable alternative Class exists, the Unitholder will immediately be deemed to have renounced title to the entire holding to the ACS Manager. In such scenarios, the ACS Manager is not obliged to give the Unitholders prior notice of its actions and the Unitholder bears any consequent risks, including that of market movement.

In the event that a Unitholder becomes aware that it is not an Eligible Investor or that it beneficially owns Units which are inappropriate for its tax status, or for which it does not meet the other investment criteria as set out in this Prospectus and the Appendices, then it must inform the ACS Manager as soon as possible and the ACS Manager will take action in accordance with the above provisions.

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

Units have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the termination of the relevant Sub-fund or the winding up of the ACS. Units do not carry preferential or pre-emptive rights to acquire further Units.

The details of the Units presently available for each Sub-fund, including details of their criteria for eligibility, subscription and fee structure, are set out in Appendix I.

Further Classes of Unit may be established from time to time by the ACS Manager with the agreement of the Depositary and in accordance with the ACS Deed and the Regulations. On the introduction of any new Class, either a revised Prospectus or a supplemental Prospectus will be prepared, setting out the details of each Class.

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

Where a Sub-fund has different Classes, each Class, where relevant, may attract different rates of non-UK withholding or other taxes or charges, and so monies may be received or deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The ACS will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the Unitholders in the relevant Sub-fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACS Manager will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Unitholders of the ACS.

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

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

Unitholders are entitled (subject to certain restrictions, in particular as regards meeting the eligibility criteria and particular the tax status criteria) to Convert all or part of their Units in a Class in a Sub-fund for Units of another Class within the same Sub-fund, where available, or to Switch them for Units of any Class within a different Sub-fund of the ACS. Details of these Conversion and Switching facilities and the restrictions are set out in paragraph 3.3 for Switching and paragraph 3.4 in the case of Conversions.

**Hedged Unit Classes**

In respect of hedged Unit Classes, the ACS Manager may utilise various instruments including, but not limited to: forward currency contracts, currency futures and currency swaps to seek to reduce, but not eliminate, the effect of exchange rate fluctuations between the currencies of the underlying investments of the Sub-fund and the currency of denomination of each hedged Unit Class (e.g. Sterling, Euro or US Dollar), based on the total value of each hedged Unit Class. Hedging activity may reduce or eliminate the benefit of decreases in value of the currency of a Unit Class as against the Base Currency of the relevant Sub-fund.

Unit Class hedging activity will not form part of the investment policy of any Sub-fund. In particular, hedging is a passive activity and is not intended for speculative purposes. The effects

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(i.e. gains or losses) and costs associated with hedging transactions will be attributed to the relevant Unit Class only.

Hedged Unit Classes will incur additional costs and expenses not applicable to un-hedged Unit Classes.

Details of the hedged Unit Classes that are presently available (if any) are set out in Appendix I.

#### 2.2.5 **Benchmarks**

For those Sub-funds that may track their return against a benchmark index, or whose asset allocation is defined by reference to a benchmark index, the ACS Manager will ensure, unless otherwise disclosed in this Prospectus, the indices or benchmarks utilised by those Sub-funds are, as at the date of this Prospectus, provided by an administrator that is listed on the register of benchmarks and administrators maintained by the FCA, as required by the Benchmark Regulation.

The ACS Manager has adopted a written plan setting out actions, which it will take with respect to the relevant Sub-funds in the event that an index or benchmark materially changes or ceases to be provided, in accordance with the Benchmark Regulation. Copies of the descriptions of these plans may be accessed, free of charge, upon request, from the ACS Manager.

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### 3. **BUYING, REDEEMING AND SWITCHING UNITS**

The dealing office of the ACS Manager is open from 9.00 a.m. until 5.00 p.m. (UK time) on each Dealing Day to receive requests for the issue, redemption, Conversion and Switching of Units, by telephone, facsimile instruction or in writing. Please note the Dealing Cut Off Points set out for each Sub-fund in Appendix I. Requests for the Conversion and Switching of Units may also be received by facsimile or in writing on a Dealing Day. In addition, the ACS Manager may from time to time make arrangements to allow Units to be bought or sold online, electronically or through other communication media.

The ACS Manager may vary these times at its discretion.

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

#### 3.1. **Buying Units**

##### 3.1.1 **Procedure**

###### **Initial Purchases**

All Units can be bought either by sending a completed application form by post to abrdn Fund Managers Limited, Sunderland, SR43 4DZ or by fax to the ACS Manager at +44 207 6433947. The original application form must follow by post to the address above.

Application forms may be obtained from the ACS Manager.

Each initial request to purchase Units in a Sub-fund must be accompanied by each of the following documents:

- (a) an application form;
- (b) a Certificate of Eligibility in the form set out in Appendix V of this Prospectus;
- (c) such other information and documents (including, but not limited to, a tax power of attorney, a United States W-8 Series tax form, investment market-specific tax documentation, other affidavits or certificates) within the time indicated as the ACS Manager and/or the Custodian (as applicable) may require regarding the investor and its tax status to enable appropriate tax treaty benefits to be available (the cost of providing such documents will be borne by the investor); and
- (d) such other documents and information as the ACS Manager, the Administrator and/or the Custodian may require regarding the investor, and in particular in relation to anti-money laundering.

Please note that an application to purchase Units will only be accepted by the ACS Manager once it has received and reviewed the above documentation to its satisfaction.

###### **For Subsequent Purchases**

All Units can be bought either by telephone on +44 (0)800 368 3313, facsimile instruction to +44 207 6433947 or by post to abrdn Fund Managers Limited, Sunderland, SR43 4DZ.

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

The ACS Manager may require an application form on all subsequent requests for purchases of Units and may, at its discretion, also require investors to provide the documents listed at (b) and (c) above on subsequent purchases of Units.

###### **General**

A purchase of Units in writing or via any other communication media made available is a legally binding contract. Applications to purchase, once made, are irrevocable. However, subject to its obligations under the Regulations, the ACS Manager has the right to reject, on reasonable



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grounds, any application for Units in whole or part, and in this event the ACS Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, fractions of Units will be issued in such circumstances. A fraction of a Unit is equivalent to one-hundredth (0.01) of a whole Unit.

Subject to paragraph 3.11, below, valid applications to purchase Units received before the relevant Dealing Cut Off Point will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.9.

Settlement is the relevant Dealing Day plus two Business Days for all Units in all Sub-funds. An application to purchase Units will only be deemed to have been accepted by the ACS Manager once it is in receipt of a valid application form, Certificate of Eligibility, and such other documents as the ACS Manager may require regarding the investor and in particular its tax status and to enable appropriate tax treaty benefits to be available and, if required by the ACS Manager, cleared funds for the application.

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

### **3.1.2 Documents the buyer will receive**

A contract note giving details of the Units purchased and the price used will be issued by the end of the Business Day following the later of receipt of the application to purchase Units or the Valuation Point by reference to which the purchase price is determined.

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

### **3.1.3 Minimum subscriptions and holdings**

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

If a holding is below the minimum holding, the ACS Manager has the discretion to require redemption of the entire holding.

Minimum investment and holding amounts may be waived at the ACS Manager's discretion.

### **3.1.4 Client Money**

In certain circumstances (including in relation to the buying and selling of Units), money in respect of Units will be transferred to a client money bank account with any recognised bank or banks that the ACS Manager may from time to time select until such transactions can be completed. Money transferred to a client money account will be held in accordance with the rules made by the FCA relating to the holding of client money. The purpose of utilising client money accounts is to protect investors should the ACS Manager become insolvent during such a period. No interest will be paid on money held in these client money bank accounts.

Once Units have been purchased, the ACS Manager will enter the name of the investor, or where so directed, and where properly documented, the name of their nominee, on the register. Payment for the Units is due and payable to the ACS Manager in settlement of the purchase on the relevant fund's "Settlement Date" (as detailed above/below). Until payment has been passed on by the ACS Manager to the Depositary, an investor will not have an irrevocable right of ownership in the Units.

Where an investor applies to invest in a fund, the ACS Manager will generally rely on an exemption from putting that money in a client money account. This exemption is known as the

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“Delivery versus Payment” or “DvP” Exemption. When relying on this exemption, the ACS Manager may treat money which is received from an investor as not being client money for a period of 1 business day from the time that the ACS Manager receives the money.

In the unlikely event that the ACS Manager were to become insolvent between the purchase of Units and the Settlement Date, the money received from an investor would be protected by the FCA’s client money rules, provided payment is received no later than 2 Business Days prior to the Settlement Date. In this situation, an investor may not receive the Units allocated to them pending settlement; the Units may be cancelled. On an insolvency of the ACS Manager in these circumstances the investor’s right would be to the return of the money, which would be pooled with other client money.

If the ACS Manager holds redemption proceeds due to an investor, for example where the ACS Manager does not hold sufficient payment details, the ACS Manager will treat that money as client money as detailed in the preceding paragraph in accordance with the FCA’s client money rules.

The ACS Manager will not be responsible for any loss or damages suffered by Unitholders because of any error or action taken or not taken by any third parties holding client money in accordance with the FCA’s client money rules, unless the loss arises because the ACS Manager has been negligent or acted fraudulently or in bad faith. Should the recognised bank or banks holding the client money bank account become insolvent, the ACS Manager will attempt to recoup the money on behalf of Unitholders. However, if the recognised bank or banks cannot repay all the persons to whom it owes money, any shortfall may have to be shared proportionally between all its creditors including Unitholders. In this situation, Unitholders may be eligible to claim under the Financial Services Compensation Scheme (“FSCS”). For further details of the FSCS, see paragraph 11.14.

The ACS Manager may, in certain circumstances permitted by the FCA’s client money rules (for example if the ACS Manager decides to transfer all or part of its business to a third party), transfer any client money held in respect of the business being transferred in accordance with the FCA’s client money rules, to that third party without that investor’s prior consent. On request, the third party must return any balance of client money to the investor as soon as possible. Subject to the FCA’s client money rules, the sums transferred may be held by the third party in accordance with the FCA’s client money rules, otherwise the ACS Manager will exercise all due skill, care and diligence to assess whether the third party has adequate measures in place to protect Unitholder money. The ACS Manager will act at all times in accordance with the prevailing FCA’s client money rules.

In certain circumstances, if the ACS Manager has lost touch with an investor, the ACS Manager will be permitted to pay the investor’s client money balance to charity after six years. The ACS Manager will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the ACS Manager at a later date irrespective of whether the ACS Manager has paid the money to charity.

### **3.1.5 Issue of Units in exchange for in specie assets**

The ACS Manager may, at its discretion, arrange for the ACS to issue Units in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the ACS’s acquisition of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders. Where the ACS Manager considers the deal to be substantial in relation to the total size of the Sub-fund it may require the investor to contribute in specie.

The ACS Manager will ensure that the beneficial interest in the assets is transferred to the ACS with effect from the issue of the Units.

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

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## 3.2. Redeeming Units

### 3.2.1 Procedure

Every Unitholder has the right to require the redemption of their Units on any Dealing Day, unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding for the Class of Units concerned (as set out in Appendix 1) in which case the Unitholder may be required to redeem their entire holding.

Requests to redeem all Units may be made to the ACS Manager by post to abrdn Fund Managers Limited, Sunderland, SR43 4DZ or facsimile to +44 207 6433947 or by telephone on freephone +44 (0)800 368 3313. In addition, the ACS Manager may from time to time make arrangements to allow Units to be bought or sold online, electronically or through other communication media.

Subject to paragraph 3.11 below, valid instructions to redeem Units received before a Dealing Cut Off Point by the ACS Manager will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.9.

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

A redemption instruction in respect of Units in writing or via any other communication media made available is a legally binding contract. However, an instruction to the ACS Manager to redeem Units, although irrevocable, may not be settled if the redemption represents Units where the money due on the earlier purchase of those Units has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACS Manager or if the ACS Manager has any other reasonable grounds for withholding all or any part of the proceeds.

In addition, on redemption a Unitholder's income or tax reclaim which is accrued in the Net Asset Value per Unit but not yet received by the relevant Sub-fund, will be taken into account in the calculation of the Net Asset Value per Unit for the purposes of the redemption. Following a redemption, if it transpires that any such amount is paid to the former Unitholder or is otherwise not received by the relevant Sub-fund or the former Unitholder was not entitled to the tax reclaimed or the tax reclaim fails in whole or in part (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), then the former Unitholder will be required to pay over to the Sub-fund a matching or equivalent amount or amounts to each cancelled part of the accrual in the price of the relevant Units (while all exchange rate risk will be borne by the Sub-fund). In the event that a former Unitholder does not make good any such amount for whatever reason, the liability will remain with the relevant Sub-fund. The ACS Manager has the discretion to withhold payment of the equivalent amount from amounts paid to a Unitholder on a redemption, such amounts being paid out to the Unitholder only when the related income or tax reclaim proceeds are received by the Sub-fund in order to ensure that the remaining Unitholders are not disadvantaged.

For details of dealing charges see paragraph 3.5 below.

### 3.2.2 Documents a redeeming Unitholder will receive

A contract note giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (the first named, in the case of joint Unitholders) not later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the redemption price is determined. Redemption monies will be paid by electronic transfer. Electronic transfer in satisfaction of the redemption monies will be processed within two Business Days of the later of:

- (e) receipt by the ACS Manager of valid instructions (where applicable duly signed by all the relevant Unitholders and completed as to the appropriate number of Units), together with any other appropriate evidence of title; and
- (f) the Valuation Point following receipt by the ACS Manager of the request to redeem.

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If settlement is due on a non-business day in the country of the currency of the relevant class, settlement will be paid on the following business day in the country of the currency of the relevant class.

### 3.2.3 **Minimum redemption**

Part of a Unitholder's holding may be redeemed but the ACS Manager reserves the right to refuse a redemption request if the value of the Units of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

### 3.2.4 **In specie redemptions**

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

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

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

### 3.2.5 **Deferral of redemptions**

The ACS Manager may defer redemptions in times of high redemptions. For this purpose "high redemptions" are redemptions that at a Valuation Point on any given Dealing Day exceed 10% of a Sub-fund's net asset value.

The ability to defer redemptions is intended to protect the interests of Unitholders remaining in the relevant Sub-fund and will give the ACS Manager, in times of high redemptions, the ability to defer redemptions at a particular Valuation Point on a Dealing Day to the Valuation Point on the next Dealing Day. This is intended to allow the ACS Manager to match the sale of scheme property to the level of redemptions. Subject to the COLL and to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

## 3.3. **Switching**

Subject to the qualifications below, a Unitholder in a Sub-fund may at any time Switch where permissible some or all of their Units of one Class or Sub-fund ("Old Units") for Units of another Class in another Sub-fund ("New Units"), subject to meeting any eligibility criteria for the New Units.

The number of New Units issued will be determined by reference to the respective prices of New Units and Old Units at the Valuation Point applicable at the time the Old Units are repurchased and the New Units are issued.

Requests to Switch all Units may be effected either in writing to the ACS Manager (contact details as above for purchases) or the Switching form may also be faxed to the ACS Manager at +44 207 6433947. Unitholders may be required to complete a Switching form (which, in the case of joint Unitholders must be signed by all the joint holders). Switching forms may be obtained from the ACS Manager.

Unitholders wishing to Switch will be required to provide to the ACS Manager a Certificate of Eligibility for the Class to be Switched into together with such other documents and information as the ACS Manager may require regarding the investor including the investor's ability to meet the investment criteria and in particular in relation to such investor's tax status and to enable appropriate tax treaty benefits to be available.

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If the Switch would result in the Unitholder holding a number of old Units or new Units of a value which is less than the minimum holding in the Unit Class concerned, the ACS Manager may, if it thinks fit, Switch the whole of the applicant's holding of old Units to new Units or refuse to effect any Switch of the old Units. No Switch will be made during any period when the right of Unitholders to request the redemption of their Units is suspended. The general provision on procedures relating to redemption will apply equally to a Switch.

Subject to paragraph 3.11 below, valid instructions to Switch Units received before a Dealing Cut Off Point by the ACS Manager will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction, except where (a) dealing in a Sub-fund has been suspended as set out in paragraph 3.9; or (b) the new Sub-fund has the same Dealing Cut Off Point as, or earlier than, the original Sub-fund's Dealing Cut Off Point. In the case of (b), the redemption from the original Sub-fund will be made and the subscription to the new Sub-fund will be held over and processed at the Unit price calculated, based on the New Asset Value per Unit, at the next following Valuation Point following receipt of the instruction. Accordingly, in such circumstances, Unitholders will not be invested in the new Sub-fund for a period of time until the following Valuation Point and should be aware that they will be out of the market for this period.

The ACS Manager may adjust the number of New Units to be issued to reflect the imposition of any Switching fee (where charged) together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Old Units as may be permitted pursuant to the FCA Rules. Further information relating to charges on subscription, redemption, Switching or Conversion of Units is set out below.

Please note that a Switch of Units in one Sub-fund for Units in another Sub-fund is treated as a redemption and sale and will, for persons subject to UK taxation, be a realisation for the purposes of capital gains taxation although a Conversion of Units between different Classes in the same Sub-fund will not be deemed to be a realisation for the purposes of capital gains taxation.

A Unitholder who Switches Units in one Sub-fund for Units in any other Sub-fund will not be given a right by law to withdraw from or cancel the transaction. The ACS Manager may, at its discretion, make a charge on the Switching of Units between Sub-funds. Any such charge on Switching does not constitute a separate charge payable by a Unitholder, but is rather the application of any redemption charge on the original Units and any initial charge on the New Units, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 3.5.3 "Charges on Switching or Conversion". The ACS Manager may adjust the number of New Units to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Units or redemption of the original Units as may be permitted pursuant to the COLL.

### 3.4. **Conversions**

Subject to any eligibility criteria in relation to a Unit Class, where more than one Unit Class is in issue in a Sub-fund, the ACS Manager may at its absolute discretion permit a Unitholder to Convert all or some Units held from one Class in a Sub-fund for another Class in the same Sub-fund.

Subject to paragraph 3.11 below, valid instructions to Convert Units received before a Dealing Cut Off Point by the ACS Manager will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.9.

Where the ACS Manager determines at its absolute discretion that Class Conversions are materially prejudicial to the Unitholders of a Class, instructions to Convert between Classes will only be executed on the Dealing Day following the relevant Sub-fund's income allocation date. In such circumstances, instructions to Convert between Classes must be received by the ACS Manager no sooner than ten Business Days before the Sub-fund's relevant income allocation date.

Conversions will be effected by the ACS Manager recording a change of Class on the Register.

Investors should note that whilst Conversions are permitted, as Classes are designed for specific tax purposes related to the investors in those Classes, opportunities for Conversions are limited.

If a Unitholder should wish to Convert Units it should apply to the ACS Manager in the same manner as for a sale as set out above including the same requirements as to Certificates of Eligibility and such other documents as the ACS Manager may require regarding the investor and in particular its tax status and to enable appropriate tax treaty benefits to be available. Unitholders should note that because of these requirements, Conversions may not be possible.

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The number of Units to be issued in the new Class will be calculated relative to the latest price of the Units being Converted and the Units being issued.

If the Conversion would result in the Unitholder holding a number of new Units of a value which is less than the minimum holding in the Unit Class concerned, the ACS Manager may, if it thinks fit, Convert the whole of the applicant's holding of old Units to new Units or refuse to effect any Conversion of the old Units.

No Conversion will be made during any period when the right of the Unitholders to request a redemption of Units is suspended.

For the avoidance of doubt, each Conversion notice shall relate only to the Conversion of Units of a single Class.

The ACS Manager may at its discretion make a charge on the Conversion of Units between Classes in a Sub-fund. For details of the charges on Conversion currently payable, please see paragraph 3.5.3 "Charges on Switching or Conversions".

Conversions will not be treated as a disposal for capital gains tax purposes (except if one or other of the Classes is hedged, or they are both hedged differently).

A Unitholder who Converts Units will not be given a right by law to withdraw from or cancel the transaction.

The ACS Manager may, upon appropriate notice to affected Unitholders, effect a compulsory Conversion of Units in one Class of a Sub-fund for another Class of the same Sub-fund. Such compulsory Conversion shall be conducted as described above in this section. A compulsory Conversion will only be undertaken where the ACS Manager reasonably considers it is fair and in the best interests of affected Unitholders. By way of example, the ACS Manager may effect a compulsory Conversion where the ACS Manager reasonably believes it is fair and in the best interests of Unitholders to reduce the number of available Classes. Examples of when this compulsory Conversion power will be used, include (but are not limited to): to facilitate switching Unitholders to better value Unit Classes or for the consolidation of Classes of Units.

### **3.5. Dealing Charges**

Sub-funds will be single-priced including (where relevant) a dilution adjustment (for further information please see section 3.6 of this Prospectus).

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

#### **3.5.1 Initial charge**

The ACS Manager may impose a charge on the purchase of Units. At present, no initial charge is levied. Were an initial charge to be levied, it would be payable to the ACS Manager.

The ACS Manager may introduce a subscription initial charge on Units only in accordance with the FCA Rules.

#### **3.5.2 Redemption Charge**

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

The ACS Manager may introduce a redemption charge on Units only in accordance with the FCA Rules.

#### **3.5.3 Charges on Switching or Conversions**

The ACS Manager may impose a charge on the conversion of Units from one Class in a Sub-fund for Units in another Class in the same Sub-fund. Any such Conversion fee is payable to the ACS. At present, no conversion charge is levied. The ACS Manager may introduce a conversion charge on Units only in accordance with the FCA Rules.

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The ACS Manager may impose a charge on the Switching of Units of a Sub-fund for Units of another Sub-fund. Any such Switching fee is payable to the ACS Manager. At present, no Switching fee is levied. The ACS Manager may introduce a Switching fee on Units only in accordance with the FCA Rules.

### 3.6. Dilution Adjustment

When the ACS buys or sells underlying investments in response to a request for subscription or redemption of Units, it will generally incur a cost, made up of dealing costs and any spread between the buying and selling prices of the investment concerned.

The ACS Manager will apply a dilution charge to prevent dilution of a Sub-fund (as explained above) and in the scenarios listed below. Rather than reduce the effect of dilution by making a separate charge to investors when they buy or sell Units in the relevant fund, the FCA Rules permit the ACS Manager to move the price at which Units are bought or sold on any given day. The single price can be swung higher or lower at the discretion of the ACS Manager. This price movement from the basic mid-market price is known as a 'Dilution Adjustment'. The amount of the adjustment is paid into the relevant Sub-fund for the protection of existing/continuing Unitholders. Any Dilution Adjustment applied is included in the price applied to the deal.

The Dilution Adjustment shall make such reasonable allowance as the ACS Manager determines is appropriate for the typical market spread of the value of the assets of a Sub-fund and the related costs of acquisition or disposal of these assets.

Where a Sub-fund invests in another Sub-fund, a unit trust, an open-ended investment company or any other collective investment scheme (a 'collective investment vehicle'), the ACS Manager may base the calculation of that part of the Dilution Adjustment relating to that investment on the cost of acquiring or disposing of the relevant Units in the collective investment vehicle.

The ACS Manager's policy will be to normally impose a Dilution Adjustment where there are net inflows or outflows on any given day, exceeding a level where the estimated potential cost to the relevant Sub-fund justifies its application.

The Dilution Adjustment may also be charged:

- (a) where a Sub-fund is in continual decline;
- (b) on a Sub-fund experiencing large levels of net sales relative to its size;
- (c) in any other case where the ACS Manager is of the opinion that the interests of Unitholders require imposition of a Dilution Adjustment.

