

## **Kames Capital Investment Company (Ireland) Plc**

An umbrella fund with segregated liability between sub-funds

A company incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland with registered number **442106**

### **PROSPECTUS**

This Prospectus is dated 17 July 2019

This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with the Supplement for the Shares of the Fund being offered.

The Directors of **Kames Capital Investment Company (Ireland) Plc** whose names appear in the **Directors of the Company** section of the Prospectus accept responsibility for the information contained in this Prospectus and each relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Prospectus (as complemented, modified or supplemented by the relevant Supplement), when read together with the relevant Supplement, is in accordance with the facts as at the date of the relevant Supplement and does not omit anything likely to affect the import of such information.

## 1. INTRODUCTION

**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS AND THE RELEVANT SUPPLEMENT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Company is structured as an umbrella type open-ended investment company with variable capital, incorporated on 25 June 2007 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended). Accordingly, the Company is supervised by the Central Bank of Ireland (the Central Bank). This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank pari passu save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Central Bank), the Company will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Shares available therein are set out in the relevant Supplement.

**The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.**

**Shareholders should note that all or part of the fees and expenses may be charged (in whole or part) to the capital of the Fund. Where such fees and expenses are charged to capital, Shareholders may not receive back the full amount invested on repurchases of Shares which would have the effect of lowering the capital value of your investment.**

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the audited annual report of the Company for the period to 31 October each year unless accompanied by a copy of such report and, if published after the annual report, a copy of the then latest published semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Company.

The listing particulars, including all information required to be disclosed by Euronext Dublin listing requirements, comprises listing particulars for the purpose of the listing of such shares on Euronext Dublin.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the listing particulars or the suitability of the Company for investment purposes.

The Directors do not anticipate that an active secondary market will develop in any of the Shares of the Company.

The Directors confirm there has been no significant change in the financial or trading position of the Company since the end of the period for which the audited financial statement included in the listing particulars are prepared and which form part of the listing particulars.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (**FSMA**) of the United Kingdom. This Prospectus is distributed in the United Kingdom by or on behalf of the Directors and is approved for the purposes of the FSMA by **Kames Capital plc** which is authorised and regulated by the Financial Conduct Authority.

The Company maintains facilities in the United Kingdom at the address given below in the interests of Shareholders on matters such as inspection of the Memorandum and Articles of Association of the Company, the Prospectus, KIIDs, the reports and accounts and arrangements for repurchase of Shares. In addition, any person who has a complaint to make about the operation of the Company can submit his complaint in writing to the address given below:

Kames Capital Plc

Kames House

3 Lochside Crescent

Edinburgh EH12 9SA

United Kingdom

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular the Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate U.S. securities laws, be directly or indirectly offered or sold in the United States or to any U.S. Person. The Company will not be registered under the United States Investment Company Act of 1940 as amended.

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

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who does not clear such money laundering checks as the Directors may determine or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages (including endeavouring to ensure that the relevant Fund's assets are not considered plan assets for the purpose of ERISA) or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached (including without limitation, where a holder fails to provide the Company with information required to satisfy any automatic exchange of information obligations under, for example, FATCA of a Fund, the Company, the Depositary, the administrator, the investment manager or any delegate thereof) or any individual under the age of 18 (or such other age as the Directors may think fit). Where Taxable Irish Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for Irish taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail. All communications in relation to this Prospectus and any Supplements shall be in English unless otherwise agreed.

Shareholders in the United Kingdom shall not have the right to cancel the investment agreement constituted by the acceptance by or on behalf of the Company of an application for Shares. The Company does not have a place of business in the United Kingdom and is not authorised under the FSMA. As against the Company, and any overseas agent thereof who is not authorised to carry on regulated activities in the United Kingdom, a United Kingdom investor will not benefit from the rules and regulations made under the FSMA for the protection of private investors, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

### **Jersey**

The consent of the Jersey Financial Services Commission (the **Commission**) under the Control of Borrowing (Jersey) Order, 1958 as amended has been obtained to the circulation in Jersey of an offer for subscription, sale or exchange of Shares in the Company. It must be distinctly understood that in giving this consent the Commission does not take any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them. The Commission is protected by the Control of Borrowing (Jersey) Law, 1947, against liability arising from the discharge of its functions under that law.

### **Guernsey**

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959-2003 has been obtained to the circulation of this Prospectus in the Bailiwick of Guernsey. Neither the Guernsey Financial Services Commission nor the States of Guernsey policy council takes any responsibility for the financial soundness of the Company or the correctness of any of the statements made or opinions expressed with regard to it.

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Shares constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Applicants' attention is drawn to the section entitled RISK FACTORS below which sets out certain investment risks for an investor.**

**Prices of shares may fall as well as rise. The difference at any one time between the sale and repurchase price of shares in the Fund means that the investment should be viewed as medium to long term.**

Any information given or representations made, by any dealer, salesman or other person, which are not contained in this Prospectus or the relevant Supplement or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement. This Prospectus or the relevant Supplement may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

This Prospectus and the relevant Supplements shall be governed by and construed in accordance with Irish Law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the Definitions section below.

## TABLE OF CONTENTS

<b>1.</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>2.</b>	<b>DEFINITIONS.....</b>	<b>6</b>
<b>3.</b>	<b>FUNDS .....</b>	<b>11</b>
3.1.	INVESTMENT OBJECTIVE AND POLICIES .....	11
3.2.	INVESTMENT RESTRICTIONS .....	11
3.3.	EFFICIENT PORTFOLIO MANAGEMENT - DERIVATIVES.....	16
3.4.	EFFICIENT PORTFOLIO MANAGEMENT – STOCKLENDING, REPURCHASE AGREEMENTS AND REVERSE REPURCHASE AGREEMENTS (REPO TRANSACTIONS) 17	
3.5.	COLLATERAL MANAGEMENT POLICY .....	18
3.6.	BORROWING AND LENDING POWERS .....	20
3.7.	CHARGES AND EXPENSES.....	20
3.8.	DIVIDEND POLICY .....	21
3.9.	HEDGED AND UNHEDGED SHARE CLASSES.....	21
3.10.	BENCHMARKS .....	22
3.11.	TARGET MARKET .....	23
<b>4.</b>	<b>RISK FACTORS.....</b>	<b>23</b>
4.1.	GENERAL.....	23
4.2.	CURRENCY RISK.....	24
4.3.	MARKET RISK .....	24
4.4.	VALUATION RISK .....	24
4.5.	INVESTMENT IN FINANCIAL DERIVATIVE INSTRUMENTS (FDIs) .....	24
4.6.	OVER-THE-COUNTER MARKETS RISK .....	25
4.7.	TAXATION .....	25
4.8.	EMERGING MARKET RISKS .....	25
4.9.	RISKS ASSOCIATED WITH INVESTMENT IN OTHER COLLECTIVE INVESTMENT SCHEMES.....	26
4.10.	LEGAL AND REGULATORY RISKS.....	26
4.11.	AGGREGATION OF ORDERS.....	27
4.12.	NAV ERRORS.....	27
4.13.	STOCK LENDING OR REPO TRANSACTIONS.....	27
4.14.	PAYMENT OF CHARGES AND EXPENSES TO CAPITAL .....	27
4.15.	UMBRELLA CASH ACCOUNTS .....	27
<b>5.</b>	<b>MANAGEMENT OF THE COMPANY .....</b>	<b>28</b>
5.1.	DIRECTORS OF THE COMPANY .....	28
5.2.	INVESTMENT MANAGER .....	29
5.3.	DISTRIBUTORS.....	29
5.4.	DEPOSITARY .....	29
5.5.	ADMINISTRATOR .....	30
5.6.	PORTFOLIO TRANSACTIONS AND CONFLICTS OF INTEREST .....	30
5.7.	ORDER EXECUTION INFORMATION.....	31
5.8.	INDUCEMENTS AND COMMISSION .....	31
<b>6.</b>	<b>SUBSCRIPTION FOR SHARES .....</b>	<b>32</b>
6.1.	PURCHASES OF SHARES.....	32
6.2.	ISSUE PRICE .....	33
6.3.	PAYMENT FOR SHARES .....	33
6.4.	IN SPECIE ISSUES.....	33
6.5.	ANTI-MONEY LAUNDERING PROVISIONS .....	33
6.6.	LIMITATIONS ON PURCHASES.....	34
6.7.	DILUTION ADJUSTMENT .....	34
<b>7.</b>	<b>REPURCHASE OF SHARES.....</b>	<b>34</b>
7.1.	REPURCHASES OF SHARES .....	34
7.2.	REPURCHASE PRICE .....	35
7.3.	PAYMENT OF REPURCHASE PROCEEDS.....	35
7.4.	LIMITATIONS ON REPURCHASES .....	35
7.5.	MANDATORY REPURCHASES.....	36
7.6.	DILUTION ADJUSTMENT.....	36
<b>8.</b>	<b>SUBSCRIPTION AND REDEMPTIONS THROUGH A CLEARING SYSTEM AND/OR SELLING AGENT .....</b>	<b>36</b>