Where a Dilution Adjustment applies to a Sub-fund at a Valuation Point:

- (i) if there is a net investment in that Sub-fund at that Valuation Point, the Unit price may (but will not always) be increased to allow for the rate of Dilution Adjustment; and
- (ii) if there is a net divestment in that Sub-fund at the Valuation Point, the Unit price may (but will not always) be decreased to allow for the amount of the Dilution Adjustment.

Dilution is related to the inflows and outflows of monies from a Sub-fund and, as such, it is not possible to predict accurately whether dilution will occur at any future point in time.

Consequently it is also not possible to accurately predict how frequently the ACS Manager will need to make such a dilution adjustment. The rate of any dilution adjustment made from time to time will differ and be dependent on dealing spreads, commissions and taxes and duties arising on the purchase or sale of the scheme property of the relevant Sub-fund. These estimated rates may differ in practice. Based on future projections, the table below shows the estimated Dilution Adjustment for each Sub-fund. The rate of any Dilution Adjustment made from time to time will differ for each Sub-fund and will be dependent on dealing spreads, commissions and taxes and duties arising on the purchase or sale of the assets of the relevant Sub-fund. These estimated rates may differ in practice.

*For illustrative purposes, the table below shows historic information regarding the number of days on which a Dilution Adjustment has been applied to the Unit price over the period 1 January 2023 to 31 December 2023.*

*The table below also sets out recently estimated dilution rates applicable to purchases and redemptions as at 31 December 2023.*

Sub-fund	Estimated Dilution Adjustment (%) applicable to purchases	Estimated Dilution Adjustment (%) applicable to redemptions	Number of days on which Dilution Adjustment has been applied
<b>abrdn Evolve UK Equity Index Fund</b>	0.5	0.05	13
<b>abrdn Evolve World Equity Index Fund</b>	0.05	0.03	13
<b>abrdn Evolve American Equity Index Fund</b>	0.03	0.01	7

The above is current practice and as such, may be subject to change in the future.

### 3.7. Transfers

Unitholders are not entitled to transfer ownership of their Units (although they may change their registered custodian or other nominee). Please note that any such change will be treated as, and should be instructed by a Unitholder as, a redemption of Units by the transferring Unitholder, and a subsequent subscription for Units by the transferee. Please note there will be no physical cash settlement on such transfers.

### 3.8. Restrictions and Compulsory Redemption

In addition to the eligibility criteria referred to in paragraph 2.2.2, the ACS Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the ACS incurring any liability to taxation which the ACS is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACS Manager may, inter alia, reject in its discretion any application for the purchase, redemption, Conversion or Switch of Units.

If it comes to the notice of the ACS Manager that any Units ("affected Units"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the ACS incurring any liability to taxation which the ACS would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) (in addition to the Certificate of Eligibility or any other necessary documentation referred to in paragraph 2.2.2 and any other Class specific criteria) are held in any manner by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case; or
- (d) are owned by a Unitholder who is registered in a jurisdiction (where the Sub-fund is not registered or recognised by the relevant competent authority) whereby communication with that Unitholder by the ACS Manager, on behalf of the Sub-fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACS Manager to prevent such a communication constituting a breach); or



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- (e) are held in a manner which constitutes a breach of the ACS Deed or this Prospectus as to eligibility or entitlement to hold any Units,

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

A Unitholder who becomes aware that they are holding or own affected Units shall immediately, unless they have already received a notice as set out above, submit a request in writing to the ACS Manager for the redemption of all their affected Units.

Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will (if effected) be effected in the same manner as provided for in the COLL.

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

The ACS Manager may, with the prior agreement of the Depositary, and shall if the Depositary so requires, without prior notice to Unitholders, temporarily suspend the issue, cancellation, sale and redemption of Units in the ACS (referred to in this section "Suspension of dealings in the ACS or a Sub-fund" as "dealings") of any one or more Class in any or all of the Sub-funds where, due to exceptional circumstances and subject to the rules and guidance set out in Chapter 7 of the COLL (COLL 7.2), it is in the interests of all Unitholders to do so.

In the event of a suspension of dealings, the ACS Manager, or the Depositary in certain circumstances, will immediately inform the FCA of the suspension and reasons for it. Unitholders will be notified of such suspension in dealings as soon as is practicable after suspension commences and will be kept informed about the suspension including but not limited to when dealings will resume following suspension.

Suspension of dealings will continue only for so long as it is justified having regard to the interests of the Unitholders and, if applicable, will be formally reviewed by the ACS Manager and the Depositary at least every 28 days. The ACS Manager shall inform the FCA of the results of this review.

The circumstances under which suspension of dealings may occur include, for example, those where the ACS Manager cannot reasonably ascertain the value of the assets or realise assets of the ACS, or the closure or suspension of dealing on a relevant exchange. Further, the ACS Manager may suspend dealings, without prior notice to Unitholders, of any one or more Class in any or all of the Sub-funds, if at any time such Sub-fund invests more than 20% in units or shares of one or more other authorised fund for which dealing has been temporarily suspended. The ACS Manager may determine and the Depositary may agree however that dealing can continue where the ACS Manager has determined and the Depositary agrees that a temporary suspension of dealings in units would not be in the best interests of the Unitholders and the ACS Manager has not relied solely upon making a fair value price adjustment when making that determination. During such a period, the ACS Manager and the Depositary must review their agreement to not suspend dealings at least every 14 days.

During any suspension of dealings, none of the obligations in COLL 6.2 (Dealing) will apply but the ACS Manager shall comply with as much of COLL 6.3 (Valuation and Pricing) as is practicable in light of the suspension.

On a resumption of dealings following suspension, the calculation of Unit prices and dealing will take place at the Dealing Day and times stated in this Prospectus.

### 3.10. **Money laundering**

Under the UK money laundering regulations, as amended from time to time, the ACS Manager is required to verify investor identity in order to comply with UK money laundering legislation. This involves obtaining independent documentary evidence confirming identity and permanent residential address. This may involve an electronic check of information. By signing an application form the investor acknowledges that such checks will be undertaken. If the ACS Manager cannot confirm an investors name and address in this manner, the investor may be contacted with a request for additional documentation.

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In the case of bodies corporate, trusts and other legal arrangements, it is also required to establish the identity of any trustees or other controllers who have greater than 10% control of the body corporate or property of the trust that are not named on the application. In addition, it is also required to establish the identity of any individuals who have a specified beneficial interest in the units. In the case of individuals, it is required to establish the identity of any individuals who have a specified beneficial interest in the units that are not named on the application. The applicant retains legal title to the units and instructions will only be accepted from the applicant. The beneficial owner details are required for anti-money laundering purposes only.

The ACS Manager reserves the right to refuse any application to invest without providing any justification for doing so.

### 3.11. **Market Timing**

In general, "Market Timing" refers to the investment behaviour of a person or group of persons buying or selling Units on the basis of predetermined market indicators. Market Timing may also be characterised by the buying and selling of Units that seem to follow a short term timing pattern or by frequent or large transactions in Units. The ACS Manager does not allow investments which are associated with Market Timing activities, as these may adversely affect the interests of all Unitholders and will take active measures to prevent such practices where it has reasonable grounds to suspect these strategies are being or may be attempted. These measures may include the ongoing monitoring of trading activity, the refusal of specific trading instructions and exclusion from funds.

### 3.12. **Governing Law**

All deals in Units are governed by English law.

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## 4. VALUATION OF THE ACS

### 4.1. General

The ACS is single-priced. The price of a Unit in the ACS is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Unit of each Sub-fund is currently calculated at the Valuation Point on each Dealing Day set out in Appendix I in respect of each Sub-fund.

There must be only a single price for any Unit as determined from time to time by reference to a particular Valuation Point. The ACS Manager may at any time during a business day carry out an additional valuation if the ACS Manager considers it desirable to do so.

### 4.2. Calculation of the Net Asset Value

4.2.1 The value of the Scheme Property of the ACS or of a Sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

4.2.2 All the Scheme Property (including receivables) of the ACS (or the Sub-fund) is to be included, subject to the following provisions:

4.2.3 Property which is not cash (or other assets dealt with in paragraph 4.2.2) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.3.1 units or shares in a collective investment scheme:

(a) if a single price for buying and selling units or shares is quoted, at that price; or

(b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included in it and the selling price has been increased by any exit or redemption charge attributable thereto; or

(c) if, in the opinion of the ACS Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACS Manager, is fair and reasonable;

4.2.3.2 any other transferable security:

(d) if a single price for buying and selling the security is quoted, at that price; or

(e) if separate buying and selling prices are quoted, the average of the two prices; or

(f) if, in the opinion of the ACS Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACS Manager, is fair and reasonable;

4.2.3.3 property other than that described in paragraphs 4.2.3.1 and 4.2.3.2 above, at a value which, in the opinion of the ACS Manager, represents a fair and reasonable mid-market price.

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

4.2.5 Property which is a contingent liability transaction shall be treated as follows:

4.2.5.1 if a written option, (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACS Manager and the Depositary;

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- 4.2.5.2 if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the ACS Manager and the Depositary;
- 4.2.5.3 if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, the method of valuation shall be agreed between the ACS Manager and the Depositary.
- 4.2.6 Approved money-market instruments which have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk, shall be valued on an amortised cost basis.
- 4.2.7 In determining the value of the Scheme Property, all instructions given to issue or cancel Units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.8 Subject to paragraph 4.2.9 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACS Manager, their omission will not materially affect the final net asset amount. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under this paragraph 4.2.8.
- 4.2.9 All agreements are to be included under paragraph 4.2.8 which are, or ought reasonably to have been, known to the person valuing the property.
- 4.2.10 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, any stamp or transaction tax (whether UK or non-UK).
- 4.2.11 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
- 4.2.12 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 4.2.13 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.14 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.15 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.16 Add the total amount of any cost determined to be, but not yet amortised relating to the authorisation and incorporation of the ACS and of its initial offer or issue of Units.
- 4.2.17 Currencies or values in currencies other than Base Currency or (as the case may be) the designated currency of a Sub-fund shall be converted at the relevant Valuation Point or other appropriate point selected by the ACS Manager at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.
- 4.2.18 The ACS Manager through its Valuation Pricing Committee, may make a fair and reasonable price adjustment (Fair Value Price Adjustment) to the Net Asset Value with the aim of producing the 'fairest' dealing price and to protect the interests of all existing and prospective investors.

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4.3. **Price per Class of Unit in each Sub-fund**

The price per Units at which Units are bought is the sum of the Net Asset Value of a Units and any initial charge. The price per Unit at which Units are redeemed is the Net Asset Value per Units less any applicable redemption charge and subject to any withholding tax or other deductions which may apply. In addition, there may, for both purchases and redemptions, be a dilution adjustment, as described above. For the avoidance of doubt, the Net Asset Value of a Unit will be calculated to four (4) decimal places and on redemption, this value to four (4) decimal places will be used in the calculation of redemption monies payable.

4.4. **Pricing Basis**

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

4.5. **Publication of Prices**

The ACS Manager will make available the daily prices of Units on its website at: [www.abrdn.com](http://www.abrdn.com). The ACS Manager may also, at its sole discretion, publish certain Unit prices on third party websites or in publications.

In relation to Units marketed outside of the UK, the most recent prices will be available on the above website and may also be published in a recognised national newspaper in each overseas jurisdiction, in accordance with the regulatory requirements of those jurisdictions where the Units are registered and marketed.

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5. **RISK FACTORS**

All investments involve risk. The risks of some of the Sub-funds may be comparatively high. The risk descriptions below correspond to the main risk factors for each Sub-fund. "General Risks" mostly apply to all Sub-funds; "Specific Risks" are particularly relevant where noted below each Sub-fund's investment objective and policy. A Sub-fund could potentially be affected by risks beyond those listed here, nor are these risk descriptions themselves intended as exhaustive. Each risk is described as if for an individual Sub-fund.

A number of the risks described in this section aren't directly applicable to the securities held by the Sub-funds. However, if a Sub-fund invests into another fund which does hold securities where the risk is applicable then this is highlighted below the Sub-fund's investment objective and policy.

The value of investments and income from them can go down as well as up, and you might get back less than you invested.

Any of these risks could cause a Sub-fund to lose money, to perform less well than similar investments or a benchmark, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

Statements made in this Prospectus are based on the law and practice in force at the date of this Prospectus.

Charges have the effect of reducing investment returns. Your investment must grow more than the rate of charges before you receive a positive return. A positive return is not guaranteed. Charges may reduce the value of your investment.

Some Sub-funds may have charges taken from capital, which may limit the growth in value of the relevant Sub-fund. However, when charges are taken from capital, more income is generally available to distribute to Unitholders.

**General Risks**

**Commodity risk**

The value of the securities in which a Sub-fund invests may be influenced by movements in commodity prices which can be very volatile. The price of commodities may be disproportionately affected by political, economic, weather and terrorist-related activities and by changes in energy and transportation costs.

**Counterparty risk**

An entity with which a Sub-fund does business could become unwilling or unable to meet its obligations to the Sub-fund.

The bankruptcy or insolvency of counterparty could result in delays in getting back securities or cash of the Sub-fund that were in the possession of the counterparty. This could mean the Sub-fund is unable to sell the securities or receive the income from them during the period in which it seeks to enforce its rights, which process itself is likely to create additional costs. Various operational risks could also cause delays even if there is no inability of the counterparty to pay.

If any collateral a Sub-fund holds as protection against counterparty risk declines in value, it may not fully protect the Sub-fund against losses from counterparty risk, including lost fees and income.

**Currency risk**

Changes in currency exchange rates could reduce investment gains or increase investment losses, in some cases significantly.

Exchange rates can change rapidly and unpredictably, and it may be difficult for a Sub-fund to unwind its exposure to a given currency in time to avoid losses. Changes in exchange rates can be influenced by such factors as export-import balances, economic and political trends, governmental intervention, and investor speculation.

Intervention by a central bank, such as aggressive buying or selling of currencies, changes in interest rates, restrictions on capital movements or a "de-pegging" of one currency to another, could cause abrupt or long-term changes in relative currency values.

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Where a Unit class of a Sub-fund is designated in a currency other than the Base Currency of the Sub-fund, changes in the exchange rate between the Base Currency and such designated currency may lead to differences in the value of such Units.

### **Inflation risk**

Over time, inflation can erode the real value of investment gains. With investments that produce low returns, inflation can negate any gains in buying power or even cause investors net buying power to decline over time.

### **Liquidity risk**

Any security could become hard to value or to sell at a desired time and price.

Liquidity risk could affect a Sub-fund's ability to repay repurchase agreement proceeds by the agreed deadline.

Certain securities may, by their nature, be hard to value or sell quickly, especially in any quantity. This may include securities that are labelled as illiquid as well as a security of any type that represents a small issue, trades infrequently, or is traded on markets that are comparatively small or that have long settlement times.

### **Management risk**

A Sub-fund's management team may be wrong in its analysis, assumptions, or projections. This includes projections concerning industry, market, economic, demographic, or other trends.

During unusual market conditions, investment management practices that have worked well in the past, or are accepted ways of addressing certain conditions, could prove ineffective.

### **Market risk**

Prices and yields of many securities can change frequently and can fall based on a wide variety of factors. Examples of these factors include:

- Political and economic news
- Government policy
- Changes in technology and business practice
- Changes in demographics, cultures and populations
- Natural or human-caused disasters
- Weather and climate patterns
- Scientific or investigative discoveries
- Costs and availability of energy, commodities, and natural resources

The effects of market risk can be immediate or gradual, short term or long-term, narrow or broad.

This risk can apply to both the design and operation of computer models and can apply whether a model is used to support human decision-making or to directly generate trading recommendations. Flaws in software programs can go undetected for long periods of time.

### **Operational risk**

The operations of a Sub-fund could be subject to human error, faulty processes or governance, or technological failures.

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Operational risks may subject the Sub-fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

### **Pandemic risk**

The impact of COVID-19, and other infection illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

### **Regulatory and Government policy**

The laws that govern a Sub-fund or the ACS may change in future. Any such changes may not be in the best interest of the Sub-funds and may have a negative impact on the value of your investment.

### **Risks specific to investment in funds**

As with any investment fund, investing in the Sub-funds of the ACS involves certain risks an investor would not face if investing in markets directly:

- The actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of a Sub-fund and cause its NAV to fall.
- The investor cannot direct or influence how money is invested while it is in the Sub-fund.
- The Sub-fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor.
- A Sub-fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the ACS Manager decides to register the Sub-fund in jurisdictions that impose narrower limits, this decision could further limit its investment activities.
- Because Units are not publicly traded, the only option for liquidation of Units is generally redemption, which could be subject to any redemption policies set by the ACS Manager in respect of any Sub-fund.
- To the extent that a Sub-fund invests in other collective investment schemes it will have less direct knowledge of, and no control over, the decisions of the other collective investment schemes' investment managers, it could incur a second layer of investment fees (which will further erode any investment gains), and it could face liquidity risk in trying to unwind its investment in another collective investment scheme.
- The ACS may not be able to hold a service provider fully responsible for any losses or lost opportunities arising from the service provider's misconduct.
- To the extent that the ACS conducts business with Affiliates of the ACS Manager, and these Affiliates (and Affiliates of other service providers) do business with each other on behalf of the ACS, conflicts of interest may be created (although to mitigate these, all such business dealings must be conducted on an "arm's length" basis, and all entities, and the individuals associated with them, are subject to strict "fair dealing" policies that prohibit profiting from inside information and showing favouritism).

### **Single swinging price – impact on Sub-fund value and performance**

Each Sub-fund operates a dilution adjustment, otherwise known as a single swinging price. The single price can be swung up or down in response to inflows or outflows from the Sub-fund, in order to protect investors from the effect of dilution. Dilution occurs where a Sub-fund is forced to incur costs as a result of the investment manager buying or selling assets following inflows or outflows. A change to the pricing basis will



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result in a movement to the Sub-fund's published price and reported investment performance. Where a dilution adjustment is not applied, the Sub-fund in question may incur dilution which may constrain capital growth.

### **Suspension and termination**

Investors should note that in exceptional circumstances, the ACS Manager may, after consultation with the Depositary, suspend the issue, cancellation, sale and redemption (including Switching) of Units in any and all Sub-funds and Classes.

### **Taxation risks**

The tax information provided in this Prospectus is based, to the best knowledge of the ACS Manager, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the ACS Manager and the ACS, the taxation of Unitholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation or practice in the UK or in any jurisdiction where the ACS is registered, marketed or invested could affect the tax status of the ACS, affect the value of its relevant investments in the affected jurisdiction, affect its ability to achieve its investment objective, and/or alter the post-tax returns to Unitholders. Where the ACS invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs depend on the individual circumstances of Unitholders. The information in the "Taxation" section is not exhaustive and does not constitute tax advice. Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the ACS.

Where a Sub-fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example jurisdictions in the Middle East, the relevant Sub-fund, the ACS Manager, the Investment Manager, the Custodian and the Administrator shall not be liable to account to any Unitholder for any payment made or suffered by the relevant Sub-fund in good faith to a fiscal authority for taxes or other charges of that Sub-fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Sub-fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to that Sub-fund. Such late paid taxes will normally be debited to a Sub-fund at the point the decision to accrue the liability in that Sub-fund's accounts is made.

### **Turnover**

When securities are bought and sold they incur transaction costs, which are paid for by a Sub-fund. This is known as turnover. High levels of turnover may have a negative impact on a Sub-fund's performance.

### **Unitholder indemnity**

Each Unitholder will be required to provide an indemnity in the form set out in the Certificate of Eligibility as set out at Appendix IV, which will be triggered in the event that:

the Depositary, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation because of the indemnifying Unitholder's ownership (including its previous ownership of Units) in the relevant Sub-fund unless the payment arises because of the negligence, fraud or default of the party being indemnified.

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

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## **Specific Risks**

### **China A / Stock Connect risk**

Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, social and political instability of the stock market in the People's Republic of China ("PRC").

There are restrictions on the amount of China A shares which a single foreign investor is permitted to hold and restrictions on the combined holdings of all foreign investors in a single company's China A shares. Where those limits are reached, no further purchase of those shares will be permitted until the holding is reduced below the threshold and if the thresholds are exceeded, the relevant issuer of the China A shares may sell those shares to ensure compliance with Chinese law which may mean that the relevant China A shares are sold at a loss.

China A shares are denominated in Renminbi ("RMB") and as RMB is not the Base Currency of these Sub-funds the ACS Manager may have to convert payments from RMB into Sterling when realising China A shares and convert Sterling into RMB when purchasing China A shares. The exchange rate for RMB may be affected by, amongst other things, any exchange control restrictions imposed by the government in the PRC which may adversely affect the market value of these Sub-funds.

Trading China A Shares through the Hong Kong – China Stock Connect platform will be primarily traded in the offshore RMB currency, as RMB is the domestic Chinese currency and cannot be traded outside of China.

China A shares through the Hong Kong – China Stock Connect platform are held by third party securities settlement systems in Hong Kong (Hong Kong Securities Clearing Company ("HKSCC")) and the PRC ("ChinaClear") where they are mixed with other investors' assets and may be subject to lower safekeeping, segregation and record keeping requirements than investments held domestically or in the European Union.

It is considered unlikely that ChinaClear will become insolvent but, if it does so, HKSCC is likely to seek to recover any outstanding China A shares from ChinaClear through available legal channels but it is not obligated to do so. If HKSCC does not enforce claims against ChinaClear these Sub-funds may not be able to recover their China A shares.

Investors should note "Taxation of Chinese Equities " section under "Taxation".

### **Concentration risk**

To the extent that the Sub-fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a Sub-fund that invests more broadly. Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes the Sub-fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, economic, environmental or other conditions. The result can be both higher volatility and a greater risk of loss.

### **Country risk – China**

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, and some of the major trading and custody systems are unproven.

In China, it is uncertain whether a court would protect the Sub-fund's right to securities it may purchase via the Shanghai-Hong Kong Stock Connect or other programs, whose regulations are untested and subject to change. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the Sub-fund with relatively little standing to take legal action in China. In addition, the security exchanges in China may tax or limit short-swing profits, recall eligible stocks, set maximum trading volumes (at the investor level or at the market level) or otherwise block, limit or delay trading.

In China, the government maintains two separate currencies: internal renminbi (which must remain within China and generally cannot be owned by foreigners) and external renminbi (which can be owned by anyone). The exchange rate, and the extent to which the currencies can be exchanged, is determined by a combination of market and government actions. This effectively creates currency risk within a single nation's currency, as well as liquidity risk.

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## **Credit and high yield credit risk**

A bond or money market security could lose value if the issuer's financial health deteriorates, or in extreme cases could go into default (cease to make timely payments of principal or interest).

This risk is greater the lower the credit quality of the debt, and the greater a Sub-fund's exposure to below investment grade bonds (also known as "high yield bonds"). A decline in creditworthiness may also cause a bond or money market security to become more volatile and less liquid.

Bonds that are in default may become illiquid or worthless. Below investment grade bonds are considered speculative. Compared to investment grade bonds, the prices, and yields of below investment grade bonds are more sensitive to economic events and more volatile, and the bonds are less liquid. In general, lower quality bonds are more likely to default on obligations, and to be unable to repay principal if they do, particularly if they are unsecured or subordinate to other obligations.

Debt issued by governments and government-owned or -controlled entities can be subject to many risks, especially in cases where the government is reliant on payments or extensions of credit from external sources, is unable to institute the necessary systemic reforms or control domestic sentiment, or is unusually vulnerable to changes in geopolitical or economic sentiment. Even if a government issuer is financially able to pay off its debt, investors may have little recourse should it decide to delay, discount or cancel its obligations.

## **Currency hedged indices**

Where a Sub-fund's objective is to track a currency hedged index the ACS Manager will aim to replicate the index provider's currency hedging strategy. In these circumstances when hedging currency risk for a portfolio of securities that make up the benchmark index, the amount of each FX forward position is determined by the notional value of the portfolio on the day the hedge is rebalanced in the index. At this point the "hedge ratio" is 100%, as the total value of the investment is hedged. During the periods in between the hedge rebalancing the value of the underlying securities in the portfolio may vary and cause the hedge ratio to deviate from 100% but in line with the hedged index. During these periods if the value of the portfolio of securities goes down the hedge ratio will exceed 100% and the position will be over hedged until the next periodic adjustment. Likewise if it goes up, the hedge ratio will drop below 100% and the position will be under hedged. This has the potential to create significant over / under hedged positions vs actual currency. The Sub-fund could therefore have regular unhedged positions of various sizes in between the periodic hedge rebalancing (which are often monthly) and this can create currency risks and also introduces a degree of leverage. This will particularly be the case in portfolios where high levels of currency hedging are required to track the index.

## **Derivatives risk**

Certain derivatives could behave unexpectedly or could expose a Sub-fund to losses that are significantly greater than the cost of the derivative. Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s).

In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives. Using derivatives also involves costs that the Sub-fund would not otherwise incur.

Regulations may limit the Sub-funds from using derivatives in ways that might have been beneficial to the Sub-funds. Changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the fund to terminate a derivative position under disadvantageous circumstances.

Certain derivatives, in particular futures, options, contracts for difference and some contingent liability contracts, could involve margin borrowing, meaning that a Sub-fund could be forced to choose between liquidating securities to meet a margin call or taking a loss on a position that might, if held longer, have yielded a smaller loss or a gain.

To the extent that a Sub-fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the fund level.

As many financial derivatives instruments have a leveraged component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount

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invested in the derivative itself. The Sub-funds are managed on a non-leveraged basis unless otherwise specified.

### **Emerging Markets risk**

Emerging markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, illiquid security, and currency risks, and are more likely to experience risks that in developed markets are associated with unusual market conditions.

Reasons for this higher level of risk include:

- Political, economic, or social instability
- Economies that are heavily reliant on particular industries, commodities, or trading partners
- High or capricious tariffs or other forms of protectionism
- Quotas, regulations, laws, or practices that place outside investors (such as the Sub-fund) at a disadvantage
- Failure to enforce laws or regulations, to provide fair or functioning mechanisms for resolving disputes or pursuing recourse, or to otherwise recognise the rights of investors as understood in developed markets
- Significant government control of businesses or intervention in markets
- excessive fees, trading costs, taxation, or outright seizure of assets
- Inadequate reserves to cover issuer or counterparty defaults
- Incomplete, misleading, or inaccurate information about securities and their issuers
- Lack of uniform accounting, auditing and financial reporting standards
- Manipulation of market prices by large investors
- Arbitrary delays and market closures
- Market infrastructure that is unable to handle peak trading volumes
- Fraud, corruption and error

In certain countries, securities markets may also suffer from impaired efficiency and liquidity, which may worsen price volatility and market disruptions.

To the extent that emerging markets are in different time zones from the UK a Sub-fund might not be able to react in a timely fashion to price movements that occur during hours when the fund is not open for business.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, South America and Eastern Europe, as well as countries such as China, Russia and India that have successful economies but may not offer the highest levels of investor protection

### **Equity risk**

Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds or money market instruments. If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

### **ESG investment risk**

Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities in which the fund might otherwise invest. Such securities could be part of the benchmark against which a Sub-

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fund is managed, or be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Sub-fund's performance profile differs to that of funds which are managed against the same benchmark or invest in a similar universe of potential investments but without applying ESG or sustainability criteria. Furthermore, the lack of common or harmonised definitions and labels regarding ESG and sustainability criteria may result in different approaches by managers when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that these funds will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected. Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not. Combining the integration of sustainability risks and opportunities with broader monitoring and engagement activities may affect the value of investments and therefore returns.

#### **Exchange Traded Derivatives (ETD) risk**

While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for a Sub-fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of Units. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

#### **Foreign tax reclaims risk**

Investors should be aware that any sums by way of foreign tax reclaims due to or received by the Sub-funds will be denominated in a currency other than Sterling. Accordingly, such sums and any amounts recoverable under the investor indemnities set out in this Prospectus will be subject to currency conversion and fluctuations. Any sums due to an investor or due to be recovered from an investor (in the case of foreign tax reclaims which are not successful) may therefore fluctuate in value from time to time depending on foreign exchange rates.

#### **Interest rate risk**

When interest rates rise, bond values generally fall. This risk is generally greater the longer the duration of a bond investment is.

#### **Money market instruments risk**

The value of money-market instruments may be subject to adverse movements in extreme market conditions.

#### **Over the counter (OTC) derivatives risk**

Because OTC derivatives are in essence private agreements between a Sub-fund and one or more counterparties, they are regulated differently than market-traded securities. They also carry greater counterparty and liquidity risks; in particular, it may be more difficult to force a counterparty to honour its obligations to a Sub-fund. A downgrade in the creditworthiness of counterparty can lead to a decline in the value of OTC contracts with that counterparty. If counterparty ceases to offer a derivative that a fund had been planning on using, the Sub-fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for a Sub-fund to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any Sub-fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the ACS, which could leave the Sub-funds unable to operate efficiently and competitively.

#### **Short positions risk**

Some Sub-funds can take short positions by using derivatives. A short position will reduce in value if the security it is linked to increases in value. The opposite also applies, in that the short position will rise in value if the underlying security reduces in value.

There is no limit to the loss on a short position, and so they carry higher risk than direct investment in a security. The risk of holding short positions is mitigated by the ACS Manager's Risk Management Policy.

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## **Stock Connect**

Stock Connect is now an established scheme, however its rules may change at any time in a manner which may adversely impact these Sub-funds.

Stock Connect will only operate when banks in Hong Kong and the PRC are both open.

The ability of these Sub-funds to invest through Stock Connect is subject to the performance by HKSCC of its obligations and any failure or delay by HKSCC may result in the failure of settlement, or loss of China A shares.

It is not possible to buy and sell shares on the same day on Stock Connect.

Not all China A shares are eligible for trading through Stock Connect, and if a China A share ceases to be eligible, further purchases of such shares will not be permitted, although these Sub-funds will always be able to sell such shares.

Stock Connect is currently subject to both daily and aggregate trading caps which if exceeded will lead to suspension of trading for that day or other relevant period which may mean that an order to purchase China A shares cannot be processed. Under the Stock Connect rules these Sub-funds will always be able to sell China A shares regardless of whether the daily or aggregate quota has been exceeded. The daily or aggregate quotas can be changed from time to time without prior notice.

China A shares traded through Stock Connect are uncertificated and are held in the name of HKSCC or its nominee. PRC law may not recognise the beneficial ownership of the China A shares by these Sub-funds and, in the event of a default of ChinaClear, it may not be possible for the China A shares held by these Sub-funds to be recovered.

Transactions in Stock Connect will not be covered by the Investor Compensation Scheme in Hong Kong nor the equivalent scheme in the PRC.

## **Stock Lending**

When a Sub-fund engages in stock lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, become insolvent, or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the relevant fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities, and/or may incur a capital loss which might result in a reduction in the net asset value of the fund. A Sub-fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form acceptable to the Depositary, as set out above, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities.

Such collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Sub-fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised.

Where a Sub-fund reinvests cash collateral in one or more of the permitted types of investments above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. In such circumstances the Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, and would therefore suffer a loss.

A Sub-fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Cash or other assets may be passed to counterparties as margin or collateral. Subject to applicable regulations, at any one time, a Sub-fund may be exposed to the creditworthiness of its counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of a counterparty, a Sub-fund may not be able to recover cash or assets of equivalent value in full. In particular, stock lending transactions may, in the event of a default by a counterparty, result in the securities lent being recovered late or only in part. This may result in losses for investors.

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For stock lending purposes, a schedule of permitted collateral will be agreed with the stock lending agent and this will be reviewed regularly to assess for risks such as liquidity and credit risks. Where the review highlights concerns on either of these risks, the relevant asset will be removed from the schedule of permitted collateral. Collateral is valued and monitored on a daily basis to ensure compliance with the ACS Manager's collateral requirements. The collateral received must be issued by an entity that is independent from the stock lending counterparty and is expected not to display a high correlation with the performance of that counterparty.

Other risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated in accordance with the ACS Manager's risk management policy.

The ACS Manager reduces custody risk by establishing a process whereby securities are taken as collateral and cash is only accepted where it is held for the benefit of the ACS Manager by a tri-party collateral agent or is invested in a collective investment schemes managed or operated by, or whose authorised corporate director is, the ACS Manager or one of its Associates or is invested in reverse repurchase agreements. Securities are held in ring-fenced accounts of a collateral custodian, so the Sub-funds are not exposed to custodian risk.

The legal risks are reduced by the ACS Manager ensuring that appropriate contractual arrangements are in place with third parties. For derivative transactions, this involves contractual arrangements between the Depositary and the derivatives counterparty. For stock lending transactions, the ACS Manager has contractual arrangements in place with the stock lending agent.

Agreements and understandings with regard to the underwriting and sub-underwriting of securities or the acceptance of placing commitments may also, subject to certain conditions set out in the COLL, be entered into for the account of any Sub-fund.

### **Taxation risk**

An investment in the Sub-funds will involve tax considerations which may differ for each Unitholder. Some of the considerations are referred to elsewhere in this Prospectus, including in the section headed "Taxation". The following does not purport to be an exhaustive list of all potential tax risks which exist in connection with acquiring, holding, receiving distributions in respect of, or disposing of Units. As such, each prospective Unitholder should seek professional tax advice in connection with any investment in the Sub-funds, and none of the ACS Manager, the Investment Manager, the Depositary, the Administrator and the Registrar and Transfer Agent or their associates can accept any responsibility in this regard.

As a consequence of being constituted as an authorised co-ownership scheme, the Sub-funds may be treated as tax-transparent for the purposes of income and/or gains by relevant taxing jurisdictions where Unitholders are subject to taxation and therefore, in most cases, also treated as tax-transparent by the jurisdictions from which any underlying income or gains arising to the Sub-funds are derived. Such tax-transparency cannot, however, be guaranteed. The Sub-funds are treated as tax-transparent in the UK.

Where a Sub-fund is regarded as tax-transparent in relevant taxing jurisdictions, each Unitholder should be entitled to claim the benefits of any applicable double taxation treaty between that Unitholder's jurisdiction of residence and the jurisdiction in which any underlying income or gains arise, subject to all other relevant conditions being fulfilled. Each Unitholder should take appropriate advice as to the tax treatment of their investment in a Sub-fund. In order for such treaty benefits to be available in relation to any underlying income and gains, it will generally be necessary that the Unitholder's jurisdiction of tax residence (the "investor jurisdiction") recognises the tax-transparency of the relevant Sub-fund and that the jurisdiction having primary taxing rights over such income and gains (the "investment jurisdiction") respects the transparent treatment of the Sub-fund by the investor jurisdiction. In cases where either the tax authority in the investor jurisdiction does not recognise the tax-transparency of the Sub-fund or the tax authority in the investment jurisdiction does not respect the transparent treatment by the tax authority in the investor jurisdiction, withholding or other taxes may arise which would not have arisen had the Unitholder directly owned the underlying investments. In other words, that Unitholder would not obtain the benefits of tax-transparency in relation to such income or gains.

### **Tracking error**

A Sub-fund may not perform fully in line with the index which it is tracking because of factors which may include transaction costs, timing and holding mismatching, or in the event of extreme market disruption.

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**Variable Interest Entity Risk**

Variable Interest Entity (VIE) structures may be adversely affected by changes in the legal and regulatory framework. This may result in losses, or force a Sub-fund to sell the VIE which could have a negative impact on the fund's performance.

**Risk factors not exhaustive**

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



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## 6. MANAGEMENT AND ADMINISTRATION

### 6.1. Regulatory Status

The ACS Manager and the Investment Manager are authorised and regulated by the FCA of 12 Endeavour Square, London E20 1JN.

### 6.2. ACS Manager

#### 6.2.1 General

The ACS Manager and alternative investment fund manager for the purposes of the AIFM Directive ("AIFM") is abrdn Fund Managers Limited. The ACS Manager, as AIFM of the ACS, is responsible for the portfolio management and risk management in relation to the ACS. The ACS Manager must act honestly, fairly, professionally, independently and in the interest of the ACS and its holders in carrying out this role. The ACS Manager has authority to enter into contracts on behalf of the Unitholders for the purposes of, or in connection with, the acquisition, management and/or disposal of Scheme Property. The ACS may on behalf of Unitholders exercise rights under an Authorised Contract, bring and defend proceedings for the resolution of any matter relating to an Authorised Contract, and take action in relation to the enforcement of any judgment given in such proceedings.

The ACS Manager is a private company limited by shares, incorporated in England and Wales on 7 November 1962 with registered company number 00740118. The ACS Manager is a wholly owned subsidiary of abrdn plc a company incorporated in Scotland. The registered office of the ACS Manager is 280 Bishopsgate, London EC2M 4AG. It has an issued and fully paid up share capital of £738,550.

The ACS Manager is authorised to carry on investment business in the UK by virtue of it being authorised and regulated by the FCA.

The ACS Manager maintains an appropriate level of "own funds" in accordance with the AIFMD Level 2 Regulation in order to cover the professional liability risks detailed under the AIFMD Level 2 Regulation, including risks such as loss of documents evidencing title to assets of the ACS or acts, errors or omissions resulting in a breach of the law or the ACS Manager's fiduciary duties.

The ACS Manager acts as authorised corporate director of the following open-ended investment companies:

abrdn OEIC I <sup>1</sup>  
abrdn OEIC II <sup>2</sup>  
abrdn OEIC III <sup>3</sup>  
abrdn OEIC IV <sup>4</sup>  
abrdn OEIC V <sup>5</sup>  
abrdn OEIC VI <sup>6</sup>

abrdn UK Real Estate Funds ICVC <sup>7</sup>  
Global Managers Investment Company \*

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<sup>1</sup> This fund was previously known as Aberdeen Standard OEIC I

<sup>2</sup> This fund was previously known as Aberdeen Standard OEIC II

<sup>3</sup> This fund was previously known as Aberdeen Standard OEIC III

<sup>4</sup> This fund was previously known as Aberdeen Standard OEIC IV

<sup>5</sup> This fund was previously known as Aberdeen Standard OEIC V

<sup>6</sup> This fund was previously known as Aberdeen Standard OEIC VI

<sup>7</sup> This fund was previously known as Standard Life Investments UK Real Estate Funds ICVC

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The ACS Manager also acts as the manager of the following authorised unit trusts:

Aberdeen Capital Trust \*

abrdn Unit Trust I <sup>8</sup> \*

abrdn Dynamic Distribution Fund <sup>9</sup>

abrdn Global Absolute Return Strategies Fund <sup>10</sup> \*

abrdn Global Real Estate Fund <sup>11</sup>

abrdn Strategic Investment Allocation Fund <sup>12</sup> \*

abrdn (Lothian) Active Plus Bond Trust <sup>13</sup> \*

abrdn (Lothian) European Trust <sup>14</sup> \*

abrdn (Lothian) European Trust II <sup>15</sup> \*

abrdn (Lothian) Global Equity Trust II <sup>16</sup> \*

abrdn (Lothian) International Trust <sup>17</sup>

abrdn (Lothian) Japan Trust <sup>18</sup>

ASI (Standard Life) Multi-Asset Trust \*

abrdn (Lothian) North American Trust <sup>19</sup>

abrdn (Lothian) Pacific Basin Trust <sup>20</sup>

abrdn (Lothian) Short Dated UK Government Bond Trust <sup>21</sup> \*

abrdn (Lothian) UK Corporate Bond Trust <sup>22</sup> \*

abrdn (Lothian) UK Equity General Trust <sup>23</sup>

abrdn (Lothian) UK Government Bond Trust <sup>24</sup> \*

abrdn MT <sup>25</sup>

abrdn UK Real Estate Trust <sup>26</sup>

Standard Life Global Equity Trust \*

Standard Life Investments Ignis Global Growth Fund \*

Standard Life Investments Ignis Pacific Growth Fund \*

Standard Life Pan-European Trust \*

\* This fund is in the process of being wound up

The ACS Manager does not intend to hold Units in the Sub-funds as principal as a strategic business activity. It may from time to time hold Units as principal but, where it does so, it does not seek to make a profit from this.

The Directors of abrdn Fund Managers Limited are:

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<sup>8</sup> This fund was previously known as Aberdeen Standard Unit Trust I

<sup>9</sup> This fund was previously known as ASI Dynamic Distribution Fund

<sup>10</sup> This fund was previously known as ASI Global Absolute Return Strategies Fund

<sup>11</sup> This fund was previously known as ASI Global Real Estate Fund

<sup>12</sup> This fund was previously known as ASI Strategic Investment Allocation Fund

<sup>13</sup> This fund was previously known as ASI (Standard Life) Active Plus Bond Trust

<sup>14</sup> This fund was previously known as ASI (Standard Life) European Trust

<sup>15</sup> This fund was previously known as ASI (Standard Life) European Trust II

<sup>16</sup> This fund was previously known as ASI (Standard Life) Global Equity Trust II

<sup>17</sup> This fund was previously known as ASI (Standard Life) International Trust

<sup>18</sup> This fund was previously known as ASI (Standard Life) Japan Trust

<sup>19</sup> This fund was previously known as ASI (Standard Life) North American Trust

<sup>20</sup> This fund was previously known as ASI (Standard Life) Pacific Basin Trust

<sup>21</sup> This fund was previously known as ASI (Standard Life) Short Dated UK Government Bond Trust

<sup>22</sup> This fund was previously known as ASI (Standard Life) UK Corporate Bond Trust

<sup>23</sup> This fund was previously known as ASI (Standard Life) UK Equity General Trust

<sup>24</sup> This fund was previously known as ASI (Standard Life) UK Government Bond Trust

<sup>25</sup> This fund was previously known as ASIM Trust

<sup>26</sup> This fund was previously known as Standard Life Investments UK Real Estate Trust

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Adam Shanks  
Aron Mitchell  
Emily Smart  
Fraser Tulloch  
Martin Kwiatkowski  
Michael Champion\*  
Philip Wagstaff\*

\* Independent Non-Executive Director of abrdn Fund Managers Limited

The main business activities of the Directors not connected with the business of the ACS Manager:

A complete list of other directorships can be provided on written request.

Subject to the FCA Rules, the ACS Manager has delegated investment management to one or more Investment Managers. The ACS Manager has also delegated fund administration to the Administrator.

### 6.3. The Depositary

#### 6.3.1 General

The Depositary of the ACS is Northern Trust Investor Services Limited, a UK limited liability company incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Depositary is authorised and regulated by the FCA.

The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

#### 6.3.2 Duties of the Depositary

The Depositary is responsible for the safekeeping of all the Scheme Property and has a duty to take reasonable care to ensure that the ACS is managed in accordance with the ACS Deed and the provisions of the COLL relating to the pricing of, and dealing in, Units and relating to the income and the investment and borrowing powers of the Sub-funds. The Depositary is also responsible for monitoring the cash flows of the Sub-funds, and must ensure that certain processes carried out by the ACS Manager are performed in accordance with the FCA Rules, this Prospectus and the ACS Deed.

#### 6.3.3 Delegation of Safekeeping Functions

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its safekeeping duties as Depositary. As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions.

As at the date of this Prospectus, the Depositary has delegated custody services to the Northern Trust Company, London Branch (the "Custodian"). The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the ASC may invest.

#### 6.3.4 Updated Information

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Depositary and the ACS, the Unitholders or the ACS Manager, and (iii) the description of any safekeeping functions delegated by the

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Depositary, the description of any conflicts of interest that may arise from such delegation, will be made available to Unitholders on request.

### 6.3.5 **Terms of Appointment**

The appointment of the Depositary has been made under an agreement between the ACS Manager and the Depositary dated 11 November 2020 as amended and novated from time to time (the "Depositary Agreement").

The Depositary Agreement is terminable on receipt of six months' written notice given by either party. The Depositary may not retire voluntarily except on the appointment of a new depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

The Depositary is entitled to a fee, to be paid by the ACS Manager, as explained in paragraphs 7.1.2 and 7.1.3 below.

### 6.3.6 **Conflicts of interest**

#### **General**

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the ACS or a particular Sub-fund and/or other funds managed by the ACS Manager or other funds for which the Depositary acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Depositary and the ACS the Unitholders or the ACS Manager. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Unitholders. In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Unitholders where such action may not be in the interests of the ACS Manager.

#### **Affiliates**

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates. For example, The Northern Trust Company London Branch, which has been appointed by the Depositary to act as Custodian of the ACS, also performs certain investment operations and functions and derivatives collateral management functions delegated to it by the Investment Manager.

The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the ACS than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the FCA Rules and its duties to the Depositary and the ACS Manager.

#### **Conflicting commercial interests**

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the ACS.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the ACS provides broking services to the ACS and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or

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otherwise provides services to the issuer of the investments of the ACS; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the ACS; or earns profits from or has a financial or business interest in any of these activities.

### **Management of conflicts**

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

#### **6.3.7 Processing of Data**

Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Unitholders information as a data controller where these details are provided to it in connection personal with Unitholder's investment in the ACS.

Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at [www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).

Any Unitholder who provides the ACS and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

### **6.4. The Investment Manager**

#### **6.4.1 General**

The ACS Manager has appointed abrdn Investments Limited (previously known as Aberdeen Asset Managers Limited) to provide investment management services to the ACS. The registered office of the Investment Manager is 1 George Street, Edinburgh, United Kingdom, EH2 2LL. It is in the same group of companies as the ACS Manager. Its principal business activity is investment management. The investment Manager is authorised and regulated by the FCA.

The significant activities of the Investment Manager, other than providing services to the ACS as investment manager, are providing investment management services to various categories of client, together with providing marketing and administration services in connection with such investment management services.

#### **6.4.2 Terms of Appointment**

abrdn Investments Limited was appointed by an investment management agreement between the ACS Manager and abrdn Investments Limited dated 11 November 2020 as amended from time to time. The Investment Management Agreement may be terminated by the Investment Manager or the ACS Manager giving three months' written notice to the other and with immediate effect by the ACS Manager where such termination is in the interests of the Unitholders.

The Investment Manager has responsibility for and full discretion in making all investment decisions in relation to each Sub-fund subject to, and in accordance with, the investment objectives and policies of the Sub-funds as varied from time to time, the provisions of the ACS Deed and any directions or instructions given from time to time by the ACD. All fees charged by the Investment Manager will be borne by the ACS Manager.

Under the investment management agreement, the ACS Manager provides indemnities to abrdn Investments Limited (except in the case of any matter arising as a result of abrdn Investments Limited's negligence, wilful default or fraud). The ACS Manager may be entitled under the indemnities in the ACS Deed to recover from the ACS amounts paid by the ACS Manager under the indemnities in the investment management agreement with abrdn Investments Limited. The Investment Manager is entitled to a fee out of that paid to the ACS Manager, as explained below in section 7.