<b>9.</b>	<b>EXCHANGE OF SHARES .....</b>	<b>36</b>
9.1.	LIMITATIONS ON EXCHANGE .....	37
9.2.	UMBRELLA CASH ACCOUNTS .....	37
9.3.	CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS .....	37
9.4.	DILUTION ADJUSTMENT .....	39
9.5.	SUSPENSION OF CALCULATION OF NET ASSET VALUE .....	40
9.6.	FORM OF SHARES, SHARE CERTIFICATES AND TRANSFER OF SHARES .....	41
9.7.	NOTIFICATION OF PRICES .....	42
<b>10.</b>	<b>DATA PROTECTION .....</b>	<b>42</b>
<b>11.</b>	<b>FEES AND EXPENSES .....</b>	<b>42</b>
<b>12.</b>	<b>TAXATION .....</b>	<b>43</b>
12.1.	GENERAL .....	43
12.2.	IRELAND .....	43
12.3.	UNITED KINGDOM .....	49
12.4.	OTHER JURISDICTIONS .....	51
13.1.	REPORTS AND ACCOUNTS .....	51
13.2.	INCORPORATION AND SHARE CAPITAL .....	52
13.3.	MEMORANDUM AND ARTICLES OF ASSOCIATION .....	52
13.4.	LITIGATION AND ARBITRATION .....	56
13.5.	DIRECTORS' INTERESTS .....	56
13.6.	MATERIAL CONTRACTS .....	56
13.7.	MISCELLANEOUS .....	57
13.8.	REMUNERATION .....	58
13.9.	DOCUMENTS FOR INSPECTION .....	58
13.10.	DISPUTE RESOLUTION .....	59
13.11.	COMMUNICATIONS RECORDING .....	59
	<b>SCHEDULE 1 - MARKETS .....</b>	<b>60</b>
	<b>SCHEDULE 2 – SUB-DELEGATES .....</b>	<b>63</b>
	<b>SCHEDULE 3 DIRECTORY .....</b>	<b>69</b>

## 2. DEFINITIONS

**Accounting Period** means a period ending on 31 October of each year;

**Accumulation Share** means an accumulating share available for certain Funds of the Company which generally do not pay out a dividend or other distribution as more particularly described in the relevant Supplements;

**Act** means the Companies Act 2014, as may be amended and as same may be further amended and including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company;

**Administration Agreement** means the Investment Fund Services Agreement for the provision of Fund Accounting and Transfer Agency Services Agreement dated 23 December 2016 between the Company and Citibank Europe plc, as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Administrator** means **Citibank Europe plc** or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

**AIF** means an alternative investment fund as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;

**Application Form** means the application form for Shares;

**Approved Counterparty** means permitted pursuant to the Central Bank UCITS Regulations;

**Articles** means the Articles of Association of the Company as amended from time to time in accordance with the requirements of the Central Bank;

**Base Currency** means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;

**Business Day** means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;

**Central Bank UCITS Regulations** means Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and any guidance issued by the Central Bank;

**Company** means **Kames Capital Investment Company (Ireland) Plc**;

**Connected Person** means the persons defined as such in the section headed **Portfolio Transactions and Conflicts of Interest**;

**Data Protection Legislation** means (i) the Data Protection Acts 1988 and 2003 or any other legislation or regulations implementing Directive 95/46/EC, (ii) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (iii) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) (**GDPR**) and any consequential national data protection legislation and (iv) any guidance and/or codes of practice issued by the Irish Data Protection Commissioner or other relevant supervisory authority, including without limitation the European Data Protection Board;

**Dealing Day** means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days for each Fund in each month (with at least one Dealing Day per fortnight of the relevant month);

**Dealing Deadline** means in relation to applications for subscription repurchase or exchange of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;

**Depository** means **Citibank Depository Services Ireland Limited** or any successor thereto duly appointed with the prior approval of the Central Bank;

**Depository Agreement** means the agreement dated 21 October 2016 between the Company and the Depository as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank UCITS Regulations;

**Dilution Adjustment** has the meaning assigned thereto on pages 38;

**Directors** mean the directors of the Company, each a **Director**;

**Distribution Agreements** means each of the distribution agreements between the Company and the Distributors as described under the heading **Material Contracts** below;

**Distributor** means either Kames Capital Plc or Aegon Investment Management B.V., appointed by the Company for the purposes of coordinating the distribution of the Shares of each Fund;

**EEA** means European Economic Area (the current members being: the EU, Iceland, Liechtenstein and Norway);

**EEA Member State** means a member state of the EEA;

**Efficient Portfolio Management** means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; or the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the relevant Fund as described in the Prospectus and Supplement for the relevant Fund and the general provisions of the UCITS Directive;

**EU** means the European Union, the current members being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands and the United Kingdom;

**EU Benchmark Regulation** means Regulation (EU) 2061/1011 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 and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) NO 596/2014;

**EU Member State** means a member state of the EU;

**Euro** or **€** means the lawful currency of the European Monetary Union Member States or any successor currency;

**Euronext Dublin** means the Irish Stock Exchange plc trading as Euronext Dublin;

**Exchange Charge** means the charge, if any, payable on the exchange of Shares as is specified herein or in the relevant supplement;

**FDI** means a financial derivative instrument permitted by the Regulations;

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B of the TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject to have been satisfied;

**Fund** means a portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and **Funds** means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;

**Income Share** means a Share of a class available in each Fund of the Company which distributes substantially the whole of the net income (including interest and income) attributable to such Shares as more particularly described in the relevant Supplements;

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Investment Manager** means Kames Capital plc or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

**Investment Management Agreement** means the amended and restated investment management agreement between the Investment Manager and the Company dated 20 May 2016 as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Markets** mean the stock exchanges and regulated markets set out in Schedule I;

**Member State** means a member state of the EU;

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means USD20 million or such other amount (if any) as the Directors may decide for a Fund from time to time;

**Minimum Initial Investment Amount** means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Shareholding** means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Fund;

**Minimum Share Class Size** means such amount (if any) as the Directors may consider for each Class and as set out in the Supplement for the relevant Fund;

**Minimum Repurchase Amount** means such number or value of shares of any class (if any) as specified in the Supplement for the relevant Fund;

**Money Market Instruments** shall have the meaning prescribed to it in the Regulations, as may be amended from time to time;

**month** means calendar month;

**Net Asset Value** or **Net Asset Value per Share** means in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the Calculation of Net Asset Value/Valuation of Assets section below as the Net Asset Value of a Fund or the Net Asset Value per Share;

**OECD** means the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States) which includes any other country or countries which become members of the OECD from time to time;

**OECD Member State** means a member state of the OECD;

**OTC derivative** means a financial derivative instrument permitted by the Regulations which is dealt over the counter;

**Persons Closely Associated** in relation to a director means:

- a) the spouse of the *director*,
- (b) dependent children of the *director*,

(c) other relatives of the *director*, who have shared the same household as that person for at least one year on the date of the transaction concerned,

(d) any person -

(i) the managerial responsibilities of which are discharged by a person -

(a) discharging managerial responsibilities within the issuer, or

(b) referred to in paragraph (a), (b) or (c) of this definition,

(ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,

(iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or

(iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition;

**Preliminary Charge** means in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund;

**Privacy Statement** means the privacy statement adopted by the Company, as amended from time to time, the current version of which is available via the website at [www.kamescapital.com/VCIC\\_privacy](http://www.kamescapital.com/VCIC_privacy);

**Recognised Market** means the list of markets at Schedule 1;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, S.I. No. 143 of 2016, as may be amended from time to time;

**Related Companies** has the meaning assigned thereto in Section 2 (10) of the Act. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company;

**Reporting Share** means a share with a UK Reporting Status;

**Reporting Fund** means a Share Class that complies with the UK tax regime for offshore funds and has a certain tax status relevant for a UK tax paying Shareholders;

**Settlement Date** means in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation;

**Semi-Permanent Pricing Basis** has the meaning assigned thereto at page 38;

**Shares** means participating shares in the Company representing interests in a Fund and where the context so permits or requires any class of participating shares representing interests in a Fund;

**Shareholders** means holders of Shares, and each a **Shareholder**;

**£, Sterling and Pound** means the lawful currency of the United Kingdom or any successor currency;

**Supplement** means any supplement to the Prospectus issued on behalf of the Company from time to time;

**Taxable Irish Person** means any person, other than:

(i) a Foreign Person;

(ii) an intermediary, including a nominee, for a Foreign Person;

(iii) a qualifying management company within the meaning of section 739B TCA;

(iv) a specified company within the meaning of section 734 TCA;

(v) an investment undertaking within the meaning of section 739B of the TCA;

- (vi) an investment limited partnership within the meaning of section 739J of the TCA;
- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (viii) a company carrying on life business within the meaning of section 706 TCA;
- (ix) a special investment scheme within the meaning of section 737 TCA;
- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency under section 739D(6)(kb) TCA;
- (xix) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (xxi) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27 Chapter 1A of the TCA.