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**6.5. Stock Lending Agent**

Securities Finance Trust Company, having its registered office at Primmer Piper Eggleston & Cramer PC, 30 Main Street, Suite 500, Burlington, Vermont, 05402 will act as stock lending agent. The stock lending agent may sub-delegate performance of its stock lending agency services to other companies within its group or third parties.

All revenue arising from stock lending, net of direct and indirect operational costs, is paid to the particular Sub-fund involved in such transaction. The current fee to which the stock lending agent, Securities Finance Trust Company, is entitled is 15% of the gross income generated by the stock lending activity. The remaining 85% of the gross income generated will be returned to the relevant Sub-fund.

Any other income or capital generated by efficient portfolio management techniques will be paid to the Sub-fund.

**6.6. The Administrator**

On behalf of the ACS, the ACS Manager has appointed Northern Trust Global Services SE UK Branch as Administrator of the ACS, to provide certain administration services. The Administrator's registered office is at 50 Bank Street, London E14 5NT, UK. The Administrator's address for correspondence is: 50 Bank Street, London E14 5NT, UK.

**6.7. The Registrar and Transfer Agent**

6.7.1 On behalf of the ACS, the ACS Manager has appointed Northern Trust Global Services SE UK Branch to act as Registrar and Transfer Agent to the ACS. The registered office of the Registrar and Transfer Agent is 5 at 10, rue du Château d'Eau, L-3364 Leudelange, Grand-Duché de Luxembourg and its principal place of business in the UK is at 50 Bank Street, London E14 5NT, UK.

6.7.2 The Register of Unitholders will be kept by the Registrar and Transfer Agent at its principal place of business in the UK as noted above and electronic copies of Register entries may be made available to any Unitholder or any Unitholder's duly authorised agent upon request from the Registrar and Transfer Agent.

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

**6.8. The Auditor**

The Auditor of the ACS are KPMG LLP of St Vincent Plaza, 319 St Vincent Street, Glasgow, G2 5AS.

**6.9. Conflicts of Interest**

In addition to the conflicts of interest outlined above, the ACS Manager, Investment Manager and other associated companies may, from time to time, act as investment managers or advisers to other funds or sub-funds, which follow similar investment objectives to those of the ACS. It is therefore possible that the ACS Manager, or the Investment Manager, may in the course of its business have potential conflicts of duty or interest with the ACS. The ACS Manager, or the Investment Manager, will, however, have regard in such event to its obligations under the agreements by which they are appointed to act for the ACS and, in particular, to its obligation to act in the best interests of the ACS so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

The ACS Manager, Investment Manager and other associated companies have established and implemented a conflicts policy pursuant to the COLL which shall be read in conjunction with the conflicts of interest handbook (in this document collectively referred to as the "conflicts policy") (both of which may be revised and updated from time to time) and are available to Unitholders on request. The conflicts policy sets out how the ACS Manager, Investment Manager and/or other associated companies must seek to identify, prevent and manage all conflicts of interest.

To the extent that the ACS conducts business with affiliates of the abrdn group, and these affiliates (and affiliates of other service providers) do business with each other on behalf of the ACS, conflicts of interest

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may be created (although to mitigate these, all such business dealings must be conducted on an “arm’s length” basis, and all entities, and the individuals associated with them, are subject to strict “fair dealing” policies that prohibit profiting from inside information and showing favouritism).

The ACS Manager has delegated certain administrative functions to Northern Trust Global Services SE UK Branch, including registrar, fund accounting, valuation, calculation and transfer agency services. Northern Trust Global Services SE UK Branch has functionally and hierarchically separated the performance of its depositary functions from its administration tasks delegated to it by the ACS Manager.

#### **6.10. Exercise of voting rights**

The ACS Manager has a strategy for determining how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the ACS Manager on request. Details of action taken in respect of the exercise of voting rights are available from the ACS Manager upon request.

#### **6.11. Best Execution**

The ACS Manager’s best execution policy sets out the basis upon which the ACS Manager will effect transactions and place orders for the ACS while complying with its obligations under the Regulations to obtain the best possible result for the ACS.

The ACS Manager has delegated the investment management of the Sub-funds to the Investment Manager, who in turn executes decisions to deal on behalf of the Sub-funds. The Investment Manager has established and implemented an order execution policy to allow it to obtain the best possible results for the ACS.

Details of the best execution policy are available from the ACS Manager on written request.

#### **6.12. Inducements and Soft Commissions**

6.12.1 For investors in the ACS that purchase Units through a broker or other financial intermediary, please note that the ACS Manager, the Investment Manager and/or their respective related companies may pay such intermediary initial and renewal commission for the sale of the Units and related services at their discretion. These charges are paid by the ACS Manager, Investment Manager or their respective related companies out of their own charges and do not result in any additional charges to the ACS. These payments may create a conflict of interest by influencing such broker or intermediary to recommend the Sub-fund over another investment.

6.12.2 Any such payment of commission to brokers or other financial intermediaries is subject in all cases to applicable laws and regulations regarding the acceptance of commission from product providers to counterparties. In particular, and in accordance with FCA Rules, initial or renewal commission is not permitted to be accepted by authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, Units for any UK retail investors in respect of investments made as a result of the investor having received financial advice or portfolio management services.

6.12.3 The ACS Manager will make those disclosures to the ACS regarding inducements as are required under the FCA Rules.

6.12.4 When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, a Sub-fund, the Investment Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Manager will return to each relevant Sub-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 Sub-fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them. However, the Investment Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Sub-fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Sub-fund.

6.12.5 Investment managers within the UK and the EEA are prohibited under applicable laws and regulations regarding inducements to receive material non-monetary benefits from third parties in connection with the provision of investment management services to the ACS Manager for

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the Sub-funds. Such non-monetary benefits include the receipt of third party research by the Investment Manager unless such research is considered a minor non-monetary benefit. Accordingly, the Investment Manager has elected to pay for third party research directly themselves.

6.13. **Tax Services Agreement**

A Tax Services Agreement between the ACS Manager and the Custodian dated 11 November 2020 has been entered into in respect of the provision of tax services including, in particular, preparing and submitting tax reclaims or claiming relief at source on behalf of the Unitholders, where applicable.



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## 7. FEES AND EXPENSES

### 7.1. General

#### 7.1.1 ACS Manager's Fee

The ACS Manager will be entitled to receive such fees and expenses from the ACS relating to each Sub-fund as specified in **Appendix 1** to this Prospectus for a particular Sub-fund (the “**ACS Manager's Fee**”). It is calculated on a daily basis by reference to that proportion of the Net Asset Value of that Sub-fund at the Valuation Point on the previous business day, taking into account any sales and/or redemptions on that day.

#### 7.1.2 Fixed Fee

The ACS Manager has agreed to implement a “fixed fee” and as such, the ACS Manager's Fee is intended to be an all-encompassing fee (subject to certain limited exceptions). Therefore, the ACS Manager will, unless specified otherwise, cover all costs and expenses connected with the management and operating activities of the relevant Sub-fund, including: (i) investment management and advisory fees, (ii) administration, (iii) registration, (iv) transfer agency, (v) custody fees, (vi) depositary fees and (vii) other operating expenses including those set out below in 7.1.5 and stated as payable by the ACS Manager, but excluding such non-recurring and extraordinary or exceptional costs and expenses (if any) as may arise from time to time such as without limitation: (a) material litigation and (b) withholding taxes deducted from interest and dividend payments to the relevant Sub-fund, and (c) stamp duties or other documentary transfer taxes, or similar duties and brokerage fees (excluding costs for research) arising on the purchase or sale of securities by the relevant Sub-fund. The ACS Manager will absorb (directly or by way of a refund to the relevant Sub-fund) any difference that may arise between the actual cost of the operations of the relevant Sub-fund and this fixed fee. If the actual cost of the operations of the relevant Sub-fund is lower than the fixed fee, the ACS Manager will retain any such amount. This gives investors the benefit of a fully transparent and predictable cost structure.

#### 7.1.3 Service Provider Fees

As stated above, the ACS Manager will pay the fees of the Investment Manager, the Administrator, the Custodian, the registrar, the transfer agent and the Depositary (and any other service providers agreed by the ACS Manager) out of its fees. The Investment Manager will pay the fees of any sub-investment manager appointed by it and any costs associated with the provision of research out of its fees.

#### 7.1.4 Establishment Costs

The ACS's establishment expenses (including expenses relating to the drafting of this Prospectus, the negotiation and preparation of the material contracts, the printing of this Prospectus and the related marketing material and the fees and expenses of its professional advisers) will be borne by the ACS Manager.

#### 7.1.5 Operational Fees

- a) The ACS will pay certain costs, charges, fees and expenses incurred in its operation: (i) fees and expenses incurred in acquiring and disposing of investments; (ii) taxes and duties payable by the ACS, and (iii) interest on, and charges incurred in relation to, borrowings.
- b) The following operational costs will be borne by the ACS Manager out of the ACS Manager's Fee: (a) insurance, (b) the costs and expenses of preparing, printing, publishing and distributing the Prospectus, annual and semi-annual reports, and other documents to current and prospective Unitholders, (c) the costs and expenses of obtaining authorisations or registrations of the ACS or of any Units with the regulatory authorities in various jurisdictions, including the fees and expenses of any paying agent or local representative (such fees and expenses being at normal commercial rates), (d) the costs of listing and maintaining a listing of Units on any stock exchange, (e) professional fees and expenses for legal, auditing and other consulting services, (f) the costs of convening and holding meetings of Unitholders, (g) the cost any index licence fee payable to an index provider, (h) any management fees and expenses (including a periodic management charge) incurred on underlying investments where a Sub-fund invests in collective investment schemes and (i) such other costs and expenses as may arise from time to time and that have been approved by the ACS Manager as necessary or appropriate for the continued operation of the ACS or of any Sub-fund.

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## **7.1.6 Allocation of Costs payable by ACS**

- 7.1.6.1 Any expense or cost payable by the ACS will be allocated between capital and income in accordance with the FCA Rules. The ACS Manager and the Depositary have agreed that, currently, any expense, cost, charge or liability attributable to a Class or Sub-fund will normally be paid out of the income property attributable to that Class or Sub-fund.
- 7.1.6.2 In the event that any expense, cost, charge or liability which would normally be payable out of income property attributable to a Class or Sub-fund cannot be so paid because there is insufficient income property available for that purpose, such expense, cost, charge or liability may be paid out of the capital property attributable to that Class or Sub-fund.
- 7.1.6.3 Treating these fees, expenses and charges as a capital charge may erode the capital or may constrain future capital growth.

## **7.1.7 Costs of investing**

Costs are an important consideration in choosing a Sub-fund as it is the Unitholders who pay certain of the costs of operating a Sub-fund, plus any transaction costs incurred when a Sub-fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation that a Sub-fund can achieve. Even seemingly small expenses can, over time, have a dramatic effect on the Sub-fund's performance.

## **7.2. Charges payable to the ACS Manager**

- 7.2.1 In payment for carrying out its duties and responsibilities the ACS Manager is entitled to receive out of the assets of each Sub-fund the ACS Manager's Fee as set out in 7.1.1 above.
- 7.2.2 On a winding up of the ACS or a Sub-fund or on the redemption of a Class of Units of a Sub-fund, the ACS Manager is entitled to its pro rata fees and expenses (including expenses incurred in relation to such winding up or redemption) to the date of termination and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 7.2.3 The ACS Manager is also entitled to all reasonable, properly vouched out-of-pocket expenses incurred in the performance of its duties.
- 7.2.4 The ACS Manager may only increase its remuneration for its services in accordance with the FCA Rules.
- 7.2.5 Subject to the FCA Rules, the ACS Manager may at its sole discretion rebate any of (or any part of) the ACS Manager's Fee it receives in respect of any application for, or holding of, Units.

## **8. UNITHOLDER MEETINGS AND VOTING RIGHTS**

### **8.1. ACS, Class and Sub-fund Meetings**

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

### **8.2. Requisitions of Meetings**

The ACS Manager or the Depositary may requisition a general meeting at any time. The ACS has dispensed with the requirement to hold annual general meetings.

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

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### 8.3. **Notice and Quorum**

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

### 8.4. **Voting Rights**

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

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Units bears to the aggregate price of all the Units in issue at the date seven days before the notice of meeting is sent out.

A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint Unitholders, the vote of the senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose, seniority must be determined by the order in which the names stand in the Register.

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

The ACS Manager may not be counted in the quorum for a meeting and neither the ACS Manager nor any associate (as defined in the COLL) of the ACS Manager is entitled to vote at any meeting of the ACS except in respect of Units which the ACS Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the ACS Manager or associate has received voting instructions.

Where all the Units in a Sub-fund are registered to, or held by, the ACS Manager or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

"Unitholders" in this context means Unitholders entered on the Register at a time to be determined by the ACS Manager and stated in the notice of the meeting.

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## 9. TAXATION

### 9.1. General

The information below is a general guide based on current UK law and HMRC practice, which are subject to change and does not constitute legal or tax advice. It summarises the tax position of the Sub-funds and of UK resident investors who hold Units as investments. The tax position of investors will depend on their precise status and circumstances, and may be subject to change in the future. Prospective investors should consult their own professional advisors as to the implications of their subscribing for, purchasing, holding, switching, exchanging or disposing of Units under the laws of any jurisdiction in which they may be subject to tax.

### 9.2. The Sub-funds

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

Each Sub-fund is transparent and is not a taxable entity for UK tax purposes. As such, each Sub-fund is not subject to tax in the UK on income or gains arising on underlying investments. Furthermore, the Sub-funds will not therefore be eligible to access in their own right the UK's double taxation agreements with other jurisdictions, but instead the Unitholders may do so. In some markets, domestic withholding tax exemptions may apply to the ACS and its Sub-funds. Where a fund or Sub-fund level withholding tax exemption or relief is available in a particular market, the ACS Manager may elect and direct the Depositary to apply for relief at source or to perform withholding tax reclaims on behalf of the Sub-fund. Distributions by the Sub-funds to Unitholders will not be subject to UK withholding tax. A few jurisdictions levy a tax on capital gains realised on the disposal of local securities.

### 9.3. UK tax resident Unitholders

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

#### 9.3.2 Income

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

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

Unitholders should be able to benefit from their proportionate share of the attached tax credits for any UK and foreign tax withheld at source or paid by or on behalf of the relevant Sub-fund and this may be reflected in the price of Units. Where an investor requires detailed information about the income they receive from each Sub-fund in which they invest, the ACS Manager intends to supply the necessary information to them in an appropriate form and in a timely manner. A further consequence of this transparency is that where tax reclaims have been priced into a redemption payment and, following the redemption, it transpires that any such amount is paid to the former Unitholder rather than the relevant Sub-fund, or the former Unitholder was not entitled to the tax reclaim or the tax reclaim fails in whole or in part (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), then the former Unitholder must pay all such amounts to the relevant Sub-fund or Sub-funds.

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### 9.3.3 Chargeable gains

For the purposes of UK tax on chargeable gains only, the Units in each Sub-fund will be deemed to be chargeable securities and the underlying assets not to be chargeable assets with the result that Unitholders will not be liable to tax on chargeable gains realised by each Sub-fund. Unitholders may instead be liable to tax on chargeable gains arising from the redemption of Units depending on their own UK tax status. In the case of UK taxpaying investors disposing of accumulation Units, the aggregate amount of accumulated income on which the investor is liable to income or corporation tax.

A Switch of Units in one Sub-fund for Units in another Sub-fund will generally be treated as a disposal for this purpose, but conversions of Units between Classes within a Sub-fund will not (except if one or other of the Classes is hedged, or they are both hedged differently). In the case of Unitholders within the charge to UK corporation tax, where a Sub-fund invests in debt securities, due to the transparency of the Sub-fund, those Unitholders may stand in the position of creditor in respect of those underlying investments and so may be within the scope of the loan relationships regime with regard to those particular underlying investments.

### 9.4. Double Tax Treaties

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

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

It will be the responsibility of the Custodian to make the necessary filings for reclaims of any tax withheld in cases where reclaims are available, or, where appropriate, to protect against amounts being withheld in those jurisdictions where relief at source is available in the first place, unless the ACS Manager has instructed the Depositary to apply for an ACS or Sub-fund level withholding tax exemption or relief in a particular market on behalf of the ACS or Sub-fund. It is intended that, where practical and appropriate, reduced rates of withholding tax on foreign source income will be claimed at source. Any economic benefit from such claims will be attributed to the appropriate Class of Units in the relevant Sub-fund, in order that only the Unitholders entitled to relevant treaty benefits should benefit from the amounts reclaimed. To this end, Unitholders will be required to provide the ACS Manager (or its agent) with evidence of their tax residence and of their particular tax status for treaty benefit purposes. It will be the responsibility of the Unitholder to notify the ACS Manager (or its agent) promptly should there be a change in such status.

It is the intention of the ACS Manager that all Unitholders in a given Class will possess the same tax attributes for the purposes of making appropriate treaty claims. If a Unitholder's tax status changes (for example, where its withholding tax rate or tax reclaim rate diverges from that of the other Unitholders in a Class due to changes in taxation treaties or domestic exemptions affecting the Unitholder), or where the Unitholder has failed to provide in a timely fashion such documentation as the ACS Manager may require in order to establish that Unitholder's tax status, the ACS Manager may in its sole discretion convert that Unitholder's Units for Units of a separate Class in the same Sub-fund, or compulsorily redeem the Unitholder's Units.

Unitholders may not be able to benefit from a reduction in the rate of withholding taxes and may not therefore be able to prevent withholding taxes being deducted or be able to reclaim withholding taxes suffered in particular countries. If this position changes in the future and the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Sub-fund respectively, the NAV of the relevant Sub-fund will not be restated and the benefit or the cost will be allocated to the existing Unitholders of the relevant Sub-fund rateably at the time of the adjustment.

### 9.5. Non-UK tax resident Unitholders

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

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9.6. **Stamp tax**

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

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

Certain EU member states have implemented financial transaction tax regimes. A number of EU member states have proposed introducing a wider financial transaction tax in future.

9.7. **Disclosure of information**

Where required by law, or where it is believed in good faith to be in the interests of a Sub-fund as a whole, and each time in compliance with UK law, the ACS Manager, acting with due diligence, reserves the right to disclose the names of the Unitholders in that Sub-fund identified on the register of Unitholders of the relevant Sub-fund and the chain of ownership of such Unitholder to any tax authority and/or to a counterparty.

Each Unitholder should note that if a request for disclosure from a regulatory, taxation or other government authority is demanded of the ACS Manager, the consequences of non-compliance with which would place in jeopardy the ACS or the relevant Sub-fund as a going-concern, give rise to a tax liability or otherwise cause prejudice, the ACS Manager retains the right to disclose such information in respect of each relevant investor as the ACS Manager deems necessary. Accordingly, each Unitholder will be required to provide, as is necessary, such information to the ACS Manager for the purpose of establishing to what extent any jurisdiction's taxation laws, rules and regulations apply to him, her or it.

9.8. **Taxation liability and indemnity**

The ACS Deed provides that, to the extent the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, and any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation because of the ownership, directly or indirectly (whether current or previous), by any holder of Units, and such Taxation is not paid by the relevant Unitholder on its own account, the Unitholder will pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the relevant affected person unless the payment arises because of the negligence, fraud or wilful default of the party being indemnified.

To the extent not so paid, the Unitholder will indemnify the ACS Manager, the relevant Sub-fund, the Unitholders and former Unitholders and any of the other persons mentioned affected by such Taxation in relation to all such amounts of Taxation.

Further, if a Unitholder redeems Units and the redemption payment is computed on the basis that the Sub-fund will benefit from a tax reclaim on its accrued income or any accrued income not paid and any amount or amounts of either is paid to the former Unitholder or otherwise not received by the Sub-fund, the former Unitholder will indemnify the Sub-fund. The ACS Manager may deduct and set off the amount of such Taxation, or amounts in respect of either an unpaid tax reclaim or unpaid income from any amounts available to be distributed in respect of any Units owned by that Unitholder. Additionally, any such unpaid amounts may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to the ACS Deed, compulsorily redeem any Units of a Unitholder who holds Units in the relevant Sub-fund and use the proceeds of such redemption to pay any relevant Taxation or unpaid tax reclaim or unpaid income.

9.9. **International tax compliance (including FATCA)**

**Common reporting standard**

The Organisation for Economic Co-operation and Development ("OECD") received a mandate from the G8/G20 countries to develop a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS requires UK financial institutions to identify financial holders and establish their tax residence. UK financial institutions should then report financial account information relating to certain accounts to the UK tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly

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basis. Unitholders may therefore be reported to the UK and other relevant tax authorities under the applicable rules.

The CRS is implemented into UK law by the International Tax Compliance Regulations 2015.

In addition, the UK tax authorities signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS.

The first exchange of information amongst tax authorities happened during 2017. Accordingly, the ACS Manager is committed to run additional due diligence processes on Unitholders and to report the identity and tax residence of certain Unitholders (including certain entities and their controlling persons) to the UK tax authorities who will share such information with other relevant tax authorities. The information reported will also include the account balance, income and redemption proceeds.

Unitholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

### **Compliance with US reporting and withholding requirement**

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act ("FATCA") generally impose a US federal reporting and withholding tax regime with respect to certain US source income (including, among other types of income, dividends and interest) and gross proceeds from the sale or other disposal of property. The rules are designed to require certain US persons' direct and indirect ownership of certain non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "IRS"). The 30% withholding tax regime could apply if there is a failure to provide certain required information and these rules apply to such payments made after a date determined by the IRS.

The UK has entered into an intergovernmental agreement with the US to facilitate FATCA compliance. Under this agreement, FATCA compliance will be enforced under UK local tax legislation and reporting. The ACS Manager may require additional information from Unitholders in order to comply with relevant obligations, and the non-provision of such information may result in mandatory redemption of Unitholders or other appropriate action taken by the ACS Manager at its discretion in accordance with the constitutional documents of the ACS. Each prospective investor should consult its own tax advisers on the requirements applicable to it under FATCA.

## **9.10. Taxation of Chinese Equities**

### **Chinese Withholding Income Tax**

Under the current China Corporate Income Tax ("CIT") regime, Chinese tax resident enterprises should be subject to CIT on its worldwide income. Non-resident enterprises with establishments or places of business ("PE") in China should be subject to CIT on taxable income derived by such PE in China. To the extent that the ACS or each Sub-fund is not Chinese tax resident enterprises or non-tax resident enterprises with PE in China for CIT purposes, the ACS should only be subject to Chinese Withholding Income Tax ("WHT") on taxable income sourced from China (e.g. dividends, interest, capital gains, etc.), unless otherwise reduced or exempted pursuant to the applicable tax agreements or arrangements between China and the jurisdiction where the ACS or each Sub-fund is tax resident, or applicable China tax regulations.

The Ministry of Finance ("MOF"), the State Taxation Administration ("STA") and the China Securities Regulatory Commission of the People's Republic of China ("CSRC") jointly issued notices in relation to the taxation rules on Shanghai – Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect under Caishui 2014 No.81 ("Notice No.81") on 31 October 2014 and Caishui 2016 No. 127 ("Notice No. 127") on 5 December 2016, respectively. Under Notice No.81 and Notice No. 127, CIT and individual income tax should be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-funds) on the trading of China A-Shares through Stock Connect. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies. Where an investor is a tax resident of another country that has signed a tax treaty with China and in which the stipulated income tax rate on stock dividends is less than 10%, the investor may apply to the competent tax authority of the relevant listed company to enjoy the preferential treatment under the tax treaty, insofar as such a preferential treatment is granted to a fund.