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**transferable securities** shall have the meaning prescribed to it in the Regulations, as may be amended from time to time;

**UCITS** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Council Directives 2009/65/EC, 2010/43/EU and 2010/44/EC, as amended, supplemented, consolidated or otherwise modified from time to time:

the sole object of which is the collective investment in transferable securities and/or in other financial instruments of capital raised from the public and which operates on the principle of risk-spreading; and the shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of that undertaking's assets;

**United Kingdom and UK** means the United Kingdom of Great Britain and Northern Ireland;

**United States** and **U.S.** means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;

**US Dollars, Dollars and \$** means the lawful currency of the United States or any successor currency;

**U.S. Person** means any person falling within the definition of the term **US Person** under Regulation S promulgated under the US Securities Act 1933, as amended from time to time;

**Valuation Point** the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund provided that there shall be at least two Valuation Points in every month.

### 3. **FUNDS**

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

#### 3.1. **Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund.

Any change in the investment objective or a material change in the investment policies of a Fund will be subject to prior approval on the basis of a majority of votes cast by an ordinary resolution of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution.

Subject thereto, non-material changes to the policy of a Fund may be amended from time to time by the Directors if they shall deem it to be in the best interest of the relevant Fund to do so. In the event of a change of investment objective and/or material change of the policies of a Fund, the changes will be provided for in an update to the relevant Supplement of the Fund and a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

#### 3.2. **Investment Restrictions**

The investment restrictions applying to each Fund of the Company under the Regulations are set out below. These are, however, subject to the qualifications and exemptions, some subject to derogations being granted by the Central Bank contained in the Regulations and in the Central Bank UCITS Regulations. Any additional investment restrictions for other Funds will be formulated by the Directors at the time of the creation of such Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

##### 3.2.1. **Permitted Investments**

Investments of a Fund are confined to:

- (1) transferable securities and money market instruments as prescribed in the Regulations and/or Central Bank UCITS Regulations which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- (2) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- (3) money market instruments, as defined in the Regulations and/or Central Bank UCITS Regulations, other than those dealt on a regulated market.
- (4) units of UCITS.
- (5) units of AIFS as set out in the Regulations and/or Central Bank UCITS Regulations.

- (6) deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
- (7) financial derivative instruments as prescribed in the Regulations.

### 3.2.2. Investment Limits

- (1) A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 3.2.1.
- (2) A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 3.2.1) within a year. This restriction will not apply in relation to investment by the Fund in certain US securities known as Rule 144A securities provided that:
  - (a) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- (3) A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (4) Subject to the prior approval of the Central Bank, the limit of 10% (in 3.2.2(3)) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- (5) The limit of 10% (in 3.2.2(3)) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- (6) The transferable securities and money market instruments referred to in 3.2.2(4) and 3.2.2(5) shall not be taken into account for the purpose of applying the limit of 40% referred to in 3.2.2(3).
- (7) Cash booked in accounts and held as ancillary liquidity shall not exceed:
  - (a) 10% of the net assets of the UCITS; or
  - (b) where the cash is booked in an account with the Depository, 20% of the net assets of the UCITS.
- (8) The risk exposure of a Fund to a counterparty to an over the counter (**OTC**) derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July, 1988; or a credit institution authorised in the Channel Islands, the Isle of Man, Australia or New Zealand.

- (9) Notwithstanding paragraphs 3.2.2(3), 3.2.2(7) and 3.2.2(8) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- (10) investments in transferable securities or money market instruments;
- (a) deposits, and/or
- (b) counterparty risk exposures arising from OTC derivatives transactions.
- (11) The limits referred to in 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(9) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- (12) Group companies are regarded as a single issuer for the purposes of 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(9). However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- (13) A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members or any of the following. The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
- OECD Member States, (provided the relevant issues are investment grade)
- Government of the People's Republic of China
- Government of Brazil, (provided the relevant issues are investment grade)
- Government of India, (provided the relevant issues are investment grade)
- Government of Singapore
- European Investment Bank
- European Bank for Reconstruction and Development
- International Finance Corporation
- International Monetary Fund
- Euratom
- The Asian Development Bank
- European Central Bank
- Council of Europe
- Eurofima
- African Development Bank
- International Bank for Reconstruction and Development (The World Bank)
- The Inter-American Development Bank
- European Union
- Federal National Mortgage Association (Fannie Mae)
- Federal Home Loan Mortgage Corporation (Freddie Mac)
- Government National Mortgage Association (Ginnie Mae)
- Student Loan Marketing Association (Sallie Mae)

Federal Home Loan Bank  
Federal Farm Credit Bank  
Tennessee Valley Authority  
Straight-A Fund LLC

### 3.2.3. **Investment in Collective Investment Schemes (CIS)**

Where a Fund can invest in CIS this will be set out in the relevant Fund's Supplement and the following restrictions will apply:

- (1) Subject to any lower limit specified in a particular Supplement, a Fund may not invest more than 20% of net assets in other collective investment schemes.
- (2) Investment in AIFs may not, in aggregate, exceed 10% of net assets of a Fund.
- (3) The CIS in which a fund invests must be prohibited from investing more than 10% of its net assets in other open ended collective investment schemes.
- (4) When a Fund invests in the units of other CIS that are managed directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control or by a substantial direct or indirect holding that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- (5) Where a commission (including a rebated commission) is received by the Fund manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### 3.2.4. **Index Tracking UCITS**

- (1) A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- (2) The limit in 3.2.4(1) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### 3.2.5. **General Provisions**

- (1) An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (2) A Fund may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

The limits laid down in 3.2.5(2)(b), 3.2.5(2)(c) and 3.2.5(2)(d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the

money market instruments, or the net amount of the securities in issue cannot be calculated.

- (3) 3.2.5(1) and 3.2.5(2) shall not be applicable to:
- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - (d) shares held by a Fund in the capital of a company incorporated in a non-EU member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 3.2.2(3) to 3.2.2(11), 3.2.3(1), 3.2.3(2), 3.2.5(1), 3.2.5(2), 3.2.5(4), 3.2.5(5) and 3.2.5(6) and provided that where these limits are exceeded, paragraphs 3.2.5(5) and 3.2.5(6) below are observed;
  - (e) shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- (4) The Company need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- (5) The Central Bank may allow recently authorised Funds to derogate from the provisions of 3.2.2(1) to 3.2.2(12), 3.2.3(1), 3.2.3(2), 3.2.4(1) and 3.2.4(2) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- (6) If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- (7) A Fund may not carry out uncovered sales of:
- (a) transferable securities;
  - (b) money market instruments;
  - (c) units of CIS; or
  - (d) financial derivative instruments.
- (8) A Fund may hold ancillary liquid assets.

### 3.2.6. Financial Derivative Instruments (FDIs)

- (1) A Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total Net Asset Value.

- (2) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- (3) A Fund may invest in FDIs dealt in over-the-counter (**OTC**) provided that the counterparties to over-the-counter (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (4) Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

### 3.3. **Efficient Portfolio Management - Derivatives**

A Fund may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for Efficient Portfolio Management purposes, a list of which (if any) shall be set out in the relevant Supplement.

The following is a description of the types of financial derivative instruments which may be used by the Funds:

#### **Futures**

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

#### **Forwards**

A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency.

#### **Options**

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options.

#### **Swaps**

A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. The Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps or currency swaps and other derivative instruments both as independent investment opportunities and to hedge existing long positions. Swaps may extend over substantial

periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

### **Spot Foreign Exchange Transactions**

The Funds may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. **Spot** settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed.

### **Caps and Floors**

The Funds may enter into caps and floors which are agreements under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

### **Contracts for Differences**

The Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences (**CFD**) are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed.

### **Credit Derivatives**

The Funds may enter into credit derivatives to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. The Funds' use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Funds will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

## **3.4. Efficient Portfolio Management – Stocklending, Repurchase Agreements and Reverse Repurchase Agreements (Repo Transactions)**

The Company may enter into certain repurchase or reverse repurchase transactions ("repo transactions") or stocklending transactions in respect of any Fund for Efficient Portfolio Management purposes and this fact will be set out in the relevant Supplement, where applicable.

The use of stocklending agreements, repurchase agreements and reverse repurchase agreements may only be effected in accordance with normal market practice and all assets received under such transactions will be considered collateral and will comply with the criteria set out in the section entitled "Collateral Management Policy".

There is no limit on the amount of assets of a Fund which may be used for stocklending or repo transactions but the transactions must satisfy three broadly-based requirements:-

- a. they may not include speculative transactions. Stocklending or repo transactions must be economically appropriate in that they are realised in a cost effective way.
- b. The purpose of such transactions for any Fund must be to achieve one of the following in respect of a Fund:-
  - (i) Reduction of risk
  - (ii) Reduction of cost
  - (iii) The generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules in the UCITS Regulations and Central Bank UCITS Regulations.

The relevant purpose must relate to the assets of a Fund; property (whether precisely identified or not) which is to be or proposed to be acquired for a Fund; and anticipated cash receipts in respect of the Fund, if due to be received at some time and likely to be received within one month.

- c. Each such transaction must be covered globally, that is, a Fund's exposure must not exceed its Net Asset Value, taking into account the value of the underlying assets, future market movements, counterparty risk and the time available to liquidate any position. The global exposure must be calculated on at least a daily basis.

Briefly, stocklending and repo transactions are those where one party ('Party A') delivers securities to the other ('Party B') in return for which it is agreed that securities of the same kind and amount should be redelivered to Party A at a later date. Party B provides Party A with collateral to cover against the risk of the future redelivery not being completed.

There is no limit on the value of the assets which may be the subject of stocklending or repo transactions.

If repo and/or stocklending transactions are entered into, counterparty risk exposures will be aggregated across (i) repo and/or stocklending transactions (as appropriate) and (ii) Efficient Portfolio Management Derivative transactions (referred to above).

Any potential conflict of interests relating to stocklending or repo transactions shall be dealt with in accordance with the section above headed 'Conflicts of Interests'.

Direct and indirect operational costs and fees incurred in performing these transactions may be deducted from any associated revenue delivered to a Fund. All such revenue, net of direct and indirect operational costs, will be returned to the relevant Fund. Such costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The entities to which such costs and fees are paid will be disclosed in the long annual report of the Company.

Stocklending or repo transactions may in some cases result in reduced performance but may nonetheless be entered into where the Company believes it to be in the best interests of a Fund, for example in order to manage risk.

The Collateral Management Policy set out below shall apply to any collateral received in respect of a repo or stocklending transaction.

### 3.5. Collateral Management Policy

The Collateral Management Policy is detailed within the risk management process (**RMP**) and is subject to change and regular review.

The RMP will define "eligible" collateral including any applicable haircuts. Collateral will generally be of high quality and liquid e.g. cash and government securities. It will also include any additional restrictions deemed appropriate by the Directors.

All collateral used to reduce counterparty risk will comply with the following criteria at all times:-

- Collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of Regulation 74 of the Regulations;
- Collateral that is received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitable conservative haircuts are in place;
- Collateral received shall be of high quality. The Company shall ensure that:
  - Where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and
  - Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to above this shall result in a new credit assessment being conducted of the issuer by the Company without delay.
- Collateral received shall be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it shall not display a high correlation with the performance of the counterparty;
- Diversification
  - Subject to the sub-paragraph below, collateral shall be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent of the Net Asset Value of a Fund. When a Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20 per cent limit of exposure to a single issuer.
  - A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund shall receive securities from at least 6 different issues, but securities from any single issue shall not account for more than 30 per cent of the Fund's Net Asset Value. A Fund that intends to be fully collateralised in securities issued or guaranteed by a Member State will disclose this fact in its supplement. The Fund will also identify the Member States, local authorities or public international bodies or guaranteeing securities which they are able to accept as collateral for more than 20 per cent of their Net Asset Value.
- It will be held by the Depository or by a third party depository which is subject to prudential supervision and which is unrelated to the provider of collateral; and
- It will be capable of being fully enforced by the Company at any time without reference or approval from the counterparty.

Permitted collateral includes (where applicable):-

- Cash
- Government or other public securities; and

- Bonds or commercial paper issued by acceptable entities, in accordance with the Fund's ISDA/Credit Support Annex documentation.

Where appropriate, a significant proportion, or all, of collateral received in respect of a stocklending or repo transaction may be issued or guaranteed by a single government or other public body.

Non – cash collateral will not be sold, re-invested or pledged.

Cash collateral will only be:-

- placed on deposit with a credit institution referred to in Regulation 7 of the Central Bank UCITS Regulations, or
- invested in high-quality government bonds, or
- used for the purpose of reverse repo transactions provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank UCITS Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis, or
- invested in short-term money market funds (as defined in the Guidelines on a Common Definition of European Money Market Funds issued by the Committee of European Securities Regulators in May 2010).

Cash collateral, where reinvested, will be diversified in accordance with the requirements of the ESMA Guidelines.

The exposure to a counterparty will, at all times, meet the requirements of Article 52 of the UCITS Directive. Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on quality of the assets received and their price volatility.

Where the Fund reinvests cash collateral in one or more of the permitted types of investment 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. The level of collateral required by the Fund in respect of its investment in OTC FDI and use of efficient portfolio management techniques will be that required to manage counterparty exposure within the limits set down by the Central Bank.

### 3.6. **Borrowing and Lending Powers**

The Company may not borrow money except insofar as is permitted under the Regulations.

The Company may borrow, for the account of a Fund, up to 10% of the net assets of a Fund and the assets of such Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

The Company may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

The Company may not borrow for investment purposes.

Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Fund will be formulated by the Directors at the time of the creation of a Fund. There are no special borrowing restrictions currently in operation.

### 3.7. **Charges and Expenses**

When a Fund invests in the shares of other UCITS or collective investment undertakings or both and those other UCITS or collective investment undertakings are managed, directly or by delegation, by the

Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription or repurchase fees on account of the investment of the Fund in the shares of such other UCITS or collective investment undertakings or both, as the case may be.

If a Fund invests a substantial proportion of its net assets in other UCITS or collective investment undertakings or both the maximum level of the management fees that may be charged to the Fund by the other UCITS or collective investment undertakings or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report.

### 3.8. **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the relevant Supplement. Under the Articles, the Directors are entitled to declare dividends out of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses and/or (ii) realised and unrealised capital gains on the disposal/ valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. In selecting these investments the Directors will consult with the Depositary to ensure that the remaining Shareholders are not disadvantaged. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities. Dividends (if any) will be paid in accordance with Euronext Dublin policy.

Insofar as Shares are listed on Euronext Dublin, any accumulation of income by a Fund will also be made in compliance with any applicable rules of Euronext Dublin in effect at the time of such accumulation.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within four months of the date the Directors declared the dividend.

The dividend policy for each Fund is set out in the Supplement for the relevant Fund.

### 3.9. **Hedged and Unhedged Share Classes**

3.9.1. The Company, at its absolute discretion, has the power to issue currency hedged Share classes that are denominated in any currency including the Base currency of the Fund. Currency hedged Share classes will carry the reference '(hedged)' in the name of the Share class.

3.9.2. The Company operates two different methods of hedging Share classes as follows:

**Method 1 (Base Currency Hedging)** – the Company may hedge the currency exposure of those Share classes, denominated in a currency other than the Base Currency of the relevant Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency.

**Method 2 (Portfolio Hedging)** – the Company may hedge the currency exposure of the currency(ies) of the Fund's underlying assets in order to attempt to mitigate the effect of fluctuations in the exchange rate between the currency(ies) of the Fund's underlying assets and the Share class currency.

The hedging method for each Fund is set out in the Supplement for the relevant Fund.

The following sections are relevant to hedged Share classes.

- (1) Any hedging transactions entered into will be clearly attributable to a specific Share class. All costs and gains/losses of such hedging transactions will accrue solely to the holders of the relevant Share class and shall not form part of the assets of the Fund or constitute a liability of the Fund. Any such hedging will endeavour to hedge no less than 95% of the net assets of the relevant Share classes. Due to matters outside the control of the Company, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the net assets of the relevant Share class. Hedged positions will be kept under review to ensure that over hedged positions will not be permitted to exceed 105%. Such review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward month to month.
- (2) Currency hedging shall be carried out at least monthly or any other time the Company may deem appropriate. It is not possible to hedge fully on a guaranteed basis at all time and Shareholders should be aware that intra-month market fluctuations may have an effect the value of hedged currency from time to time.
- (3) Investors in hedged Share classes should be aware that the exchange rate used for the purpose of converting the proceeds of their investment to or from the Base Currency and the currencies of the Fund's underlying assets is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investors in the Fund.
- (4) This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency or, as applicable, the value of the currency(ies) of the relevant Fund's underlying assets falling against the currency in which the hedged Share classes are denominated. On the other hand, as well as incurring the cost of such hedging transactions, holders of the hedged Share classes will sacrifice the potential gain should the value of the hedged currency fall against the Base Currency or value of the currency(ies) of the relevant Fund's underlying assets .