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## Chinese Value-Added Tax ("VAT")

Based on Notice No. 36 and Notice No. 127, gains derived by Hong Kong market investors (including the Sub-funds) from trading of A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are exempt from VAT.

### Tax provision

In the event that actual tax is collected by the STA to make payments reflecting tax liabilities for which no provision has been made, investors should note that the Net Asset Value of the Sub-funds may be adversely affected, as the Sub-funds will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities of the Sub-funds will only impact Units in issue of the Sub-funds at the relevant time, and the then existing Unitholders and subsequent Unitholders of such Sub-funds will be disadvantaged as such Unitholders will bear, through the Sub-funds, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-funds. On the other hand, if the actual applicable tax rate levied by STA is lower than that provided for by the Sub-fund so that there is an excess in the tax provision amount, Unitholders who have redeemed their Units before STA's ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the overprovision. In this case, the then existing and new Unitholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Sub-funds as assets thereof. Notwithstanding the above change in tax provisioning approach, persons who have already redeemed their Units in the Sub-funds before the return of any overprovision to the account of the Sub-funds will not be entitled to or have any right to claim any part of such overprovision.

Unitholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units in the Sub-funds. Unitholders should seek their own tax advice on their tax position with regard to their investment in the Sub-funds.



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## 10. WINDING UP OF THE ACS OR TERMINATION OF A SUB-FUND

### 10.1. General

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

Where the ACS is to be wound up or a Sub-fund terminated under the COLL, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACS Manager provides a statement (following an investigation into the affairs of the ACS or Sub-fund as the case may be) either that the ACS or Sub-fund will be able to meet its liabilities within twelve months of the date of the statement or that the ACS or Sub-fund will be unable to do so. The ACS may not be wound up or a Sub-fund terminated under the COLL if there is a vacancy in the position of ACS Manager at the relevant time.

### 10.2. Winding up of the ACS

The ACS may be wound up under the COLL:

- 10.2.1 if the FCA authorisation order of the ACS is revoked;
- 10.2.2 if an extraordinary resolution of Unitholders winding up the ACS is passed provided the FCA's prior consent to the resolution has been obtained;
- 10.2.3 in response to a request to the FCA by the ACS Manager or the Depositary for the revocation of the authorisation order, the FCA has agreed that, subject to there being no material change in any relevant factor, on the conclusion of the winding up of the ACS, the FCA will agree to the revocation;
- 10.2.4 the expiration of any period specified in the ACS Deed as the period at the end of which the ACS is to be wound up or a Sub-fund is to be terminated;
- 10.2.5 the effective date of a duly approved scheme of arrangement, which is to result in the ACS being left with no property;
- 10.2.6 the date on which all or the last Sub-funds fall within 10.2.5 above or have otherwise ceased to hold any Scheme Property, notwithstanding that the ACS may have assets and liabilities that are not attributable exclusively to any particular Sub-fund; or
- 10.2.7 if the ACS Manager and the Depositary are directed to do so by the FCA in the exercise of their powers under FSMA, as amended from time to time.

### 10.3. Termination of a Sub-fund

A Sub-fund may be terminated:

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

### 10.4. Events on termination

On the occurrence of any of the above:

- 10.4.1 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the ACS or the relevant Sub-fund;

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| 10.4.2 | the Depositary will cease to issue and cancel Units in the ACS or the relevant Sub-fund (except in respect of the final cancellation);                       |
| 10.4.3 | the ACS Manager shall cease to sell or redeem Units;   |
| 10.4.4 | the ACS Manager shall cease to arrange the issue or cancellation of Units in the ACS or the relevant Sub-fund (except in respect of the final cancellation); |
| 10.4.5 | no change to the register of Unitholders may be made without the approval of the ACS Manager;  |
| 10.4.6 | the Depositary must proceed to wind up the ACS or terminate the Sub-fund in accordance with the COLL.  |

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

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

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

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

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

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

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11. **GENERAL INFORMATION**

11.1. **Accounting periods**

The annual accounting period of the ACS ends each year on 30 November.

The interim accounting period of the ACS ends each year on 31 May.

11.2. **Income allocations**

Allocations of income are made in respect of the income available for allocation in each accounting period.

Distributions of income for each Sub-fund are paid on or before the annual income allocation date and, in the case of certain Sub-funds, on or before the interim income allocation date(s). The relevant annual and interim income allocation dates are shown in Appendix I.

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

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACS Manager then makes any other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments (including for amortisation) which the ACS Manager considers appropriate after consulting the auditors.

Income earned in an interim accounting period may not all be distributed immediately but retained and used to ensure that distributions paid throughout the whole accounting period are broadly similar. This policy is known as smoothing. The ACS Manager reserves the right to apply this policy to Sub-funds from time to time as appropriate.

The ACS Manager will allocate the amount available for allocation between the classes of units in issue relating to a Sub-fund in accordance with the respective proportionate interests of each such class of units calculated in the manner described in paragraph 4 "Valuation of the ACS".

11.3. **Changes to the ACS**

Where any changes are proposed to be made to the ACS or a Sub-fund (including changes to a Sub-fund's investment objective, policy, or strategy), the ACS Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3.

If the change is regarded as fundamental, Unitholder approval will be required. If a change requires Unitholder approval, this will mean that Unitholders will need to approve the change at a meeting. The procedure for Unitholder meetings is described above at Section 8.

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

11.4. **Income equalisation**

Part of the purchase price of a Unit reflects the relevant share of the accrued income of the relevant Sub-fund. Any allocation of income in respect of a Unit issued during an accounting period includes a capital sum by way of income equalisation. The amount of income equalisation is calculated accurately for each issue of Units. This is only relevant where there are tax paying investors.

In the case of the first distribution in respect of a Unit, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income. The amount of equalisation can be obtained from the tax voucher and deducted from the cost of the Unit in computing any capital gains. In the case of Accumulation Units, the equalisation payment is reinvested along with taxed income, as a result no adjustment is made to the cost of the Unit for capital gains tax purposes.

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**11.5. Annual reports**

The annual reports of the ACS will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period. The long form annual and half yearly reports will be made available to investors on request.

**11.6. Unitholders' rights**

Unitholders are entitled to participate in the ACS on the basis set out in this Prospectus (as amended from time to time). The sections in the Prospectus or the application form dealing with complaints, personal data, Unitholder meetings and voting rights, class rights, reports and accounts and inspection of documents, set out important rights about Unitholders' participation in the ACS.

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

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

**11.7. Fair treatment of investors**

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

- 11.7.1 acting in the best interest of the Sub-funds and of the investors;
- 11.7.2 executing the investment decisions taken for the account of the Sub-funds in accordance with the objectives, the investment policy and the risk profile of the Sub-funds;
- 11.7.3 ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- 11.7.4 ensuring that fair, correct and transparent pricing models and valuation systems are used for the Sub-funds managed;
- 11.7.5 preventing undue costs being charged to the Sub-funds and investors;
- 11.7.6 taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and
- 11.7.7 recognising and dealing with complaints fairly.

**11.8. Treatment of certain Unitholders**

From time to time the ACS Manager may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the ACS Manager will ensure that any such concession is consistent with its obligation to act in the overall best interests of the relevant Sub-fund and its investors. The ACS Manager will ensure relevant documentation is provided to investors in this regard.

**11.9. Professional liability risks**

The ACS Manager makes provision in its capital resources for professional negligence and/or other liabilities arising from the management of investment funds.

**11.10. Data protection**

In accordance with data protection laws and regulations applicable in the UK, including the GDPR, the Unitholders, the Unitholders' individual representatives (where applicable) and the Unitholders' ultimate beneficial owner or owners (each the "Data Subjects") are informed that the ACS and the ACS Manager (together the "Data Controllers") may collect, record, store and transfer or otherwise process any Personal Data (as defined below), either electronically or by other means, at the time of subscription by the investors and at any other time during the contractual relationship.

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Where the Unitholder is represented by an individual representative, the Unitholder is responsible for providing notice of the Data Controllers' processing described in this section 11.10.

The data processed may include, but is not limited to, the name and other contact details, date of birth, tax identifier, passport number, holdings, bank account details, knowledge and investment experience, financial situation and investments objectives, and function and powers of the Data Subjects (the "Personal Data"). Personal Data is collected directly from Data Subjects in communications with us or may be collected through our online services such as websites, social media and mobile device applications.

Personal Data may be processed for the following purposes:

- (a) to offer investment in Units to investors and to perform the related services as contemplated in this Prospectus (such as the provision of corporate, administrative and transfer agent services to the ACS and the Unitholders including the processing of subscriptions and redemptions or transfer of Units);
- (b) to perform direct or indirect marketing activities (such as market research or in connection with investments in other investment funds managed by the ACS Manager or any associated company); and
- (c) to assist the Data Controllers to comply with their respective legal and regulatory obligations including, but not limited to, legal obligations under applicable fund and company law (such as maintaining the register of investors and recording orders), prevention of terrorism law, anti-money laundering law, prevention and detection of crime, and tax law.

The Data Controllers may collect, use, store, retain, transfer and/or otherwise process Personal Data as follows:

- (i) to the extent that the investor separately provides consent for direct or indirect marketing activities, the basis of such consent; and/or
- (ii) as a result of the subscription of Units or to take steps at the request of individuals prior to subscription, including the holding of Units in general; and/or
- (iii) to comply with a legal or regulatory obligation; and/or
- (iv) in the event the investor is represented by an individual representative, the investor's individual representative's Personal Data may be processed in order to allow the Data Controller to pursue its legitimate interests of providing the Units to the investors and performing the related services as contemplated in this Prospectus.

The Data Controllers will take steps to ensure that all Personal Data in relation to the Data Subjects is recorded accurately and maintained in a secure and confidential format. Such Personal Data will be retained only as long as necessary for the purposes for which it has been collected in accordance with applicable laws and regulations.

#### **Disclosure of Data**

The ACS and the ACS Manager may delegate the processing of Personal Data to one or several entities including but not limited to the Investment Manager, any associated company of the ACS Manager, the Administrator, the Depositary, any distributor or sub-distributor, the Auditors, legal and financial advisers, IT providers as well as any other service providers to the Data Controllers and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns (the "Data Processors").

The Data Processors may be located in the UK and/or the EEA and/or outside the EEA (including but not limited to the United States, Hong Kong, Singapore and India). The Data Controllers will ensure that the transfer of Personal Data outside the UK or the EEA is always done so securely and in compliance with applicable data protection laws and regulations. The Data Controllers may transfer Personal Data outside the UK or the EEA (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-US Privacy Shield framework or (ii) on the basis of appropriate safeguards according to applicable data protection laws and regulations, such as standard contractual clauses, binding corporate rules.

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The ACS and the ACS Manager undertake not to transfer the Personal Data to any third parties other than the Data Processors. The ACS and the ACS Manager may, however, disclose and transfer Personal Data to courts and/or legal regulatory, tax and Government Authorities in various jurisdictions (including jurisdictions located outside of the EEA) ("Authorities") pursuant to UK laws or regulations or foreign laws and regulations relating to any matter in connection with the services subscribed by the investors.

#### **Data Subject Rights; Contact Details of the Data Protection Officer; ICO**

After providing Personal Data, Data Subjects have various rights in respect of the Personal Data they provide. These include the right to:

- (a) request access to their personal data;
- (b) obtain information about the use of their personal data including: (i) the purposes for which their personal data is being used; (ii) the categories of their personal data being used; (iii) to whom their personal data has been or will be disclosed; (iv) where possible, the period for which their data will be retained; (v) their right to require rectification or erasure of their personal data or restrict or object to its use; (vi) their right to lodge a complaint with the UK Information Commissioner's Office (the "ICO") or other supervisory authority; and (vii) whether their data is subject to any automated decision-making including profiling;
- (c) require rectification (correction) of errors in their personal data without undue delay;
- (d) have their personal data erased without undue delay in certain circumstances including where: (i) their personal data no longer needs to be processed for the purposes for which it was collected; (ii) their personal data has been processed unlawfully; and (iii) erasure is required by applicable law;
- (e) restrict the processing of their personal data in certain situations including where: (i) they are contesting the accuracy of their personal data; (ii) their data is being processed unlawfully but they do not want their data erased; (iii) their personal data is no longer needed for the purposes for which they provided it but the Data Controllers require that data to help establish, exercise or defend legal claims;
- (f) receive their personal data in a structured, commonly used and machine-readable format and transmit that data to a third party;
- (g) request a copy of an agreement under which their Personal Data is transferred outside of the UK or the EEA;
- (h) to be notified of a data breach which is likely to result in high risk to their rights and freedoms; and
- (i) where consent is the basis for processing, withdraw such consent at any time.

If Data Subjects wish to exercise any of the rights set out above, contact details can be found below.

To the extent Data Subjects have any questions about the processing of their information, or wish to exercise any of the rights referred to above, please contact the Data Protection Officer at abrdn, 6 St Andrew Square, Edinburgh, EH2 2BD or [dataprotectionofficer@abrdn.com](mailto:dataprotectionofficer@abrdn.com).

Data Subjects can also bring any issues or concerns they have regarding their personal data to the attention of the ICO which, for the purposes of an investment in the Sub-fund(s), will be the relevant supervisory authority. Details regarding the ICO and its powers can be found at: [www.ico.org.uk](http://www.ico.org.uk).

#### **11.11. Documents of the ACS**

11.11.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. (UK time) every business day at the registered offices of the ACS Manager at 280 Bishopsgate, London EC2M 4AG:

11.11.1.1 the most recent annual and half-yearly reports of the ACS;

11.11.1.2 the Prospectus;

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11.11.1.3 the ACS Deed; and

11.11.1.4 the material contracts referred to in this Prospectus.

11.11.2 Unitholders may obtain copies of the above documents from the ACS Manager. The ACS Manager may make a charge at its discretion for copies of these documents (apart from the most recent annual and half yearly long reports of the ACS, the Prospectus and the ACS Deed which are available free of charge).

#### 11.12. **Telephone recordings**

Please note that telephone calls may be recorded by the ACS Manager and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

#### 11.13. **Complaints**

Complaints concerning the operation or marketing of the ACS may be made either by telephone to +44 (0)800 368 3313 or by email: [abrdnqueries@ntrs.com](mailto:abrdnqueries@ntrs.com) or by post to abrdn Fund Managers Limited, Sunderland, SR43 4DZ. Making a complaint will not prejudice any rights to commence legal proceedings.

If a satisfactory final response has not been obtained the complaint may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Alternatively, you can contact the Financial Ombudsman Service by:

Telephone: 0800 023 4 567 or from outside UK +44 20 7964 1000

E-Mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

A copy of the complaints procedure is available on request, free of charge by either telephone: +44 (0)800 368 3313 or by email: [abrdnqueries@ntrs.com](mailto:abrdnqueries@ntrs.com).

#### 11.14. **Financial Services Compensation Scheme**

The ACS Manager is covered by the Financial Services Compensation Scheme ("FSCS"), which means if the ACS Manager becomes insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Further information about compensation arrangements is available from the ACS Manager on request or from the FSCS at:

The Financial Services Compensation Scheme

10th Floor

Beaufort House

15 St Botolph Street

London

EC3A 7QU

Telephone: 0800 678 1100 or 020 7741 4100

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

#### 11.15. **Risk management**

A statement on the methods used for risk management in connection with the Sub-funds and the quantitative limits used together with the current risk yields of the main categories of investment is available from the ACS Manager on request.

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

- (a) the percentage of each Sub-fund's assets which will be subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of a Sub-fund;
- (c) the current risk profile of each Sub-fund, and information on the risk management systems used by the ACS Manager to manage those risks;
- (d) the total amount of leverage employed by each Sub-fund calculated in accordance with the gross and commitment methods; and
- (e) any changes to the maximum level of leverage that the ACS Manager may employ on behalf of each Sub-fund, and any changes to the right of reuse of collateral or any guarantee granted under leveraging arrangements.

11.16. **Notices**

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



## APPENDIX I

### SUB-FUND DETAILS

Name of Sub-Fund	<b>abrdn Evolve UK Equity Index Fund</b>
Product Reference Number	936983
Type of Fund	Non-UCITS retail scheme
SDR	Sustainable investment labels help investors find products that have a specific sustainability goal. The Sub-fund does not have a sustainable investment label under the SDR. This is because the Sub-fund has a financial objective to track the return of an Index, which is a subset of securities within the Parent Index. While the Sub-fund has material sustainability characteristics, it does not have a sustainability objective.
Investment objective	<p>To generate growth over the long term (5 years or more) by tracking the return of the MSCI United Kingdom IMI Select ESG Climate Solutions Target Index (the “<b>Index</b>”).</p> <p><u>Performance Target:</u> To match the return of the Index (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Sub-fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The Manager believes this is an appropriate target for the Sub-fund based on the investment policy of the Sub-fund and the constituents of the Index.</p>
Investment policy	<p><b>Portfolio securities:</b></p> <ul style="list-style-type: none"> <li>The Sub-fund will invest at least 90% in equities (company shares) and equity related securities (such as depositary receipts) of companies that make up the Index.</li> <li>The Sub-fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective.</li> <li>Indirect investment may be achieved via derivatives and ETF’s which may not be part of the Sub-fund’s benchmark Index.</li> <li>For liquidity and cash flow management purposes, the Sub-fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash which are not part of the Sub-fund’s benchmark Index. The investments that do not form part of the benchmark Index may not comply with the Sub-fund’s sustainable investment approach as applied by the Index, and explained under the section titled “Benchmark Index and Sustainable Approach” (“<b>Sustainable Approach</b>”).</li> </ul> <p><b>Management process:</b></p> <ul style="list-style-type: none"> <li>The Sub-fund uses passive management techniques (including indexation and sampling) to achieve the Sub-fund’s objective.</li> <li>The management team use their discretion (specifically when using sampling techniques) in deciding which investments are to be included in the portfolio. The number of investments may vary.</li> <li>They anticipate that deviation from the performance of the Index (“tracking error”) will be in the region of 0.0 - 0.5% per year. Factors likely to affect the ability of the Sub-fund to achieve this tracking error are transaction costs, small illiquid components, dividend reinvestment, fund expenses such as annual management charges, significant inflows/ outflows and cash management.</li> <li>The tracking error may be affected if the times at which the Sub-fund and the Index are priced are different.</li> <li>The Index is composed of a subset of equity securities within the MSCI UK IMI Index (the “<b>Parent Index</b>”). The Index incorporates material sustainability characteristics through a combination of targets relative to the Parent Index by applying higher weights to constituent companies with stronger environmental, social and governance (ESG) scores, lower carbon footprints (as measured by the MSCI carbon intensity score) and a higher exposure to revenues from clean technology solutions such as alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture (“<b>Clean Technology Solutions</b>”). As</li> </ul>

	<p>such the aggregate MSCI ESG score, carbon footprint, and exposure to revenues from Clean Technology Solutions of the Index evolves with that of the Parent Index. Further, sustainability characteristics are targeted at aggregate Sub-fund level, meaning these characteristics may not be achieved by each individual company in the Index, including companies that do not have any sustainability characteristics. In addition, the Index excludes companies which are involved in certain controversial activities (see further details below of this sustainable approach, including details of the MSCI methodology, under "Benchmark Index and Sustainable Approach").</p> <p><b><u>Use of derivatives:</u></b></p> <ul style="list-style-type: none"> <li>• The Sub-fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the Sub-fund (often referred to as "Efficient Portfolio Management").</li> <li>• Where derivatives are used, this would typically be to maintain allocations to company shares while meeting cash inflows or outflows. Where these are large relative to the size of the Sub-fund, derivative usage may be significant for limited periods of time.</li> <li>• Derivative usage in the Sub-fund otherwise is expected to be very limited.</li> <li>• The Sub-fund may use derivatives which do not comply with the sustainable approach applied by the Index.</li> </ul>
Target market	<ul style="list-style-type: none"> <li>• Investors with basic investment knowledge.</li> <li>• Investors who can accept large short term losses.</li> <li>• Investors wanting a return (growth) over the longer term (5 years or more).</li> <li>• Investors with a specific need for index tracking performance and a sustainable criteria.</li> <li>• The Sub-fund has specific and generic risks with a risk rating as per the SRRI number, all detailed in the NURS-KII.</li> <li>• For general sale to eligible professional investors through all distribution channels with or without professional advice.</li> </ul>
Specific risks (please refer to Section 5 of the Prospectus for details of these risks)	<p>All general investment risks apply however for this Sub-fund investors should specifically be aware of the following:</p> <ul style="list-style-type: none"> <li>i. Tracking error</li> <li>ii. Equity risk</li> <li>iii. ESG Investment Risk</li> <li>iv. Concentration risk</li> <li>v. Derivative risk</li> </ul>
Currency	GBP
Benchmark Index and Sustainable Approach	<p>The Index aims to reflect the performance characteristics of a subset of equity securities within the Parent Index and is constructed using an optimisation process which seeks to increase exposure to positive ESG factors including minimising the carbon exposure and increasing exposure to revenues from Clean Technology Solutions.</p> <p>The index will exclude all securities currently included in the Parent Index which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production &amp; distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies that have failed to uphold one or more principles of the UN Global Compact as measured by securities with a MSCI ESG Controversy score of zero*.</p> <p>In addition, the Index will tilt the Index weights to:</p> <ul style="list-style-type: none"> <li>(1) target an increase in the weighted average MSCI ESG score (0 (worst) to 10 (best)) of the Index by 10% relative to the Parent Index (as measured by MSCI). The MSCI ESG Score provides an opinion of companies' management of financially relevant ESG risks and opportunities. Each rating takes into consideration the company's exposure to potentially material ESG risks, the quality of management systems and governance structures to mitigate potential ESG risks, and where applicable, positioning to meet market demand for</li> </ul>