3.9.3. The Company at its absolute discretion, has the power to issue unhedged Share classes that are denominated in a currency other than the Base Currency. For such Share classes, the Investment Manager will not attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency or the currency(ies) of the relevant Fund's underlying assets. In the case of an unhedged Share class, that is denominated in a currency other the Base Currency, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the share expressed in the unhedged Share class currency will be subject to exchange rate risk in relation to the Base Currency.

3.9.4. The fees and expenses of any class of any Fund relating to share class currency hedging may be charged (in whole or part) to the capital of the relevant Fund referable to that class in order to enable such Fund to pay a larger distribution and as an efficient and accurate method of ensuring that fees incurred at a Share class level are apportioned to the relevant Share classes.

In circumstances where such fees and expenses are charged to capital, there may be a lack of potential for capital growth meaning the capital value of a Shareholder's investment may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by forgoing the potential for future capital growth.

For fixed income Funds, dividends paid in circumstances where fees and expenses are charged to capital should be understood as a type of capital reimbursement. Any income statement issued to shareholders where fees and/or expenses have been charged to capital shall include a statement to explain the effect of this accounting policy and, if applicable, that the shareholder's capital amount has been reduced.

### 3.10. **Benchmarks**

Investors should note that, in accordance with the requirements of the EU Benchmark Regulation, the Company has adopted a benchmark contingency plan to set out the actions which the Company would take in the event that a benchmark used by a Fund materially changes or ceases to be provided (the **Benchmark Contingency Plan**). Actions taken by the Company on the foot of the Benchmark Contingency Plan may result in changes to the investment objective or investment policies of a Fund and any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus. In respect of those Funds that track a benchmark index, are managed by reference to a benchmark index, or use a benchmark index to compute a performance fee, it is expected that the applicable benchmark administrator will be included in the register to be maintained by the European Securities Markets Authority (**ESMA**) under the Benchmark Regulations.

### 3.11. **Target Market**

Information on the typical investor profile for each Fund is set out in the relevant Supplement.

## 4. **RISK FACTORS**

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund. The following are a number of risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. See also the relevant Supplement for a discussion of any additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Shares of a particular Fund.

No investment should be made in the Shares of a particular Fund until careful consideration of all those factors has been made.

### 4.1. **General**

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. **The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount it invests.** Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. **Due to the Preliminary Charge which may be payable on the issue of Shares, an investment in Shares should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Due to adverse market movements the Fund may become valueless.

Subject to the investment restrictions applicable to the relevant Fund, the Fund may invest a portion of its assets in unquoted investments. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The Company may consult the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Fund's investments and the Investment Manager's other responsibilities and fee entitlement.

The income and gains of a Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Fund, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders of the relevant Fund rateably at the time of repayment.

Where a Fund enters into stocklending agreements, repurchase agreements or reverse repurchase agreements arrangements for Efficient Portfolio Management purposes there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part

of the Depository or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such stocklending agreements, repurchase agreements or reverse repurchase agreements is the insolvency of the borrower. In this event the Company could experience delays in recovering its securities and such event could possibly result in capital losses.

While the provisions of the Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company.

#### 4.2. **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas each Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. In certain Funds the Investment Manager may enter into cross currency transactions for the purpose of enhancing the returns from the portfolio. In such cases this will be clearly highlighted in the Supplement to the relevant Fund.

#### 4.3. **Market Risk**

Some of the recognised exchanges on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the Shares of the relevant Fund.

#### 4.4. **Valuation Risk**

A Fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Fund may, for the purpose of Efficient Portfolio Management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below reflects the exact amount at which the instrument may be **closed out**.

#### 4.5. **Investment in Financial Derivative Instruments (FDIs)**

The prices of FDIs, including futures and options, are volatile. In addition, the Company is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out.

The Company may purchase and sell options on securities and currencies on a variety of securities exchanges and over-the-counter markets. The seller of a put option which is uncovered (i.e., the seller has a short position in the underlying security or currency) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the short position) of the underlying security or currency plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is **fully hedged** if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security or currency, the loss on the put will be offset in whole or in part by any gain on the underlying security or currency.

The seller of a call option which is covered (e.g., the seller holds the underlying security or currency) assumes the risk of decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security or currency, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security or currency. In entering into a closing purchase transaction, the company may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund.

Where the Funds enter into swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Investment Manager's policy to net exposures of each Fund against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of achieving, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Investment Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

The Company will, on request, provide supplementary information to Shareholders in relation to the risk management methods employed by the relevant Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### 4.6. **Over-the-Counter Markets Risk**

Where any Fund acquires securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

#### 4.7. **Taxation**

The attention of potential investors is drawn to the taxation risk associated with investing in any Fund of the Company. See section headed **Taxation** below.

#### 4.8. **Emerging Market Risks**

In the case of certain Funds there may be exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have an impact on the performance of such relevant Funds. In particular, the following risks should be noted:

#### 4.8.1. **Settlement, Credit and Liquidity Risks**

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. Those exchanges and markets may also have substantially less volume and generally be less liquid than those in more developed markets. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Depositary agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Fund or to the Shareholders for such a loss.

#### 4.8.2. **Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

#### 4.8.3. **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

#### 4.8.4. **Custody Risks**

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in **book-entry** form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

#### 4.9. **Risks associated with investment in other collective investment schemes**

A Fund may invest in one or more collective investment schemes including schemes managed by the Investment Manager or its affiliates. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective

investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

#### 4.10. **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

#### 4.11. **Aggregation of Orders**

In managing the Funds, the Investment Manager may combine orders for the Funds with those of other clients in accordance with the Regulations and Central Bank UCITS Regulations.

Additional risk factors (if any) of each Fund are set out in the Supplement for the relevant Fund.

#### 4.12. **NAV Errors**

The liability of the Administrator for NAV pricing errors, caused by it, is limited to NAV pricing errors of over 0.50% of NAV though such threshold may be reduced by the Depositary or the Central Bank.

#### 4.13. **Stock Lending or Repo Transactions**

All stocklending or repo transactions involve an element of risk. The Company may use one or more separate approved counterparties to undertake such transactions on behalf of the Funds and may be required to pledge collateral paid from within the assets of the Funds to secure such transactions. There may be a risk that an approved counterparty will wholly or partially fail to honour their contractual arrangements under the transaction with regard to the return of collateral and any other payments due to the Funds and the Funds may suffer losses as a result. The counterparty will forfeit its collateral if it defaults on the transaction. However, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. This may result in losses for the investors.

#### 4.14. **Payment of Charges and Expenses to Capital**

Fees and expenses of a Fund may be charged to the capital of the relevant Fund. In such circumstances, the capital value of a Shareholder's investment may be lowered and income may be achieved by forgoing the potential for future capital growth.

#### 4.15. **Umbrella Cash Accounts**

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account in the name of the Company and will be treated as a general asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the Company until Shares are issued on the relevant Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other

Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund of the Company (the **Insolvent Fund**), recovery of any amounts held in the Umbrella Cash Account to which another Fund is entitled (the **Entitled Fund**), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish insolvency law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Entitled Fund.

## 5. MANAGEMENT OF THE COMPANY

### 5.1. Directors of the Company

The Directors of the Company are described below:

**Mike Kirby** - Mike Kirby, Irish resident, is Managing Principal of KB Associates, a firm which provides a range of advisory and project management services to the promoters of off-shore mutual funds. He has held senior positions at Bank of New York (1995-2000) where he was responsible for the establishment and management of its investor servicing business in Ireland. Prior to this he was Vice President product management & marketing global securities services with J P Morgan (previously Chase Manhattan Bank) (1993-1995) in London and prior to this he was responsible for the establishment of Daiwa Securities fund administration business in Dublin (1989-1993). From 2000-2002 he was a Senior Vice President of MiFund Inc, a privately owned mutual funds supermarket incorporated in the USA, and Managing Director of MiFund Services Limited its wholly owned Irish subsidiary. Mr. Kirby holds a Bachelor of Commerce (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He was a founder member of the Dublin Funds Industry Association.

**Bronwyn Wright** – Bronwyn Wright has been acting as an Independent Non-executive Director since July 2009. Prior to this she was a Managing Director working in Citigroup, having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Citi Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust.

Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. She is a former lecturer for the Institute of Bankers in the Certificate and Diploma in Mutual Funds. She is co-author of the Institute of Bankers Diploma in Legal and Regulatory Studies. She has written numerous industry articles, chaired and participated in industry seminars in Europe and the US. She was on an Executive Committee for the DIT school of Accounting and Finance. Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin and is an Irish resident.

**Stuart Donald** (British) – Stuart Donald is Head of Commercial Services and Strategy, and has responsibility for coordinating and implementing commercial strategy which includes leading the investment writing, RFP, Databases and Presentation teams as well as the data analytics initiative at Aegon Asset Management. Prior to taking this role, Mr. Donald worked in a variety of different product and strategy roles during which he launched the Kames Irish UCITS business in 2007. In 2011 he was appointed Head of Product for Kames Capital where he remained until 2018 before taking up his Commercial Strategy role. He joined Aegon in 2005 from AIG, where he led the creation of a high-net-worth, private-placement life business. Prior to that, Mr. Donald worked in various regulatory-consulting, product-development and business-strategy roles for BNP Paribas Cardif and GE Capital, and he has over 20 years' industry experience. Mr. Donald studied Economics, French and Italian at Strathclyde University.

No Director has:

- (i) had any unspent convictions in relation to indictable offences; or

(ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or

(iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

Save for the information disclosed herein no further information is required to be given in respect of the Directors pursuant to the listing requirements of Euronext Dublin.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

The Company has delegated the day to day investment management of the Company to the Investment Manager and the day to day administration of the Company to the Administrator. Consequently, all Directors of the Company in relation to the Company are non-executive.

## 5.2. **Investment Manager**

The Company has appointed Kames Capital plc to provide certain investment related services to the Company. The Investment Manager was incorporated in Scotland on 27 April 1999. The Investment Manager is authorised and regulated by the Financial Conduct Authority and is headquartered in Edinburgh, Scotland. The Investment Manager had approximately £40.78 billion in assets under management as at September 2018 and provided discretionary management services to, amongst others, retail and institutional investors and other collective investment schemes.

## 5.3. **Distributors**

Kames Capital plc and Aegon Investment Management B.V. have been appointed to act as distributors of the Company pursuant to the Distribution Agreements described under the heading **Material Contracts** below and will promote the distribution and marketing of the shares.

## 5.4. **Depository**

The Company has appointed Citi Depository Services Ireland Designated Activity Company as depository pursuant to the Depository Agreement.

The Depository is a limited liability company incorporated in Ireland on 18 September 1992. The Depository is authorised and regulated by the Central Bank. The principal activity of the Depository is to provide trustee and custodial services to collective investment schemes and other portfolios, such as the Company.

Under the terms of the Depository Agreement, Citi Depository Services Ireland Designated Activity Company (the **Depository**) has been appointed as depository of the Company's assets and the assets of the Company have been entrusted to the Depository for safekeeping.

The key duties of the Depository are to perform the depository duties referred to in the Regulations, essentially consisting of:

- (i) monitoring and verifying the Company's cash flows;
- (ii) safekeeping of the Company's assets, including, inter alia, verification of ownership;
- (iii) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Articles and applicable law, rules and regulations;
- (iv) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (v) ensuring that the Company's income is applied in accordance with the Articles, applicable law, rules and regulations; and
- (vi) carrying out instructions of the Company or the Investment Manager on behalf of the Company unless they conflict with the Articles or applicable law, rules and regulations.

The Depositary is liable to the Company for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Company or the Investment Manager acting on behalf of the Company without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable to the Company for all losses suffered by it as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations. The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

#### *Delegation of Safekeeping Function and Conflicts of Interest*

Under the terms of the Depositary Agreement the Depositary has the power to delegate certain of its depositary functions.

In general, whenever 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 securities settlement systems does not constitute a delegation by the Depositary of its functions.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Company's assets to Citibank N.A (the "Delegate"). As at the date of this Prospectus, the sub-delegates used by the Depositary in various markets are listed at Schedule 2 (the "Sub-Delegates").

The liability of the Depositary will not be affected by the fact that it has delegated to a third party certain of its safekeeping functions in respect of the Company's assets. In order to discharge its responsibility in regard to the appointment of safekeeping delegates, the Depositary must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; maintain an appropriate level of supervision over the safekeeping agent; and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Up-to-date information on delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by Shareholders

#### 5.5. **Administrator**

Citibank Europe plc has been appointed by the Company to act as Administrator, registrar and transfer agent to the Company and each Fund pursuant to the Administration Agreement described under the heading **Material Contracts** below.

The Administrator is a licensed bank, authorised and regulated by the Central Bank. The Administrator was incorporated in Ireland on 9 June 1988 under registered number 132781 and is a member of the Citigroup group of companies, having its ultimate parent Citigroup Inc., a US publicly quoted company.

The duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement and the Act. The Administrator has its registered office at the address given in the **Directory**.

#### 5.6. **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the Company, the Directors, the Investment Manager, the Administrator, the Depositary, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010, of Ireland with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders of that Fund for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, in the best interests of the Shareholders of that Fund and:

- (i) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or
- (ii) such transaction has been executed on best terms on an organised investment exchange under its rules; or
- (iii) where (i) and (ii) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of the Shareholders of that Fund.

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Company, the relevant Funds and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and their other clients. In the event that a conflict of interest does arise the directors of the Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

As the fees of the Investment Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so do the fees payable to the Investment Manager and accordingly there is a conflict of interest for the Investment Manager in cases where the Investment Manager is responsible for determining the valuation price of a Fund's investments.

The Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interest of the shareholders.

The Investment Manager maintains a written conflict of interest policy. The Investment Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the Investment Manager will, as a last resort, if the conflict cannot be avoided, disclose these to Shareholders in an appropriate format.

## 5.7. Order Execution Information

The Investment Manager must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The Investment Manager's Order Execution Policy sets out (i) the systems and controls that have been put in place and (ii) the basis upon which the Investment Manager will effect transactions and place orders in relation to the Company whilst complying with its regulatory obligations to obtain the best possible result for the Company. Details of the best execution policy are available from the Investment Manager on request. If you have any questions regarding the policy please contact the Investment Manager or your professional adviser.

#### 5.8. **Inducements and Commission**

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

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

However, the Investment Manager may accept without disclosure minor non-monetary benefits such as training sessions or seminars that are capable of enhancing the quality of service provided to a 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 Fund.

### 6. **SUBSCRIPTION FOR SHARES**

#### 6.1. **Purchases of Shares**

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new classes of Shares (in accordance with the requirements of the Central Bank) and have absolute discretion to accept or reject in whole or in part any application for Shares.

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement.

An initial application for Shares may be made by letter or facsimile to the Administrator, the original of which, in addition to supporting documentation in relation to money laundering prevention checks, shall be delivered to the Administrator promptly. Subsequent applications may be made to the Administrator by letter, facsimile, electronic means or telephone, as determined by the Administrator. An investor will not be obliged to deal by electronic means or by telephone, however, the Application Form sets out a provision permitting an investor to avail themselves of electronic and/or telephonic dealing. Investors who have provided the completed Application Form to the Administrator in advance by letter or facsimile may make their initial application for Shares by electronic means or telephone. Failure to provide the original signed Application Form shall result in applicants being unable to repurchase Shares on request until the Administrator has received the original signed application form and all of the necessary anti-money laundering checks have been completed. Any change to a Shareholder's registration details or payment instructions must also be received in original form. Following the initial application, subsequent requests by facsimile, electronic means or by telephone will be treated by the Administrator as definite orders even if not subsequently confirmed by letter after acceptance by the Administrator and will not be capable of withdrawal. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Administrator shall otherwise agree and provided they are received before the Valuation Point for the next Dealing Day, be deemed to have been received by the next Dealing Deadline. Telephone calls and electronic communications may be recorded by the Investment Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each investor on initial application and the Minimum Shareholding of Shares of each Fund is set out in the Supplement for the relevant Fund.

Fractions of Shares up to two decimal places may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company and the relevant Fund, the Administrator, Investment Manager, the Depositary and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the cost and risk of the applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by telegraphic transfer to the account from which it was paid within five Business Days of the rejection.

## 6.2. **Issue Price**

During the Initial Offer Period for each Fund, the Initial Issue Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

The issue price at which Shares of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day.

A Preliminary Charge of up to 5.5% per cent of the issue price may be charged by the Company for payment to the Investment Manager on the issue of Shares, out of which the Investment Manager may, for example, pay commission to financial intermediaries. Further details of this Preliminary Charge, if any, will be set out in the relevant Supplement.

## 6.3. **Payment for Shares**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by telegraphic transfer in cleared funds and should be made in the currency of the relevant Share class or another currency acceptable to the Company. The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the relevant Base Currency at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds at the prevailing Net Asset Value of that Dealing Day. In such cases the Company may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund.