	<p>the provision of products and services that have a positive environmental or social contribution;</p> <p>(2) target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI). The carbon intensity is measured using scope 1 &amp; 2 carbon emission divided by total sales. Scope 1 carbon emissions are greenhouse gas emissions generated from sources which are owned or controlled by the company. Scope 2 carbon emission are greenhouse gas emissions generated from the consumption of purchased electricity, heat or steam by the company. Further, this reduction is also targeted on potential carbon emissions which specifically monitors energy related fossil fuel reserves data. For the avoidance of doubt, no target is set on Scope 3 carbon emissions which relates to indirect emissions, such as from a company's supply chain or from the use of a company's end products. This is due to challenges around relatively low levels of corporate disclosures in these areas and inconsistent estimation methods; and</p> <p>(3) target an increase in weighted average percent of revenue from Clean Technology Solutions by 50% relative to the Parent Index (as measured by MSCI). Clean Technology Solutions are considered a core part of the long-term solution for the global ambitions to transition to a lower carbon environment and as such revenues generated will evolve with the growth in this area of the market.</p> <p>All the above Index criteria are subject to: (a) a targeted tracking error of 0.50% relative to the Parent Index; (b) risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index; and (c) consideration of the long-term financial sustainability of the Index constituents.</p> <p>* For further information in relation to the methodology, MSCI ESG scores and ESG Controversy scores used by MSCI, please refer to: <a href="https://www.msci.com/esg-investing">https://www.msci.com/esg-investing</a>. Details regarding the Index constituents are available on the index provider's website at <a href="https://www.msci.com/constituents">https://www.msci.com/constituents</a>. Further information about the sustainable approach used by the Index can be found on the ACS Manager's website at <a href="http://www.abrdn.com">www.abrdn.com</a> under "Fund Centre". The methodology used by MSCI ESG Select Climate Solutions Indexes can be found on <a href="https://www.msci.com/index-methodology">https://www.msci.com/index-methodology</a> by using Index Code 735589.</p> <p><b>Disinvestment Approach</b> The index alignment to the stated outcomes and the negative screening criteria is completed on a quarterly basis. As a result, disinvestment from the non-compliant securities will also happen at this point and generally never no longer than 3 months, allowing for market conditions.</p> <p><b>Engagement</b> All abrdn passive portfolios benefit from abrdn's stewardship activities covering both engagement and voting. abrdn's engagement with company management teams provides us with a more holistic view of a company including current and future ESG risks that a firm needs to manage and opportunities from which it may benefit. It also provides the opportunity for us to discuss any areas of concern, share best practice and drive positive change within the business.</p> <p>The stewardship activity also incorporates voting and all abrdn passive portfolios benefit from abrdn's voting policy. In addition abrdn has adopted a bespoke template for proxy voting which is designed to ensure a consistent application of abrdn's views and concerns.</p> <p><b>Stock Lending</b> abrdn ESG funds may take part in our stock lending programme, details of which can be found in this prospectus. Collateral held on behalf of ESG funds is currently restricted to government bonds and securities issued by constituents of the MSCI ESG Screened indices; further detail on these indices can be found at <a href="https://www.msci.com/esg-screened-indices">https://www.msci.com/esg-screened-indices</a>.</p>
Charges	The ACS Manager and the Depositary have agreed that fees and expenses (including, without limitation, the ACS Manager's Fee) will generally be charged to income.
Securities Financing Transactions Regulation disclosure	<p>The maximum exposure of the Sub-fund in respect of TRS shall be 0% and in respect of SFTs shall be 50% of the Net Asset Value of the Sub-fund.</p> <p>The expected amount of the Sub-fund's exposure in respect of TRS is 0% and in respect of SFTs is from 0 to 50% of the NAV.</p> <p>Additional detail on the SFTR and the use of SFTs and TRS is given in the Prospectus at Appendix III under the section headed "Investment and Financial Techniques", and in the section of the Prospectus dealing with "Risk Factors".</p>

Global exposure calculation approach for derivatives	Commitment											
Annual accounting date	30 November											
Interim accounting date(s)	31 May											
Annual income allocation date(s)	2 months after financial year end which will be 30 January											
Valuation Point	22:30 (UK time) on each Dealing Day											
Dealing Cut Off Point	12 noon (UK time) on the same Dealing Day											
Frequency of Dealing	Each Dealing Day											
Price Publication	Prices are available on <a href="http://www.abrdn.com">www.abrdn.com</a>											
Charge for investment research	No											
Maximum Level of Leverage	Commitment: 120% Gross: 220%											
<b>Unit Classes</b>	B0	X0	B1	X1	B2	X2	B3	X3	B4	X4	B5	X5
<b>Type of Unit</b>	Default		UK Insurance Company – Pension Only		UK Mutual Funds		UK Insurance Company – Non-Pension		UK Pension Scheme		Corporate	
<b>Currency</b>	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
<b>Accumulation or Income</b>	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc
<b>Minimum initial investment</b>	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000
<b>Minimum subsequent investment</b>	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000
<b>Minimum holding investment</b>	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000
<b>Minimum redemption</b>	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000

<b>ISA eligibility</b>	No	No	No	No	No	No	No	No	No	No	No	No
<b>Regular saving facility</b>	No	No	No	No	No	No	No	No	No	No	No	No
<b>Initial charge</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Redemption charge</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Switching charge</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>ACS Manager's Fee</b>	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %

#### Tax Criteria for investment

UK Insurance Co – Pension only  
X1, B1

Units which are available for investment only by UK domiciled insurance companies in connection with their pension business (as defined by section 58 of Finance Act 2012)

UK Mutual Funds  
X2, B2

Units which are available for investment only by a unit trust or a sub-fund of a UK authorised Open-Ended Investment Company

UK Insurance Co – non-pension  
X3, B3

Units which are available for investment only by UK domiciled insurance companies in connection with their life assurance business (as defined by section 56 of Finance Act 2012)

UK Pension Scheme  
X4 B4

Units which are available for investment only by UK pension schemes which are exempt from tax in the UK on investment income and gains (including by groupings of such pension schemes that are co-investing through a tax transparent vehicle)

Corporate  
X5, B5

Units which are available for investment only by a company which is UK tax resident and is regarded as such for the purposes of the UK's double tax treaties

Default/statutory  
X0 B0

Units which are available to launch at the ACS Manager's discretion for investors that are not entitled to benefit from the reduction of withholding tax under a relevant double taxation treaty either because of their tax status or because they have not provided all of the required documentation

Name of Sub-Fund	<b>abrdn Evolve World Equity Index Fund</b>
Product Reference Number	936985
Type of Fund	Non-UCITS retail scheme
SDR disclosure	Sustainable investment labels help investors find products that have a specific sustainability goal. The Sub-fund does not have a sustainable investment label under the SDR. This is because the Sub-fund has a financial objective to track the return of an Index, which is a subset of securities within the Parent Index. While the Sub-fund has material sustainability characteristics, it does not have a sustainability objective.
Investment objective	<p>To generate growth over the long term (5 years or more) by tracking the return of the MSCI World Select ESG Climate Solutions Target Index (the "<b>Index</b>").</p> <p><u>Performance Target:</u> To match the return of the Index (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Sub-fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The Manager believes this is an appropriate target for the Sub-fund based on the investment policy of the Sub-fund and the constituents of the Index.</p>
Investment policy	<p><b>Portfolio securities:</b></p> <ul style="list-style-type: none"> <li>• The Sub-fund will invest at least 90% in equities (company shares) and equity related securities (such as depositary receipts) of companies that make up the Index.</li> <li>• The Sub-fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective.</li> <li>• Indirect investment may be achieved via derivatives and ETF's which may not be part of the Sub-fund's benchmark Index.</li> <li>• For liquidity and cash flow management purposes the Sub-fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash which are not part of the Sub-fund's benchmark Index. The investments that do not form part of the benchmark Index may not comply with the Sub-fund's sustainable approach as applied by the Index, and as described under the section titled "Benchmark Index and Sustainable Approach" ("<b>Sustainable Approach</b>").</li> </ul> <p><b>Management process:</b></p> <ul style="list-style-type: none"> <li>• The Sub-fund uses passive management techniques (including indexation and sampling) to achieve the Sub-fund's objective.</li> <li>• The management team use their discretion (specifically when using sampling techniques) in deciding which investments are to be included in the portfolio. The number of investments may vary.</li> <li>• They anticipate that deviation from the performance of the Index ("tracking error") will be in the region of 0.0 - 0.5% per year. Factors likely to affect the ability of the Sub-fund to achieve this tracking error are transaction costs, small illiquid components, dividend reinvestment, fund expenses such as annual management charges, significant inflows/outflows and cash management.</li> <li>• The tracking error may be affected if the times at which the Sub-fund and the Index are priced are different.</li> <li>• The Index is composed of a subset of equity securities within the MSCI World Index (the "<b>Parent Index</b>"). The Index incorporates material sustainability characteristics through a combination of targets relative to the Parent Index by applying higher weights to constituent companies with stronger environmental, social and governance (ESG) scores, lower carbon footprints (as measured by the MSCI carbon intensity score) and a higher exposure to revenues from clean technology solutions, such as alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture ("<b>Clean Technology Solutions</b>"). As such the aggregate MSCI ESG score, carbon footprint, and exposure to revenues from Clean Technology Solutions of the Index evolves with that of the Parent Index. Further, sustainability characteristics are targeted at aggregate Sub-fund level, meaning these characteristics may not be achieved by each individual company in the Index, including companies that do not have any sustainability characteristics. In addition, the Index excludes companies which are involved in certain controversial activities (see further details below of this</li> </ul>

	<p>sustainable approach, including details of the MSCI methodology, under “Benchmark Index and Sustainable Approach”).</p> <p><b><u>Use of derivatives:</u></b></p> <ul style="list-style-type: none"> <li>• The Sub-fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the Sub-fund (often referred to as “Efficient Portfolio Management”).</li> <li>• Where derivatives are used, this would typically be to maintain allocations to company shares while meeting cash inflows or outflows. Where these are large relative to the size of the Sub-fund, derivative usage may be significant for limited periods of time.</li> <li>• Derivative usage in the Sub-fund otherwise is expected to be very limited.</li> <li>• The Sub-fund may use derivatives which do not comply with the sustainable approach applied by the Index.</li> </ul>
Target market	<ul style="list-style-type: none"> <li>• Investors with basic investment knowledge.</li> <li>• Investors who can accept large short term losses.</li> <li>• Investors wanting a return (growth) over the longer term (5 years or more).</li> <li>• Investors with a specific need for index tracking performance and a sustainable criteria.</li> <li>• The Sub-fund has specific and generic risks with a risk rating as per the SRRI number, all detailed in the NURS-KII.</li> <li>• For general sale to eligible professional investors through all distribution channels with or without professional advice.</li> </ul>
Specific risks (please refer to Section 5 of the Prospectus for details of these risks)	<p>All general investment risks apply however for this Sub-fund investors should specifically be aware of the following:</p> <ul style="list-style-type: none"> <li>i. Tracking error</li> <li>ii. Equity risk</li> <li>iii. ESG Investment Risk</li> <li>iv. VIE Risk</li> <li>v. China A/Stock Connect risk</li> <li>vi. Derivative risk</li> </ul>
Benchmark Index and Sustainable Approach	<p>The Index aims to reflect the performance characteristics of a subset of equity securities within the Parent Index and is constructed using an optimisation process which seeks to increase exposure to positive ESG factors including minimising the carbon exposure and increasing exposure to revenues from Clean Technology Solutions.</p> <p>The index will exclude all securities currently included in the Parent Index which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production &amp; distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies that have failed to uphold one or more principles of the UN Global Compact as measured by securities with a MSCI ESG Controversy score of zero*.</p> <p>In addition, the Index will tilt the Index weights to:</p> <ul style="list-style-type: none"> <li>(1) target an increase weighted average MSCI ESG score (0 (worst) to 10 (best)) of the Index by 20% relative to the Parent Index (as measured by MSCI). The MSCI ESG Score provides an opinion of companies’ management of financially relevant ESG risks and opportunities. Each rating takes into consideration the company’s exposure to potentially material ESG risks, the quality of management systems and governance structures to mitigate potential ESG risks, and where applicable, positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution;</li> </ul>

	<p>(2) target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI). The carbon intensity is measured using scope 1 &amp; 2 carbon emission divided by total sales. Scope 1 carbon emissions are greenhouse gas emissions generated from sources which are owned or controlled by the company. Scope 2 carbon emission are greenhouse gas emissions generated from the consumption of purchased electricity, heat or steam by the company. Further, this reduction is also targeted on potential carbon emissions which specifically monitors energy related fossil fuel reserves data. For the avoidance of doubt, no target is set on Scope 3 carbon emissions which relates to indirect emissions, such as from a company's supply chain or from the use of a company's end products. This is due to challenges around relatively low levels of corporate disclosures in these areas and inconsistent estimation methods; and</p> <p>(3) target an increase in weighted average percent of revenue from Clean Technology Solutions by 50% relative to the Parent Index (as measured by MSCI). Clean Technology Solutions are considered a core part of the long-term solution for the global ambitions to transition to a lower carbon environment and as such revenues generated will evolve with the growth in this area of the market.</p> <p>All the above Index criteria are subject to: (a) a targeted tracking error of 0.50% relative to the Parent Index; (b) risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index; and (c) consideration of the long-term financial sustainability of the Index constituents.</p> <p>* For further information in relation to the methodology, MSCI ESG scores and ESG Controversy scores used by MSCI, please refer to: <a href="https://www.msci.com/esg-investing">https://www.msci.com/esg-investing</a>. Details regarding the Index constituents are available on the index provider's website at <a href="https://www.msci.com/constituents">https://www.msci.com/constituents</a>. The methodology used by MSCI ESG Select Climate Solutions Indexes can be found on <a href="https://www.msci.com/index-methodology">https://www.msci.com/index-methodology</a> by using Index Code 735583.</p> <p><b>Disinvestment Approach</b> The index alignment to the stated outcomes and the negative screening criteria is completed on a quarterly basis. As a result, disinvestment from the non-compliant securities will also happen at this point and generally never no longer than 3 months, allowing for market conditions.</p> <p><b>Engagement</b> All abrdn passive portfolios benefit from abrdn's stewardship activities covering both engagement and voting. abrdn's engagement with company management teams provides us with a more holistic view of a company including current and future ESG risks that a firm needs to manage and opportunities from which it may benefit. It also provides the opportunity for us to discuss any areas of concern, share best practice and drive positive change within the business.</p> <p>The stewardship activity also incorporates voting and all abrdn passive portfolios benefit from abrdn's voting policy. In addition abrdn has adopted a bespoke template for proxy voting which is designed to ensure a consistent application of abrdn's views and concerns.</p> <p><b>Stock Lending</b> abrdn ESG funds may take part in our stock lending programme, details of which can be found in this prospectus. Collateral held on behalf of ESG funds is currently restricted to government bonds and securities issued by constituents of the MSCI ESG Screened indices; further detail on these indices can be found at <a href="https://www.msci.com/esg-screened-indexes">https://www.msci.com/esg-screened-indexes</a>.</p>
Currency	GBP
Charges	The ACS Manager and the Depositary have agreed that fees and expenses (including, without limitation, the ACS Manager's Fee) will generally be charged to income.
Securities Financing Transactions Regulation disclosure	<p>The maximum exposure of the Sub-fund in respect of TRS shall be 0% and in respect of SFTs shall be 50% of the Net Asset Value of the Sub-fund.</p> <p>The expected amount of the Sub-fund's exposure in respect of TRS is 0% and in respect of SFTs is from 0 to 50% of the NAV.</p>



	Additional detail on the SFTR and the use of SFTs and TRS is given in the Prospectus at Appendix III under the section headed "Investment and Financial Techniques", and in the section of the Prospectus dealing with "Risk Factors".											
Global exposure calculation approach for derivatives	Commitment											
Annual accounting date	30 November											
Interim accounting date(s)	31 May											
Annual income allocation date(s)	2 months after financial year end which will be 30 January											
Valuation Point	22:30 (UK time) on each Dealing Day											
Dealing Cut Off Point	8am (UK time) on the same Dealing Day											
Frequency of Dealing	Each Dealing Day											
Price Publication	Prices are available on <a href="http://www.abrdn.com">www.abrdn.com</a>											
Charge for investment research	No											
Maximum Level of Leverage	Commitment: 120% Gross: 220%											
<b>Unit Classes (UK Investors)</b>	B0	X0	B1	X1	B2	X2	B3	X3	B4	X4	B5	X5
<b>Type of Unit (UK Investors)</b>	Default		UK Insurance Company – Pension Only		UK Mutual Funds		UK Insurance Company – Non-Pension		UK Pension Scheme		Corporate	
<b>Currency (UK Investors)</b>	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
<b>Unit Classes (Irish Investors)</b>	B0	X0	C1	Z1	C2	Z2	C3	Z3	C4	Z4	C5	Z5
<b>Type of Unit (Irish Investors)</b>	Default		Irish Insurance Company – Pension Only		Irish Collective Investment Vehicle		Irish Insurance Company – Non-Pension		Irish Pension Scheme/ Fund		Irish Corporate	
<b>Currency (Irish Investors)</b>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Accumulation or Income</b>	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc
<b>Minimum initial investment</b>	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	

Minimum subsequent investment	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
Minimum holding investment	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
Minimum redemption	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
ISA eligibility	No	No	No	No	No	No	No	No	No	No	No	No
Regular saving facility	No	No	No	No	No	No	No	No	No	No	No	No
Initial charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Redemption charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Switching charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ACS Manager's Fee	0.15%	0.08%	0.15%	0.08%	0.15%	0.08%	0.15%	0.08%	0.15%	0.08%	0.15%	0.08%

#### Tax Criteria for investment

UK Insurance Co – Pension only  
X1, B1

Units which are available for investment only by UK domiciled insurance companies in connection with their pension business (as defined by section 58 of Finance Act 2012)

UK Mutual Funds  
X2, B2

Units which are available for investment only by a unit trust or a sub-fund of a UK authorised Open-Ended Investment Company

UK Insurance Co – non-pension  
X3, B3

Units which are available for investment only by UK domiciled insurance companies in connection with their life assurance business (as defined by section 56 of Finance Act 2012)

UK Pension Scheme  
X4, B4

Units which are available for investment only by UK pension schemes which are exempt from tax in the UK on investment income and gains (including by groupings of such pension schemes that are co-investing through a tax transparent vehicle)

Corporate  
X5, B5

Units which are available for investment only by a company which is UK tax resident and is regarded as such for the purposes of the UK's double tax treaties

Default/statutory  
X0, B0

Units which are available to launch at the ACS Manager's discretion for investors that are not entitled to benefit from the reduction of withholding tax under a relevant double taxation treaty either because of their tax status or because they have not provided all of the required documentation

Irish Insurance Company – Pension Only  
C1, Z1

Units which are available for investment only by a company which Irish domiciled insurance companies in connection with their pension business (as defined by Section 706(2) and (3) TCA 1997)

Irish Collective Investment Vehicle

Units which are available for investment only by Irish authorised investment undertaking organised as an ICAV, a PLC, or a Unit Trust (as defined by Section 739B TCA 1997), a Common Contractual Fund (as defined by Section 739I TCA 1997), or an Investment Limited Partnership (as defined by Section 739J TCA 1997).

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Irish Insurance Company – Non-Pension  
C3, Z3

Units which are available for investment only by Irish domiciled insurance companies in connection with their general annuity business (as defined by Section 706(1) TCA 1997).

Irish Pension Scheme / Fund  
C4, Z4

Units which are available for investment only by Irish pension schemes/funds which are exempt from tax in Ireland on investment income and gains (as defined by Section 774(1) TCA 1997). This includes by groupings of such pension schemes that are co-investing through a tax transparent vehicle.

Irish Corporate  
C5, Z5

Units which are available for investment only by a company which is Irish tax resident and is regarded as such for the purpose of Ireland's double tax treaties.

Name of Sub-Fund	<b>abrdn Evolve American Equity Index Fund</b>
Product Reference Number	995665
Type of Fund	Non-UCITS retail scheme
SDR disclosure	Sustainable investment labels help investors find products that have a specific sustainability goal. The Sub-fund does not have a sustainable investment label under the SDR. This is because the Sub-fund has a financial objective to track the return of an Index, which is a subset of securities within the Parent Index. While the Sub-fund has material sustainability characteristics, it does not have a sustainability objective.
Investment objective	<p>To generate growth over the long term (5 years or more) by tracking the return of the MSCI USA Select ESG Climate Solutions Target Index (the "<b>Index</b>").</p> <p>Performance Target: To match the return of the Index (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Sub-fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The Manager believes this is an appropriate target for the Sub-fund based on the investment policy of the Sub-fund and the constituents of the Index.</p>
Investment policy	<p><b>Portfolio securities:</b></p> <ul style="list-style-type: none"> <li>• The Sub-fund will invest at least 90% in equities (company shares) and equity related securities (such as depositary receipts) of companies that make up the Index.</li> <li>• The Sub-fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective.</li> <li>• Indirect investment may be achieved via derivatives and ETF's which may not be part of the Sub-fund's benchmark Index.</li> <li>• For liquidity and cash flow management purposes, the Sub-fund may also invest in other funds (including those managed abrdn), money-market instruments, and cash which are not part of the Sub-fund's benchmark Index. The investments that do not form part of the benchmark Index may not comply with the Sub-fund's sustainable investment approach as applied by the Index, and explained under the section titled "Benchmark Index and Sustainable Approach" ("<b>Sustainable Approach</b>").</li> </ul> <p><b>Management process:</b></p> <ul style="list-style-type: none"> <li>• The Sub-fund uses passive management techniques (including indexation and sampling) to achieve the Sub-fund's objective.</li> <li>• The management team use their discretion (specifically when using sampling techniques) in deciding which investments are to be included in the portfolio. The number of investments may vary.</li> <li>• They anticipate that deviation from the performance of the Index ("<b>tracking error</b>") will be in the region of 0.0 – 0.5% per year. Factors likely to affect the ability of the Sub-fund to achieve this tracking error are transaction costs, small illiquid components, dividend reinvestment, fund expenses such as annual management charges, significant inflows/outflows and cash management.</li> <li>• The tracking error may be affected if the times at which the Sub-fund and the Index are priced are different.</li> <li>• The Index is composed of a subset of equity securities within the MSCI USA Index (the "<b>Parent Index</b>"). The Index incorporates material sustainability characteristics through a combination of targets relative to the Parent Index by applying higher weights to constituent companies with stronger environmental, social and governance (ESG) scores, lower carbon footprints and a higher exposure to revenues from clean technology solutions such as alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture ("<b>Clean Technology Solutions</b>"). As such the aggregate MSCI ESG score, carbon footprint, and exposure to revenues from Clean Technology Solutions of the Index evolves with that of the Parent Index. Further, sustainability characteristics are targeted at aggregate Sub-fund level, meaning these characteristics may not be achieved by each individual company in the Index, including companies that do not have any sustainability characteristics. In addition, the Index excludes companies which are involved in certain controversial activities (see further details below of this Sustainable Approach, including details of the MSCI methodology, under "Benchmark Index and Sustainable Approach").</li> </ul>

	<p><b><u>Use of derivatives:</u></b></p> <ul style="list-style-type: none"> <li>• The Sub-fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the Sub-fund (often referred to as “Efficient Portfolio Management”).</li> <li>• Where derivatives are used, this would typically be to maintain allocations to company shares while meeting cash inflows or outflows. Where these are large relative to the size of the Sub-fund, derivative usage may be significant for limited periods of time.</li> <li>• Derivative usage in the Sub-fund otherwise is expected to be very limited.</li> <li>• The Sub-fund may use derivatives which do not comply with the sustainable approach applied by the Index.</li> </ul>
Target market	<ul style="list-style-type: none"> <li>• Investors with basic investment knowledge.</li> <li>• Investors who can accept large short term losses.</li> <li>• Investors wanting a return (growth) over the longer term (5 years or more).</li> <li>• Investors with a specific need for index tracking performance and a sustainable criteria.</li> <li>• The Sub-fund has specific and generic risks with a risk rating as per the SRRI number, all detailed in the NURS-KII.</li> <li>• For general sale to eligible professional investors through all distribution channels with or without professional advice.</li> </ul>
Specific risks (please refer to Section 5 of the Prospectus for details of these risks)	<p>All general investment risks apply however for this Sub-fund investors should specifically be aware of the following:</p> <ul style="list-style-type: none"> <li>i. Tracking error</li> <li>ii. Equity risk</li> <li>iii. ESG Investment Risk</li> <li>iv. Concentration risk</li> <li>v. Derivative risk</li> </ul>
Currency	GBP
Benchmark Index and Sustainable Approach	<p>The Index aims to reflect the performance characteristics of a subset of equity securities within the Parent Index and is constructed using an optimisation process which seeks to increase exposure to positive ESG factors including minimising the carbon exposure and increasing exposure to revenues from Clean Technology Solutions.</p> <p>The Index will exclude all securities currently included in the Parent Index which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production &amp; distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies that have failed to uphold one or more principles of the UN Global Compact as measured by securities with a MSCI ESG Controversy score of zero*.</p> <p>In addition, the Index will tilt the Index weights to:</p> <ul style="list-style-type: none"> <li>(1) target an increase in the weighted average MSCI ESG score (0 (worst) to 10 (best)) of the Index by 20% relative to the Parent Index (as measured by MSCI). The MSCI ESG Score provides an opinion of companies' management of financially relevant ESG risks and opportunities. Each rating takes into consideration the company's exposure to potentially material ESG risks, the quality of management systems and governance structures to mitigate potential ESG risks, and where applicable, positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution;</li> <li>(2) target a reduction in the carbon intensity of the Index by 50% relative to the Parent Index (as measured by MSCI). The carbon intensity is measured using scope 1 &amp; 2 carbon emission divided by total sales. Scope 1 carbon emissions are greenhouse gas emissions generated from sources which are owned or controlled by the company. Scope 2 carbon emission are greenhouse gas emissions generated from the consumption of purchased electricity, heat or steam by the company. Further,</li> </ul>

	<p>this reduction is also targeted on potential carbon emissions which specifically monitors energy related fossil fuel reserves data. For the avoidance of doubt, no target is set on Scope 3 carbon emissions which relates to indirect emissions, such as from a company's supply chain or from the use of a company's end products. This is due to challenges around relatively low levels of corporate disclosures in these areas and inconsistent estimation methods; and</p> <p>(3) target an increase in weighted average percent of revenue from Clean Technology Solutions by 50% relative to the Parent Index (as measured by MSCI). Clean Technology Solutions are considered a core part of the long-term solution for the global ambitions to transition to a lower carbon environment and as such revenues generated will evolve with the growth in this area of the market.</p> <p>All the above Index criteria are subject to risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index and aim to minimise the tracking error relative to the Parent Index.</p> <p>* For further information in relation to the methodology, MSCI ESG scores and ESG Controversy scores used by MSCI, please refer to: <a href="https://www.msci.com/esg-investing">https://www.msci.com/esg-investing</a>. Details regarding the Index constituents are available on the index provider's website at <a href="https://www.msci.com/constituents">https://www.msci.com/constituents</a>. The methodology used by MSCI ESG Select Climate Solutions Indexes can be found on <a href="https://www.msci.com/index-methodology">https://www.msci.com/index-methodology</a> by using Index Code 735584.</p> <p><b>Divestment Approach</b> The index alignment to the stated outcomes and the negative screening criteria is completed on a quarterly basis. As a result, disinvestment from the non-compliant securities will also happen at this point and generally never no longer than 3 months, allowing for market conditions.</p> <p><b>Engagement</b> All abrdn passive portfolios benefit from abrdn's stewardship activities covering both engagement and voting. abrdn's engagement with company management teams provides us with a more holistic view of a company including current and future ESG risks that a firm needs to manage and opportunities from which it may benefit. It also provides the opportunity for us to discuss any areas of concern, share best practice and drive positive change within the business.</p> <p>The stewardship activity also incorporates voting and all abrdn passive portfolios benefit from abrdn's voting policy. In addition abrdn has adopted a bespoke template for proxy voting which is designed to ensure a consistent application of abrdn's views and concerns.</p> <p><b>Stock Lending</b> abrdn ESG funds may take part in our stock lending programme, details of which can be found in this prospectus. Collateral held on behalf of ESG funds is currently restricted to government bonds and securities issued by constituents of the MSCI ESG Screened indices; further detail on these indices can be found at <a href="https://www.msci.com/esg-screened-indices">https://www.msci.com/esg-screened-indices</a>.</p>
Charges	The ACS Manager and the Depositary have agreed that fees and expenses (including, without limitation, the ACS Manager's Fee) will generally be charged to income.
Securities Financing Transactions Regulation disclosure	<p>The maximum exposure of the Sub-fund in respect of TRS shall be 0% and in respect of SFTs shall be 50% of the Net Asset Value of the Sub-fund.</p> <p>The expected amount of the Sub-fund's exposure in respect of TRS is 0% and in respect of SFTs is from 0 to 50% of the NAV.</p> <p>Additional detail on the SFTR and the use of SFTs and TRS is given in the Prospectus at Appendix III under the section headed "Investment and Financial Techniques", and in the section of the Prospectus dealing with "Risk Factors".</p>
Global exposure calculation approach for derivatives	Commitment
Annual accounting date	30 November

Interim accounting date(s)	31 May											
Annual income allocation date(s)	2 months after financial year end which will be 30 January											
Valuation Point	22:30 (UK time) on each Dealing Day											
Dealing Cut Off Point	12 noon (UK time) on the same Dealing Day											
Frequency of Dealing	Each Dealing Day											
Price Publication	Prices are available on <a href="http://www.abrdn.com">www.abrdn.com</a>											
Charge for investment research	No											
Maximum Level of Leverage	Commitment: 120% Gross: 220%											
<b>Unit Classes (UK Investors)</b>	B0	X0	B1	X1	B2	X2	B3	X3	B4	X4	B5	X5
<b>Type of Unit (UK Investors)</b>	Default		UK Insurance Company – Pension Only		UK Mutual Funds		UK Insurance Company – Non-Pension		UK Pension Scheme		Corporate	
<b>Currency (UK Investors)</b>	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
<b>Unit Classes (Irish Investors)</b>	B0	X0	C1	Z1	C2	Z2	C3	Z3	C4	Z4	C5	Z5
<b>Type of Unit (Irish Investors)</b>	Default		Irish Insurance Company – Pension Only		Irish Collective Investment Vehicle		Irish Insurance Company – Non-Pension		Irish Pension Scheme/ Fund		Irish Corporate	
<b>Currency (Irish Investors)</b>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Accumulation or Income</b>	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc	Inc Acc
<b>Minimum initial investment</b>	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
<b>Minimum subsequent investment</b>	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
<b>Minimum holding investment</b>	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000
	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000

Minimum redemption	Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent		Or EUR equivalent	
ISA eligibility	No	No	No	No	No	No	No	No	No	No	No	No
Regular saving facility	No	No	No	No	No	No	No	No	No	No	No	No
Initial charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Redemption charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Switching charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ACS Manager's Fee	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %	0.15 %	0.08 %

### Tax Criteria for investment

UK Insurance Co – Pension only  
X1, B1

Units which are available for investment only by UK domiciled insurance companies in connection with their pension business (as defined by section 58 of Finance Act 2012)

UK Mutual Funds  
X2, B2

Units which are available for investment only by a unit trust or a sub-fund of a UK authorised Open-Ended Investment Company

UK Insurance Co – non-pension  
X3, B3

Units which are available for investment only by UK domiciled insurance companies in connection with their life assurance business (as defined by section 56 of Finance Act 2012)

UK Pension Scheme  
X4, B4

Units which are available for investment only by UK pension schemes which are exempt from tax in the UK on investment income and gains (including by groupings of such pension schemes that are co-investing through a tax transparent vehicle)

Corporate  
X5, B5

Units which are available for investment only by a company which is UK tax resident and is regarded as such for the purposes of the UK's double tax treaties

Default/statutory  
X0, B0

Units which are available to launch at the ACS Manager's discretion for investors that are not entitled to benefit from the reduction of withholding tax under a relevant double taxation treaty either because of their tax status or because they have not provided all of the required documentation

Irish Insurance Company – Pension Only  
C1, Z1

Units which are available for investment only by a company which Irish domiciled insurance companies in connection with their pension business (as defined by Section 706(2) and (3) TCA 1997)

Irish Collective Investment Vehicle

Units which are available for investment only by Irish authorised investment undertaking organised as an ICAV, a PLC, or a Unit Trust (as defined by Section 739B TCA 1997), a Common Contractual Fund (as defined by Section 739I TCA 1997), or an Investment Limited Partnership (as defined by Section 739J TCA 1997).

Irish Insurance Company – Non-Pension  
C3, Z3

Units which are available for investment only by Irish domiciled insurance companies in connection with their general annuity business (as defined by Section 706(1) TCA 1997).

Irish Pension Scheme / Fund  
C4, Z4

Units which are available for investment only by Irish pension schemes/funds which are exempt from tax in Ireland on investment income and gains (as defined by Section 774(1) TCA 1997). This includes by groupings of such pension schemes that are co-investing through a tax transparent vehicle.



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Irish Corporate  
C5, Z5

Units which are available for investment only by a company which is Irish tax resident and is regarded as such for the purpose of Ireland's double tax treaties.

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## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

All abrdn UK collective investment scheme funds may invest in transferable securities through eligible markets, as defined in COLL, subject to their investment policy. These include (but are not limited to) securities markets established in the United Kingdom or in an EEA State on which transferable securities admitted to official listing in the United Kingdom or an EEA State are dealt in or traded (approved securities).

In addition, up to 10% in value of any fund may be invested in transferable securities which are not approved securities.

The funds may also deal through the securities and derivatives markets indicated below subject to their investment objective and policy.

A market may be added to each of the lists below in accordance with the FCA Rules.

#### ELIGIBLE SECURITIES MARKETS

Countries	Markets
Argentina	Buenos Aires Stock Exchange
Australia	Australian Securities Exchange (ASX Limited)
Bangladesh	Dhaka Stock Exchange
Bermuda	Bermuda Stock Exchange
Brazil	BM & F BOVESPA S.A.
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange & Bolsa Electronica de Chile (SSE)
China	Shanghai Stock Exchange (SSE)  Shenzen Stock Exchange (SZSE)  Bond Connect  Stock Connect
Colombia	Bolsa de Valores de Colombia (BVC)
Dominican Republic	Dominican Republic Securities Exchange
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange (GSE)

Guernsey	Channel Islands Securities Exchange
Hong Kong	Hong Kong Exchanges (HKEx)
India	Bombay Stock Exchange National Stock Exchange of India
Indonesia	Indonesia Stock Exchange (Bursa Efek Indonesia)
Israel	Tel Aviv Stock Exchange
Japan	Tokyo Stock Exchange  Osaka Securities Exchange Nagoya Stock Exchange  Sapporo Securities Exchange  JASDAQ Securities Exchange
Kenya	Nairobi Securities Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia BHD
Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Market (NZSX/NZX)
Nigeria	Nigeria – Nigerian Stock Exchange (NSE)
Oman	Muscat Securities Market (MSM)
Pakistan	Pakistan Stock Exchange
Peru	Lima Stock Exchange (Bolsa de Valores de Lima)
Philippines	Philippine Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Stock Exchange  Moscow Interbank Currency Exchange (MICE)  Russian Trading System (RTS)  Saint Petersburg Stock Exchange

	MICEX  MICEX - RTS
Saudi Arabia	Tadawul Stock Exchange
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange
South Africa	The JSE Securities Exchange
South Korea	KOSDAQ  Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	Switzerland SIX Swiss Exchange  SwissAtMid
Taiwan	Taiwan Stock Exchange (TWSE)  Taipei Exchange (TPEX)
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange (Borsa Istanbul)
Uganda	Uganda Securities Exchange
United Arab Emirates Abu Dhabi	Abu Dhabi Securities Exchange
United Arab Emirates Dubai	Dubai Financial Market  NASDAQ Dubai Limited
Uruguay	Montevideo Stock Exchange
United States of America	New York Stock Exchange NYSE Arca NYSE American NYSE Chicago NYSE National Nasdaq Nasdaq BX Nasdaq PSX

	CBOE BZX CBOE BYX CBOE EDGX CBOE EDGA Investors Exchange MEMX Long Term Stock Exchange (LTSE) MIAX
Vietnam	Hanoi Stock Exchange  Ho Chi Minh Stock Exchange

#### ELIGIBLE DERIVATIVES MARKETS

Countries	ETD	OTC
Australia	Australian Securities Exchange	LCH EUREX ICE
Austria	Austrian Futures and Options Exchange	
Belgium	Euronext Derivatives - Brussels	
Brazil	Bolsa De Mercadorias & Futuros (BMF)	
Canada	Montreal Exchange Inc	LCH EUREX ICE
Denmark	OMX Nordic Exchange Copenhagen	
EU/EEA (General)	Eurex	LCH EUREX ICE
Hong Kong	Hong Kong Futures Exchange Limited	
Italy	Borsa Italiana (IDEM)	
Japan	Osaka Exchange	
Korea	Korea Exchange	
Mexico	Bolsa Mexicana de Valores Mercado Mexicano de Deriva Mercado Mexicano de Deriva	
Netherlands	Euronext Derivatives Amsterdam	
Singapore	Singapore Exchange	
South Africa	The South African Futures Exchange	

Spain	MEFF Renta Variable Madrid	
Sweden	OMX Nordic Exchange Stockholm	LCH EUREX ICE
Taiwan	Taiwan Futures Exchange Hong Kong Futures Exchange Limited Singapore Exchange	
UK	ICE Futures Europe	LCH EUREX CME ICE
USA	CME Group (Chicago Mercantile Exchange) CBOT Group (Chicago Board of Trade) ICE Futures US	LCH CME ICE

**INVESTMENT AND BORROWING POWERS OF THE ACS**

**Part One**

**1. GENERAL**

The Scheme Property of a Sub-fund will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits set out in the Sub-fund's investment policy, this Prospectus and the limits set out in Chapter 5.6 of the COLL ("COLL 5.6") that are applicable to non-UCITS retail schemes. These limits apply to each Sub-fund as summarised below.

The investment objective and policy of a Sub-fund may mean that at times it is appropriate to hold cash or near cash. This will only occur in relation to a Sub-fund when it may reasonably be regarded as necessary to enable the pursuit of the Sub-fund's investment objectives, Units to be redeemed, efficient management of that Sub-fund in accordance with its investment objectives or other purposes which may reasonably be regarded as ancillary to the investment objectives of that Sub-fund.

The ACS Manager's policy is to make use of the flexibility to hold cash and near cash as it considers appropriate.

It is not intended that the Sub-funds will have any interest in any immovable property or tangible movable property.

**1.1 Prudent spread of risk**

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

**1.2 Cover**

1.2.1 Where the FCA Rules allow 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 a Sub-fund under any other of those rules has also to be provided for.

1.2.2 Where a rule in the FCA Rules 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, a Sub-fund 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.

**1.3 Transferable Securities**

1.3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative debentures), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.

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

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- 1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 1.3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 1.3.5 A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 1.3.5.1 the potential loss which the Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 1.3.5.2 its liquidity does not compromise the ability of the ACS Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder under the COLL;
  - 1.3.5.3 reliable valuation is available for it as follows:
    - (a) 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;
    - (b) 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;
  - 1.3.5.4 appropriate information is available for it as follows:
    - (a) 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;
    - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACS Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
  - 1.3.5.5 it is negotiable; and
  - 1.3.5.6 its risks are adequately captured by the risk management process of the ACS Manager.
  - 1.3.5.7 Unless there is information available to the ACS Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
    - (a) not to compromise the ability of the ACS Manager to comply with its obligation to redeem units at the request of any qualifying Unitholder; and
    - (b) to be negotiable.
  - 1.3.5.8 No more than 5% of the Scheme Property of a Sub-fund may be invested in warrants.



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## 2. **NON-UCITS RETAIL SCHEMES – GENERAL**

2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property must, except where otherwise provided in COLL 5.6 only consist of any or all of:

- 2.1.1 transferable securities;
- 2.1.2 money-market instruments;
- 2.1.3 units or shares in permitted collective investment schemes;
- 2.1.4 permitted derivatives and forward transactions;
- 2.1.5 permitted deposits;
- 2.1.6 permitted immovables; and
- 2.1.7 gold up to a limit of 10% in value of the Scheme Property of the Sub-funds.

2.2 Transferable securities and money-market instruments held within a Sub-fund must (subject to paragraph 2.2.4 of this Appendix) be:

- 2.2.1 admitted to or dealt on an eligible market as described below;
- 2.2.2 be approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 8 in this Appendix;
- 2.2.3 recently issued transferable securities provided that:
  - 2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
  - 2.2.3.2 such admission is secured within a year of issue.
- 2.2.4 subject to a limit of 20% in value of the Scheme Property be:
  - 2.2.4.1 transferable securities which are not within 2.2.1 to 2.2.3; or
  - 2.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.

2.3 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply until the expiry of a period of twelve months after the later of the date of effect of the authorisation order in respect of a Sub-fund or the date the initial offer period commenced, provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

## 3. **ELIGIBLE MARKETS REGIME: PURPOSE**

3.1 To protect investors the markets on which investments of a Sub-fund 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.

3.2 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.

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

- 3.3.1 a regulated market as defined in the FCA Rules; or
- 3.3.2 a market in the UK and an EEA State which is regulated, operates regularly and is open to the public.

3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:

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- 3.4.1 the ACS Manager, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 3.4.2 the market is included in a list in the Prospectus; and
  - 3.4.3 the Depositary has taken reasonable care to determine that:
    - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
    - 3.4.3.2 all reasonable steps have been taken by the ACS Manager in deciding whether that market is eligible.
  - 3.4.4 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisations by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
4. **SPREAD: GENERAL**
- 4.1 This rule on spread does not apply to a transferable security of money market instrument to which section 5 of Appendix III applies.
  - 4.2 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
  - 4.3 Not more than 10% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or approved money-market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
  - 4.4 The limit of 10% in paragraph 4.3 above is raised to 25% in value of the Scheme Property of a Sub-fund in respect of covered bonds.
  - 4.5 In applying paragraph 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
  - 4.6 Except for a feeder Sub-fund not more than 35% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.
  - 4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-fund.
  - 4.8 For the purpose of calculating the limit in paragraph 4.7, 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:
    - 4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
    - 4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
    - 4.8.3 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
    - 4.8.4 can be fully enforced by the Sub-fund at any time.
  - 4.9 For the purposes of calculating the limits in paragraph 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
    - 4.9.1 comply with the conditions set out in the UK CRR; and
    - 4.9.2 are based on legally binding agreements.

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- 4.10 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:
- 4.10.1 it is backed by an appropriate performance guarantee; and
  - 4.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.
5. **SPREAD: GOVERNMENT AND PUBLIC SECURITIES**
- 5.1 The following section applies to transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:
- 5.1.1 the UK or an EEA State; or
  - 5.1.2 a local authority of the UK or an EEA State; or
  - 5.1.3 a non-EEA State; or
  - 5.1.4 a public international body to which the UK or one or more EEA States belong.
- 5.2 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.
6. **INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES**
- 6.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the requirements of paragraphs 6.2 to 6.6.
- 6.2 The Second Scheme must:
- 6.2.1 be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - 6.2.2 be authorised as a non-UCITS retail scheme; or
  - 6.2.3 be a recognised scheme (as defined in the FCA Rules); or
  - 6.2.4 be constituted outside the UK and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
  - 6.2.5 be a scheme not falling within paragraphs 6.2.1 to 6.2.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
- 6.3 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 6.4 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.
- 6.5 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 6.6 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.3 to 6.5 apply to each sub-fund as if it were a separate scheme.
- 6.7 Investment may only be made in other collective investment schemes managed by the ACS Manager or an Associate of the ACS Manager if the Prospectus of the ACS clearly states that the Sub-funds may enter into such investments and the rules on double charging contained in the FCA Rules are complied with.

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- 6.8 The Sub-funds may, subject to the limit set out in paragraph 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACS Manager or one of its Associates.
- 6.9 Where a Sub-fund of the ACS invests in or disposes of Units in another Sub-fund of the ACS ("Second Umbrella Fund"), the Prospectus of the ACS must clearly state that the scheme property of the Sub-fund may include units in another sub-fund of the ACS and the rules on double charging contained in the FCA Rules are complied with.
- 6.10 In addition, a Sub-fund may invest in or dispose of Units in a Second Umbrella Fund if the following conditions are satisfied:
- 6.10.1 the Second Umbrella Fund does not hold Units in any other Sub-fund of the ACS;
  - 6.10.2 the conditions in paragraphs 6.7, 6.9 and the rules on double charging contained in the COLL are complied with;
  - 6.10.3 not more than 35% in value of the Sub-fund is to consist of units of the Second Umbrella Fund; and
  - 6.10.4 the Sub-fund must not be a feeder NURS to the Second Umbrella Fund.
- 6.11 For the purposes of paragraph 6.9, the Sub-funds may invest in a Second Umbrella Fund.
- 6.12 Where a Sub-fund of the ACS invests in or disposes of Units in a Second Sub-Fund, units or shares in another collective investment scheme which is managed or operated by the ACS Manager or an Associate of the ACS Manager, or a Second Umbrella Fund, the ACS Manager must pay to that Sub-fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 7. 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 a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.
- 8. INVESTMENT IN MONEY-MARKET INSTRUMENTS**
- 8.1 A Sub-fund may invest up to 100% in money-market instruments which are within the provisions of 2.2 above or 8.2 below and subject to the limit of 20% referred to in 2.2.4 above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.
- 8.2 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 8.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - 8.2.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.
- 8.3 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:
- 8.3.1 the instrument is an approved money-market instrument;
  - 8.3.2 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
  - 8.3.3 the instrument is freely transferable.
- 9. DERIVATIVES: GENERAL**

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- 9.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 11 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 19 (Cover for transactions in derivatives and forward transactions).
- 9.2 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL in relation to spread (COLL 5.6.7R Spread: general, COLL 5.6.8R Spread: government and public securities) except for index based derivatives where the rules below apply.
- 9.3 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.
- 9.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 9.4.1 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;
  - 9.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 9.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 9.5 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.
- 9.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) 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.
10. **EFFICIENT PORTFOLIO MANAGEMENT**
- 10.1 **Transactions in derivatives may be used for the purposes of Efficient Portfolio Management. The ACS Manager may make use of a variety of instruments in accordance with the COLL and in accordance with its risk management policy.**
- There is no limit on the amount or value of the Scheme Property which may be used for EPM but the ACS Manager must ensure that the transaction is economically appropriate in that they are realised in a cost effective way, they are entered into for one or more of the following specific aims: 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 a risk level which is consistent with the risk profile of the scheme and the risk diversification rules in the COLL. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise. **The use of derivatives for EPM should not lead to an increase in risk to a Sub-fund.**
11. **Permitted transactions (derivatives and forwards)**
- 11.1 A transaction in a derivative must be:
- 11.1.1 in an approved derivative; or
  - 11.1.2 be one which complies with paragraph 15 (OTC transactions in derivatives).
- 11.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:
- 11.2.1 transferable securities;
  - 11.2.2 money-market instruments;

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- 11.2.3 deposits;
  - 11.2.4 permitted derivatives under this paragraph;
  - 11.2.5 collective investment scheme units permitted under paragraph 6 (Investment in collective investment schemes);
  - 11.2.6 permitted immovables;
  - 11.2.7 gold;
  - 11.2.8 financial indices which satisfy the criteria set out in COLL 5.2.20R;
  - 11.2.9 interest rates;
  - 11.2.10 foreign exchange rates; and
  - 11.2.11 currencies.
- 11.3 The exposure to the underlyings in paragraph 11.2 above must not exceed the limits in paragraphs 2 and 4 above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 11.5 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the ACS Deed and the most recently published version of this Prospectus.
- 11.6 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.
- 11.7 Any forward transaction must be with an eligible institution or an Approved Bank.
12. **FINANCIAL INDICES UNDERLYING DERIVATIVES**
- 12.1 The financial indices referred to in paragraph 11.2 are those which satisfy the following criteria:
- 12.1.1 the index is sufficiently diversified;
  - 12.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 12.1.3 the index is published in an appropriate manner.
- 12.2 A financial index is sufficiently diversified if:
- 12.2.1 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;
  - 12.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
  - 12.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 12.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 12.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