## 6.4. **In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Act, allot Shares in specie in any Fund, providing the assets to be transferred are vested in the Depositary on behalf of the relevant Fund, the nature of which would qualify as suitable investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Depositary on behalf of the relevant Fund, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading **Calculation of Net Asset Value/Valuation of Assets**. The Directors, in valuing any such investments, may provide that the whole of or any part of any duties and charges arising in connection with the vesting

of the investments in the Depositary on behalf of the relevant Fund shall be paid out of the assets of the relevant Fund or by the investor to whom the Shares are to be issued or partly by the Fund and partly by such investor.

#### 6.5. **Anti-Money Laundering Provisions**

Measures provided for in the Criminal Justice Act (Money Laundering and Terrorist Financing) Act 2010 (as amended) which are aimed towards the prevention of money laundering and the financing of terrorism, require detailed verification of each applicant's identity, address and source of funds; for example an individual will be required to produce a copy of his passport or identification card that bears evidence of the individuals' identity and date of birth duly certified by a notary public or other person specified in the Application Form together with two original/certified documents bearing evidence of the individual's address such as a utility bill or bank statement which are not more than three months old. In the case of corporate applicants this will require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company and details of persons with substantial beneficial ownership of the corporate applicant.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Administrator requires further proof of the identity of any applicant, it will contact the applicant on receipt of an Application Form. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will refuse to pay repurchase proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### 6.6. **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons (unless permitted under certain exceptions under the laws of the United States).

#### 6.7. **Dilution Adjustment**

The basis of valuation of assets may vary depending on whether the Fund is expanding, contracting or level and such variation may apply on a daily and quarterly basis. See page 36 for further explanation.

### 7. **REPURCHASE OF SHARES**

#### 7.1. **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the Company care of the Administrator and may be made by fax, by telephone, by electronic means or in writing as determined by the Administrator. Requests by facsimile, electronic means or telephone will be treated as definite orders even if not subsequently confirmed in writing. Such redemption requests shall only be processed where payment is made to the account of record and in the name of the applicant on the register. No third party payment requests will be accepted. Whether requests for the repurchase of Shares is made by facsimile, electronic means or telephone, the original signed Application Form must be received by the Company care of the Administrator before any repurchase proceeds will be paid out. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, unless the Administrator shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

Telephone calls and electronic communications may be recorded by the Investment Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and advance notification to all of the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to any Fund.

The Directors may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the Shareholder's entire holding of that class of Shares.

The Administrator will not accept repurchase requests, which are incomplete, until all the necessary information is obtained.

## 7.2. **Repurchase Price**

The price at which Shares will be repurchased on a Dealing Day is also calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Articles as described herein under the heading **Calculation of Net Asset Value/Valuation of Assets** below.

When a repurchase request has been submitted by an investor who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Irish Revenue Commissioners in respect of the relevant transaction.

## 7.3. **Payment of Repurchase Proceeds**

The amount due on repurchase of Shares will be paid by telegraphic transfer at the risk and expense of the relevant Shareholder to an account in the name of the Shareholder in the currency of the relevant Share class or another currency acceptable to the Company by the Settlement Date. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate, according to the registered holding at the time of repurchase. The proceeds of the repurchase of the Shares will only be paid provided the original Application Form has been received by the Company care of the Administrator, all necessary anti-money laundering checks have been carried out and on receipt by the Administrator of a repurchase request together with such other documentation (including all necessary anti-money laundering documentation, if any) that the Administrator may reasonably require.

## 7.4. **Limitations on Repurchases**

The Company may not repurchase Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for repurchases of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

In circumstances where redemption requests on any Dealing Day for Shares exceeds 10% of the total number of Shares or represents greater than 10% of the Net Asset Value of any Fund in issue at the Valuation Point for that Dealing Day, the Directors may refuse to redeem any Shares in excess of 10% of the total number of Shares or representing greater than 10% of the Net Asset Value or such higher percentage as the Directors may determine and may scale down the number of Shares to be redeemed in response to each request pro rata to such extent as may be necessary to ensure that the foregoing limit is not exceeded and may carry forward for redemption to the next following Dealing Day the balance of each request and so on to each succeeding Dealing Day until all the Shares to which the original request relates have been redeemed.

The Articles contain special provisions where a repurchase request received from a Shareholder would result in Shares representing more than five per cent of the Net Asset Value of any Fund being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie having been approved by the Depositary, and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. For redemptions representing less than 5% of the Net Asset Value, the Company, with the agreement of the relevant Shareholder, may likewise satisfy the redemption request by a distribution of the investments of the relevant Fund in specie, having been approved by the Depositary.

#### **7.5. Mandatory Repurchases**

The Company may compulsorily repurchase all of the Shares of any Fund or any Share class if the Net Asset Value of the relevant Fund or class is less than the Minimum Fund Size or Minimum Share Class Size (if any) or if a change in the economic, regulatory or political situation relating to the Fund or class concerned would justify such compulsory repurchase or if the Directors believe it is in the best interests of the Holders to compulsorily repurchase.

The Company reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a U.S. Person (unless pursuant to an exemption under U.S. securities laws), by any individual under the age of 18 (or such other age as the Directors think fit) or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages (including endeavouring to ensure that the relevant Fund's assets are not considered plan assets for the purpose of ERISA) which the relevant Fund might not otherwise have incurred, suffered or breached (including but not limited to circumstances where the holding of shares by a person is likely to result in the Fund or the Investment Manager or the other Shareholders being subject to US regulatory or legal requirements or being classified as a US Person or commodity pool operator for the purposes of any US laws or regulations where as a result of such classification the Fund or such other person would be required to register, apply for an exemption or otherwise make any filing, application or provide any information to any US regulatory body, authority, organisation, association, government department, exchange or clearing body).

Where Taxable Irish Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners.

#### **7.6. Dilution Adjustment**

The basis of valuation of assets may vary depending on whether the Fund is expanding, contracting or level as further described on page 36. Such variation may apply on a daily and quarterly basis. See page 36 for further explanation.

### **8. SUBSCRIPTION AND REDEMPTIONS THROUGH A CLEARING SYSTEM AND/OR SELLING AGENT**

In addition to applying directly to subscribe for or redeem Shares directly with a Fund, as described above, applications for Shares (and redemptions of such Shares) may also be made indirectly through a clearing system and/or selling agent in certain markets. The clearing system and/or selling agent may provide a nominee service for investors purchasing and selling through them, pursuant to which the nominee will hold Shares in its own name for and on behalf of the investors. Investors may incur fees normally payable in respect of the maintenance and operation of accounts in such clearing system (or nominee). Different subscription and redemption procedures and time limits may be applied by the members of such clearing systems and/or selling agent for shares held by their nominee, although the ultimate dealing deadlines

referred to in the relevant Fund's Supplement remain unaffected for Shareholders that hold Shares directly with a Fund. Investors should note that they may be unable to purchase or sell Shares via the clearing system and/or the selling agent on days that a clearing system is not open for business. Further information on subscription and redemptions through a clearing system and/or selling agent will be set out in the country supplements for the relevant jurisdictions.

## 9. EXCHANGE OF SHARES

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Fund (the **Original Class**) for Shares of another class which are being offered at that time (the **New Class**) (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

An Exchange Charge of up to 1.5% per cent of the repurchase value of the Shares being exchanged may be charged by the Company on the exchange of Shares, but is charged only if exchanges are in excess of five in a calendar year. There is no charge on a switch between classes of the same Fund.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

Telephone calls and electronic communications may be recorded by the Investment Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- S = the number of Shares of the New Class to be issued;
- R = the number of Shares of the Original Class to be exchanged;
- RP = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- F = the Exchange Charge (if any) payable on the exchange of Shares; and
- SP = the subscription price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

### 9.1. Limitations on Exchange

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension. Shares may only be exchanged for other Shares of other Funds and/or Classes when both the Original Class and the New Class are denominated in the same currency.

## 9.2. **Umbrella Cash Accounts**

The Company has established an Umbrella Cash Account and has not established such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to and from a Fund will be channelled and managed through the Umbrella Cash Account.

## 9.3. **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. Where there is more than one class of Shares in a Fund, the Net Asset Value per Share of any class is calculated by the Administrator by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant class of Shares. The Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Fund which is attributable to the relevant class at the Valuation Point. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest four decimal places.

The Articles provide for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund.

In general, the Articles provide that the value of any investments quoted, listed or dealt in on a Market shall be the latest mid-market price as at the relevant Valuation Point. Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment for the foregoing purposes. The value of any investment which is quoted listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors, represent fair market value or of any investment not quoted, listed or traded on a Market, the value thereof shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person appointed by the Directors, in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager (notwithstanding that a conflict of interests arises because the Investment Manager has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities.