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- 12.3.2 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
- 12.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 12.4 A financial index is published in an appropriate manner if:
- 12.4.1 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
- 12.4.2 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.
- 12.5 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 11.2 be regarded as a combination of those underlyings.
13. **TRANSACTIONS FOR THE PURCHASE OF PROPERTY**
- A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that property can be held for the account of a Sub-fund, and the ACS Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL.
14. **REQUIREMENT TO COVER SALES**
- No agreement by or on behalf of a Sub-fund 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 a Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-fund at the time of the agreement. This requirement does not apply to a deposit.
15. **OTC TRANSACTIONS IN DERIVATIVES**
- 15.1 Any transaction in an OTC derivative under paragraph 11.1.2 must be:
- 15.1.1 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an Approved Bank (as each term is defined in the FCA Rules glossary); or a person whose permission (including any requirements or limitations), as published in the Financial Services register, permits it to enter into the transaction as principal off-exchange; or a CCP (as defined in the FCA Rules) that is authorised in that capacity for the purposes of EMIR (as defined in the FCA Rules), a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR or, to the extent not already covered above, a CCP supervised in a jurisdiction that: (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;
- 15.1.2 on approved terms; the terms of the transaction in derivatives are approved only if, the ACS Manager carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time at its fair value; and
- 15.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACS Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- 15.1.3.1 on the basis of an up-to-date market value which the ACS Manager and the Depositary have agreed is reliable; or

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- 15.1.3.2 if the value referred to in paragraph 15.1.3.1 is not available, on the basis of a pricing model which the ACS Manager and the Depositary have agreed uses an adequate recognised methodology; and
    - 15.1.4 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
      - 15.1.4.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACS Manager is able to check it; or
      - 15.1.4.2 a department within the ACS Manager which is independent from the department in charge of managing the Scheme Property of a Sub-fund and which is adequately equipped for such a purpose.
  - 15.2 For the purposes of paragraph 15.1.3, "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.
  - 16. **RISK MANAGEMENT**

The ACS Manager uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Sub-fund's positions and their contribution to the overall risk profile of a Sub-fund.
  - 17. **INVESTMENTS IN DEPOSITS**

A Sub-fund 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.
  - 18. **DERIVATIVE EXPOSURE**
    - 18.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
    - 18.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.
    - 18.3 A future is to be regarded as an obligation to which a Sub-fund 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 a Sub-fund 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).
    - 18.4 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.
  - 19. **COVER FOR INVESTMENT IN DERIVATIVES AND FORWARD TRANSACTIONS**
    - 19.1 The ACS Manager must ensure that the global exposure of a Sub-fund relating to derivatives and forward transactions held in the Sub-fund does not exceed the net value of the Scheme Property.
  - 20. **CALCULATION OF GLOBAL EXPOSURE**
    - 20.1 The ACS Manager must calculate the global exposure of a Sub-fund on at least a daily basis.
    - 20.2 For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
  - 21. **Stock lending**



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- 21.1 The entry into stock lending transactions and repo contracts for the account of a Sub-fund is permitted if the arrangement or contract is (i) for the account of and for the benefit of the Sub-fund and (ii) in the best interests of its Unitholders. An arrangement or contract referenced above is not in the interests of Unitholders unless it reasonably appears to the ACS or the ACS Manager to be appropriate with a view to generating additional income for the Sub-fund with an acceptable degree of risk.
- 21.2 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 them against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 21.3 The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to the Sub-fund to be appropriate to do so with a view to generating additional income for the Sub-fund with an acceptable degree of risk.
- 21.4 The Depositary at the request of the ACS Manager 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 Sub-fund, 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.
- 21.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the market value of the securities transferred by the Depositary plus a premium. 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.
- 21.6 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, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Sub-fund.
- 21.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions. Stock lending may be a part of the Efficient Portfolio Management process.
- 21.8 Collateral will be acceptable only if it transferred to the Depositary or its agent under a title transfer arrangement or pledge, and is at all times equal in value to the market value of the securities transferred by the Depositary plus a premium.
22. **LEVERAGE**
- 22.1 This section explains in what circumstances and how the ACS Manager may use leverage in respect of a Sub-fund where the investment policy of that Sub-fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.
- 22.2 Leverage when used in this Prospectus means the following sources of leverage can be used when managing a Sub-fund:
- 22.2.1 cash borrowing, subject to the restrictions set out in paragraph 28 ("General power to borrow") of this Appendix;
- 22.2.2 financial derivative instruments and reinvestment of cash collateral in the context of stock lending, subject in each case to paragraphs 9 ("Derivatives: general"), 11 ("Permitted transactions (derivatives and forwards)", 13 ("Transactions for the purchase of property"), 14 ("Requirement to cover sales"), 15 ("OTC transactions in derivatives"), 19 ("Cover for investments in derivatives and forward transactions") and 23 ("Borrowing limits") of this Appendix.
- 22.3 The ACS Manager is required to calculate and monitor the level of leverage of a Sub-fund, expressed as a ratio between the exposure of each Sub-fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method.

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- 22.4 Under the gross method, the exposure of a Sub-fund is calculated as follows:
- 22.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
  - 22.4.2 exclude cash and cash equivalents which are highly liquid investments held in the Base Currency of the Sub-fund, 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;
  - 22.4.3 derivative instruments are converted into the equivalent position in their underlying assets;
  - 22.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
  - 22.4.5 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
  - 22.4.6 include positions within repurchase or reverse repurchase agreements and stock lending or borrowing or other similar arrangements.
- 22.5 Under the commitment method, the exposure of a Sub-fund 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.
- 22.6 The maximum level of leverage which a Sub-fund may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix I.
- 22.7 In addition, the total amount of leverage employed by a Sub-fund will be disclosed in the Sub-fund's annual report.
23. **BORROWING**
- Where, for the purposes of this paragraph the ACS 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 their 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 28 (General power to borrow) of this Appendix do not apply to that borrowing.
24. **SCHEMES REPLICATING AN INDEX**
- 24.1 A Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the performance or composition of a relevant index as defined below.
- 24.2 The 20% limit can be raised for a particular Sub-fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 24.3 In the case of a Sub-fund replicating an index the Scheme Property of a Sub-fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.
- 24.4 The indices referred to above are those which satisfy the following criteria:
- 24.4.1 the composition is sufficiently diversified;
  - 24.4.2 the index is a representative benchmark for the market to which it refers; and
  - 24.4.3 the index is published in an appropriate manner.
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:

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- 25.1.1 the pursuit of a Sub-fund's investment objectives; or
- 25.1.2 the redemption of Units; or
- 25.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or
- 25.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of a Sub-fund.
- 25.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.
26. **GENERAL**
- A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a consequent breach, the ACS Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.
27. **UNDERWRITING**
- Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of a Sub-fund.
28. **GENERAL POWER TO BORROW**
- 28.1 The ACS may, subject to the FCA Rules, borrow money from an Eligible Institution or an Approved Bank for the use of the ACS on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the ACS to comply with any restriction in the ACS Deed.
- 28.2 The ACS Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of each Sub-Fund.
- 28.3 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).
29. **RESTRICTIONS ON LENDING OF MONEY**
- 29.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by a Sub-fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 29.2 Acquiring a debenture is not lending for the purposes of paragraph 29.1 nor is the placing of money on deposit or in a current account.
30. **RESTRICTIONS ON LENDING OF PROPERTY OTHER THAN MONEY**
- 30.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 30.2 Stock lending transactions are not to be regarded as lending for the purposes of paragraph 30.1.
- 30.3 The Scheme Property of the Sub-funds must not be mortgaged.
- 30.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-fund in accordance with the rules in the COLL, nothing in this section 30 prevents the Depositary, at the request of the ACS Manager, from (i) lending, depositing, pledging or charging scheme property for margin requirements; or (ii) transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the ACS Manager reasonably considers that both the agreement and the margin arrangements made under it provide appropriate protection to Unitholders.
31. **GENERAL POWER TO ACCEPT OR UNDERWRITE PLACINGS**
- 31.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the ACS Deed. This

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section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.

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

31.3 The exposure of a Sub-fund to agreements and understandings as set out above, on any business day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the FCA Rules.

## 32. **GUARANTEES AND INDEMNITIES**

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

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

32.3 Paragraphs 32.1 and 32.2 do not apply in respect of:

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

32.3.2 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 a Sub-Fund and the holders of units in that scheme become the first unitholders in a Sub-fund.

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## Part Two

### Investment and Financial Techniques

Certain Sub-funds may enter into TRS and may engage in SFTs, being repurchase or reverse-repurchase transactions and stock lending in accordance with the Regulations and normal market practice. Any such use of SFTs and TRS will be consistent with the investment objective and policy of the relevant Sub-fund and, where utilised, any assets of such Sub-fund may be subject to SFTs and/or TRS.

#### Total Return Swaps

A TRS is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include a security or baskets thereof or eligible index) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets).

To the extent relevant, a Sub-fund may use Total Return Swaps to gain exposure to an asset without owning it or taking physical custody of it. For example, if a Sub-fund invests in a Total Return Swap on an underlying security, it will receive the price appreciation of the underlying security in exchange for payment of an agreed-upon fee.

A Sub-fund may use Total Return Swaps to more efficiently express a view in a given position and/or to gain or reduce exposure in a more cost effective manner and/or reduce risk. Total Return Swaps are typically used on single reference entities. Additionally, Total Return Swaps can be used to hedge existing long positions or exposures. Accordingly, the underlying strategy and composition of the investment portfolio of TRS will be consistent with the investment policy of the Sub-fund.

As at the date of this Prospectus, all Sub-funds may use TRS or financial derivative instruments with the same characteristics (as part of their derivative usage) for Efficient Portfolio Management.

#### Stock lending agreements

A stock lending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date. Stock lending aims to generate additional income with an acceptable degree of risk.

#### Repurchase / reverse repurchase agreements

Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Sub-fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A Sub-fund may enter into repurchase agreements for the purpose of generating additional capital or income, for reducing costs or risk and/or otherwise to more efficiently express a view in a given position.

#### Securities Financing Transactions

SFTs will only be entered with “approved counterparties” as defined in the Regulations. Any counterparty shall also be subject to an appropriate internal credit assessment carried out by the ACS Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, industry sector risk and concentration risk.

Subject to this, the ACS Manager has discretion as to the appointment of counterparties when entering into SFTs in furtherance of the Sub-funds’ investment objectives and policies. It is not possible to comprehensively list in this Prospectus all the counterparties as they may change from time to time.

The counterparty does not have discretion over the composition or management of a Sub-fund's portfolio or over any underlying of financial derivative instruments used by a Sub-fund and counterparty approval is not required for any investment decision made by an Investment Manager regarding a Sub-fund. However, the ACS Manager reserves the right to permit the granting of such discretion with the agreement of the relevant Investment Manager.

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With the exception of revenues generated through stock lending, all revenues arising from SFTs, net of any direct and indirect operational costs and fees arising, will be retained by the relevant Sub-fund. Any revenue generated through stock lending will be split 15% with the agent lender and 85% with the respective sub-fund.

Any entities who receive revenue from stock lending or use of other SFTs shall be outlined in the annual report of the ACS, which shall indicate if the entities are related to the ACS Manager or the Depositary.

The maximum percentage of a Sub-fund's assets that may be the subject of STFs and the expected percentage of such usage is set out in the details for the Sub-fund in Appendix I to this Prospectus.

The section above entitled "Risk Factors" provides a description of the risks associated with investments in repurchase and reverse repurchase agreements, stock lending and the management of collateral.

The ACS Manager will disclose in the ACS's annual report certain information regarding its use of SFTs.

With the exception of collateral received as part of a stock lending transaction, the assets of the Sub-fund that are subject to SFTs are held by the Depositary for safekeeping. For collateral received as part of stock lending, it will be held by a tri-party agent. A tri-party agent generally acts a settlement and collection service for securities and collateral between the lender and the borrower and maintains the value, quality and performance of the collateral.

#### Collateral

Collateral obtained under an SFT must meet the criteria set out in the COLL, as further described above in this Appendix III. The types of assets that may be received as collateral in respect of SFTs will be of high quality and may include (i) cash (ii) sovereign bonds, (iii) supranational debt obligations, and (iv) main index equity securities.

Collateral received must be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty. Collateral must also be sufficiently diversified in terms of country, markets and issuers. Cash collateral may be reinvested in (a) shares or units issued by short-term money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent and (b) reverse repurchase agreements (with maximum expected maturity of up to 50 years). The maximum expected maturity of all such assets is up to 50 years.

Any collateral obtained by the Sub-fund under an SFT will be valued daily at mark-to-market prices. Sometimes the Sub-fund, or the OTC derivative counterparty, will apply a 'haircut' to non-cash collateral. A haircut is a nominal reduction applied to the market value of collateral to provide a buffer against rises and falls in the value or the exposure of that type of collateral. Daily variation margin may be used if the value of collateral, as adjusted for any haircut, falls below the value of the relevant counterparty exposure.

The reuse of collateral is limited by the COLL to certain asset classes. Such reuse should neither result in a change to the Sub-fund's investment objectives nor increase substantially its risk profile.

As at the date of this Prospectus, whilst the Sub-funds may reuse collateral in line with the limitations in the COLL, the Sub-funds currently do not reuse collateral. However, the ACS Manager reserves the right to permit such reuse of collateral in the future.

## **APPENDIX IV**

### **Categories of professional clients as set out in the FCA Rules**

1. Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by the UK or an EEA State under a Directive, entities authorised or regulated by the UK or an EEA State without reference to a Directive, and entities authorised or regulated by a non-EEA State:
  - (a) Credit institutions;
  - (a) Investment firms;
  - (b) Other authorised or regulated financial institutions;
  - (c) Insurance companies;
  - (d) Collective investment schemes and management companies of such schemes;
  - (e) Pension funds and management companies of such funds;
  - (f) Commodity and commodity derivatives dealers;
  - (g) Locals; and
  - (h) Other institutional investors.
2. Large undertakings meeting two of the following size requirements on a company basis:
  - (i) balance sheet total: EUR 20,000,000;
  - (ii) net turnover: EUR 40,000,000; and
  - (iii) own funds: EUR 2,000,000.
3. National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

## APPENDIX V

### Certificate of Eligibility

Dated:

We hereby certify that:

- (a) we are a person who falls within one of the categories (1) to (4) of Section 1 of Annex II to the markets in financial instrument directive,\* or
- (b) we are applying to invest a payment of, or contribute property with a value of, not less than £1,000,000 (or such other minimum amount as required by FSMA or regulations made under it at the time of signing the declaration), or
- (c) we already hold Units in the ACS, or
- (d) we are a nominee and, for US tax purposes, a nonqualified intermediary for a person falling within (a), (b) or (c) and that person is [please give details].

Signed: .....

Unitholder

If (d) applies:

We certify that the applicant is our nominee and that it is for US tax purposes, a nonqualified intermediary and that we fall within (a) to (c) above.

Signed: .....

Principal

\* See Appendix III for categories of professional clients as set out in the Markets in Financial Instruments Directive (Directive 2014/65/EU)



## Undertaking and indemnity

***To be used where the beneficial owner is subscribing for Units directly with the ACS Manager (i.e., no nominee holdings) and the certificate is being signed by the beneficial owner***

To the extent the Depositary, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation\*\* because of the ownership (whether current or previous) by us of Units in the relevant Sub-fund and such Taxation is not paid by us on our own account, we shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person unless the payment arises because of the negligence, fraud or wilful default of the party being indemnified.

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

Further, if we redeem Units and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income, or a future payment of income, and any amount or amounts in relation to it are paid to us as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority or other source (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we receive such a tax reclaim or income payment, we will promptly notify and supply relevant details of the reclaim or income payment to the ACS Manager.

Finally, we acknowledge that the ACS Manager in relation to the Sub-fund in which we hold Units shall have the right to deduct and set off the amount of such Taxation or unpaid accrued income from any income distributed to us or reflected in the price of any Units owned by us. Any amounts equal to such Taxation or unpaid accrued income and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to the provisions of the ACS Deed and the Prospectus, compulsorily redeem any of our Units and may use the proceeds of such redemption to pay any relevant Taxation or unpaid accrued income.

\*\* "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them.

Signed: .....

Beneficial owner

### Undertaking and indemnity

***To be used where the beneficial owner is subscribing for Units through a nominee which, in respect of the subscription and holding of Units only, is not acting as a qualified intermediary for US tax purposes, but the certificate is being signed by the beneficial owner***

To the extent the Depositary, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation\*\* because of the beneficial ownership (whether current or previous) by us of Units in the relevant Sub-fund held through a nominee which is not, in respect of that holding of Units in the relevant Sub-fund only, a qualified intermediary for US tax purposes and such Taxation is not paid by us on our own account or by our nominee, we shall pay the amount of the Taxation to the relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person unless the payment arises because of the negligence, fraud, or wilful default of the party being indemnified.

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

Further, if we redeem Units and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income, or a future payment of income and any amount or amounts in relation to it are paid to us as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority or other source (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we receive such a tax reclaim or income payment, we will promptly notify and supply relevant details of the reclaim or income payment to the ACS Manager.

Finally, we acknowledge that the ACS Manager in relation to the Sub-fund in which we hold Units through our nominee shall have the right to deduct and set off the amount of such Taxation or unpaid accrued income from any income distributed to us through our nominee or reflected in the price of any Units owned by us through our nominee. Any amounts equal to such Taxation or unpaid accrued income and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to the provisions of the ACS Deed and the Prospectus, compulsorily redeem any of our Units owned through a nominee and may use the proceeds of such redemption to pay any relevant Taxation or unpaid accrued income.

\*\* "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them.

Signed: .....

Beneficial owner

### Undertaking and indemnity

***To be used where the beneficial owner is subscribing for Units through a nominee which, in respect of the subscription and holding of Units only, is not acting as a qualified intermediary for US tax purposes and the certificate is being signed by the nominee (with the nominee obtaining a back to back indemnity with the beneficial owner)***

To the extent the Depositary, the Custodian, the ACS Manager, the Investment Manager, the Administrator, any other provider of services to or in relation to the ACS, any Sub-fund, any underlying investment, any Unitholder or former Unitholder and any of their respective delegates or agents is liable to pay any Taxation\*\* because of the legal ownership (whether current or previous) by us (that is, for US tax purposes, acting as a nonqualified intermediary in respect of the holding of Units only) on behalf of the current or previous beneficial owner respectively of Units in the relevant Sub-fund and such Taxation is not paid by us on behalf of the beneficial owner, or by the beneficial owner on our account or their account, as applicable, we shall pay the amount of the Taxation to the

relevant Sub-fund or as the ACS Manager may direct before the time it becomes payable by the affected person unless the payment arises because of the negligence, fraud, or wilful default of the party being indemnified.

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

Further, if we redeem Units and the redemption payment is computed on the basis that the Sub-fund in question will benefit from a tax reclaim in relation to its accrued income, or a future payment of income and any amount or amounts in relation to it are paid to the former beneficial owner or to us as the former Unitholder rather than to the Sub-fund, or are not received from the appropriate tax authority or other source (otherwise than through the negligence, fraud or wilful default of the ACS Manager, the Depositary or any other service provider), we will pay a matching or equivalent amount or amounts to the relevant Sub-fund. In addition, where we receive such a tax reclaim or income payment, we will promptly notify and supply relevant details of the reclaim or income payment to the ACS Manager.

Finally, we acknowledge that the ACS Manager in relation to the Sub-fund in which we hold Units on behalf of the beneficial owner shall have the right to deduct and set off the amount of such Taxation or unpaid accrued income from any income distributed to us on behalf of the beneficial owner or reflected in the price of any Units owned by us on behalf of the beneficial owner. Any amounts equal to such Taxation or unpaid accrued income and not paid as described may be deducted from any proceeds payable where a redemption request is met. The ACS Manager may also, pursuant to the provisions of the ACS Deed and the Prospectus, compulsorily redeem any of our Units owned on behalf of the beneficial owner and may use the proceeds of such redemption to pay any relevant Taxation or unpaid accrued income.

\*\* "Taxation" means all forms of taxation whenever created or imposed and whether in the UK or elsewhere and shall include any taxes, duties, levies and any other amount in the nature of taxation in any relevant jurisdiction, including all fines, interest, penalties and expenses incidental and relating to any such tax, duty, levy or charge and their negotiation, settlement or dispute and any actual or threatened claim in respect of them.

Signed: .....

Nominee

## APPENDIX VI

### PAST PERFORMANCE TABLES AND INVESTOR PROFILE

#### Part One

The following table shows the percentage growth of the Sub-funds and the historical performance data of the Sub-funds over the period stated below.

	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
	(%)	(%)	(%)	(%)	(%)
<b>abrdn Evolve UK Equity Index Fund *</b>	9.3	- 4.2	18.9	-	-
Performance Target - MSCI UK IMI Select ESG Climate Solutions Target	9.8	- 4.1	19.4	-	-
<b>abrdn Evolve World Equity Index Fund *</b>	16.2	- 8.5	23.2	-	-
Performance Target - MSCI World Select ESG Climate Solutions Target	16.5	- 8.2	23.8	-	-
<b>abrdn Evolve American Equity Index Fund**</b>	-	-	-	-	-
Performance Target – MSCI USA Select ESG Climate Solutions Target	-	-	-	-	-

Source: Factset

Basis: NAV to NAV, The above figures based on B1 Accumulation Units GBP

\* This Sub-fund was launched on 12/11/2020 and some past performance data is not available.

\*\* As this Sub-fund was launched on 25/04/2023 there is no past performance information currently available.

The above performance figures are based on NAV to NAV prices. These performance figures are presented as a matter of historical record. Performance is determined by many factors, not just the skill of the ACS Manager and the Investment Manager, including the general direction and volatility of markets and may not be repeatable. Past performance is not a guide to future rates of return. The latest performance figures may be obtained from the ACS Manager and at [www.abrdn.com](http://www.abrdn.com). Performance information is shown for a period of five years. Where no performance data is shown, performance data does not exist for the relevant periods.

## **Part Two**

### **Investor profiles**

It is a regulatory requirement that a direct investor in an ACS must either:

- invest at least £1m; or
- be a professional institutional investor as detailed in Appendix IV.

Please also see definition of Eligible Investor.

## APPENDIX VII

### DIRECTORY

**ACS Manager:**

abrdn Fund Managers Limited  
280 Bishopsgate, London EC2M 4AG

**Depository:**

Northern Trust Investor Services Limited  
50 Bank Street, London E14 5NT

**Administrator:**

Northern Trust Global Services SE UK Branch  
50 Bank Street, London E14 5NT

**Investment Manager:**

abrdn Investments Limited  
1 George Street, Edinburgh, United Kingdom, EH2 2LL

**Registrar and Transfer Agent:**

Northern Trust Global Services SE UK Branch  
50 Bank Street, London E14 5NT

**Auditors:**

KPMG LLP  
St Vincent Plaza, 319 St Vincent Street, Glasgow G2 5AS