The Articles further provide that cash and other liquid assets will be valued at their face value with interest accrued, where applicable unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof as at the relevant Valuation Point. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the latest available mid-market dealing price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. Forward foreign exchange contracts which are dealt in on a Market shall be valued by reference to the price at which a new forward contract of the same price and maturity could be undertaken provided that if such price is not available, the value of any such forward foreign exchange contracts shall be the settlement price for such contracts at the Valuation Point for the relevant Dealing Day as provided by the counterparty on a daily basis and verified on a weekly basis by a competent person (being independent from the counterparty), approved for such purpose by the Depositary.

The value of any off-exchange traded derivative contracts shall be the price sourced from independent market data providers, such as Bloomberg or equivalent, approved by the Depositary, as at the Valuation Point for the Fund. The price sourced in this way will be reconciled at least weekly by reference to the quotation for the same FDI, received from the Approved Counterparty to such OTC FDI contracts. Upon reconciliation of the independent source and that of the counterparty's, where significant differences arise, they will be fully and promptly investigated and explained.

The value of any exchange traded futures contracts, share price index futures contracts and options and other derivative contracts shall be the settlement price, as determined by the Market in question, as at the relevant Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at the relevant Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or another competent person appointed by the Directors provided that the Directors or such other competent person have been approved for the purpose by the Depositary.

The value of units or shares or other similar participation in any collective investment scheme, which provides for the units or Shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking, shall be the latest available Net Asset Value per unit or Share as published by the Fund or other similar participation after deduction of any repurchase charge as at the relevant Valuation Point or if bid and offer prices are published, the latest available mid price.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion shall determine, such method of valuation to be approved by the Depositary.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any such security if having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Depositary shall determine to be appropriate in the circumstances.

The Net Asset Value will be notified to Euronext Dublin, immediately upon calculation.

#### 9.4. **Dilution Adjustment**

A Fund may suffer dilution (reduction in the value of the assets as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and the selling prices of such investments which is not reflected in the issue or redemption price paid by or to Shareholders). With a view to countering this (which, if it is significant, disadvantages existing or continuing Shareholders), the Directors may make an adjustment (**Dilution Adjustment**) to the Share price on a daily and quarterly basis, as set out below.

If charged, the value of the Dilution Adjustment will be paid into the Fund and will become part of the property attributed to the relevant Fund.

Each calendar quarter (1 January to 31 March, 1 April to 30 June, 1 July to 30 September, 1 October to 31 December) a **Semi-Permanent Pricing Basis** will be calculated for each Fund by the Directors or their delegates based on the level of subscriptions or redemptions in the previous quarter. That is to say, each Fund will be determined to be a **level** Fund, a **contracting** fund or an **expanding** Fund with pricing consequences, as provided for below.

For the period from the end of the relevant Initial Offer Period to the next quarter end the Fund will be an expanding Fund.

This Semi-Permanent Pricing Basis for a quarter may be changed during the quarter in question if there are significant redemptions or subscriptions over a period of ten consecutive Dealing Days or if there are significant redemptions or subscriptions on a particular Dealing Day.

When as a result, for a particular Dealing Day, the pricing basis for a Valuation Point is **level**, no adjustment will be made to the Net Asset Value per Share of the Fund in question. When the pricing basis is **expanding** or **contracting**, an adjustment will be made by the Directors, or their delegates, to take into account their reasonable estimation of market spreads, dealing costs and duties and charges.

Such estimation will be based on the asset profile of the relevant Fund, taking into account the following:

- (i) the jurisdiction of registration/trading of the underlying assets held by the Fund in question (because, for example, different broker charges and stamp duty costs may apply in different countries);
- (ii) the type of assets held by the Fund (because, for example, certain types of assets do not attract stamp duty or dealing commission);
- (iii) the bid and offer prices of the assets held by the relevant Fund;
- (iv) the weightings that apply in accordance with the holdings of the different asset classes, types and countries of registration/trading.

The purpose of this is to calculate a reasonable Dilution Adjustment that should apply to the price of a Share being issued or redeemed in a Fund, the pricing basis of which is contracting or, as appropriate, expanding. For the avoidance of doubt, the Dilution Adjustment may apply to redemptions in an expanding Fund even where there are net subscriptions on that Dealing Day and, likewise, to subscriptions in a contracting Fund even where there are net redemptions on that Dealing Day.

As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. However, the Fund will be monitored throughout each calendar quarter period as to its categorisation as expanding, contracting or level. Where it is believed that market timing may be taking place, the Directors may take whatever action is required in order to act in the best interest of Shareholders.

#### 9.5. **Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and exchange of Shares and the payment of repurchase proceeds during:

- 9.5.1. any period when any of the Markets on which a substantial portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- 9.5.2. any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- 9.5.3. any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- 9.5.4. any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- 9.5.5. any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- 9.5.6. any period when the Directors consider it to be in the best interest of the relevant Fund; or

9.5.7. following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the Company or terminate the relevant Fund is to be considered.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and to Euronext Dublin and will be communicated without delay to the competent authorities in the Member States in which it markets its Shares. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in the European Union, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

## 9.6. **Form of Shares, Share Certificates and Transfer of Shares**

Shares will be issued in registered form. Purchase contract notes will normally be issued within 48 hours after the allotment of Shares. Confirmations of ownership evidencing entry in the register will normally be issued quarterly (monthly if specifically requested by a Shareholder) upon receipt of all original documentation required by the Administrator. Share certificates shall not be issued.

Shares in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation reasonably required by the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to (i) a U.S Person (except pursuant to an exemption available under U.S. securities laws); or (ii) any person who does not clear such money laundering checks as the Directors may determine or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or (iii) any person which in the opinion of the Directors might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the relevant Fund might not otherwise have incurred, suffered or breached (including but not limited to any person which in the opinion of the Directors might result in the interest in the relevant Fund or the Investment Manager or other Shareholders being subject to US regulatory or legal requirements or being classified as a US Person or commodity pool operator for the purposes of any US laws or regulations where as a result of such classification the Fund or such other person would be required to register, apply for an exemption or otherwise make any filing, application or provide any information to any US regulatory body, authority, organisation, association, government department, exchange or clearing body); or (iv) by a minor or person of unsound mind; or (v) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount; or (vi) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (vii) any person where in respect of such transfer any payment of taxation remains outstanding; or (viii) in any other circumstances prohibited by the Articles as described herein. Registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for that class of Shares specified in the Supplement for the relevant Fund.

If the transferor is, or is deemed to be, or is acting on behalf of a Taxable Irish Person, the Company is entitled to repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

Holders of the Shares are, subject to the differences between different Classes, entitled to participate equally in the profits and dividends of the relevant Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights and are entitled to one vote each on a poll at all meetings of the Shareholders. Where there are

Shares of a different Class in a Fund, the Net Asset Value per Share amongst such Classes may differ to reflect the fact that income has been reinvested or been distributed, that there are differing charges of fees and expenses, that they are designated in different currencies, or that the gains/losses on and costs of different financial instruments employed for currency hedging between the currencies in which the assets of a Fund are designated and the Designated Currency of the Shares are attributed to them. All references to Shares include a fraction of a Share calculated to the nearest one-hundredth. Save as provided herein, all Shares of each Class within a Fund will rank pari passu.

The Company may issue different Classes in each Fund which may be differentiated at the discretion of the Company, details of which will be set out in the relevant Supplement. Such Classes may be subject to different fees than those which apply to existing Classes. The fees applying to such Classes may be lower or higher than fees applying to existing Classes or such Classes may not be subject to any fees. The creation of additional Classes in a Fund will be notified to and cleared in advance by the Central Bank.

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued.

#### **9.7. Notification of Prices**

The up to date issue and repurchase price of each class of Shares in each Fund will be available from the Administrator, and will be published on each Business Day on the Investment Manager's website [www.kamescapital.com](http://www.kamescapital.com). Such prices will usually be the prices applicable to the previous Dealing Day's trades.

#### **10. DATA PROTECTION**

Prospective investors should note that by completing the Application Form when subscribing for Shares in a Fund, they will provide the Company with personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis and research, and will be disclosed to the Company, its delegates and agents. The personal data of prospective investors and registered Shareholders shall be processed in accordance with the Privacy Statement.

Pursuant to applicable data protection legislation, Shareholders have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request in writing to the Company.

The Company is a Data Controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation.

#### **11. FEES AND EXPENSES**

Particulars of the specific fees and expenses (including performance fees, if any) payable to the Investment Manager, the Administrator and the Depositary are set out in the relevant Supplement, together with details of the following charges if applicable: exchange charge, cost of hedged Share class and preliminary charge.

The Company may pay out of the assets of each Fund the fees and expenses payable to the Investment Manager, the Depositary, the Administrator and the Distributor, the fees and expenses of sub-custodians which will be at normal commercial rates, the fees and expenses of the Directors (if any, as referred to below), any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any distributor, data vendor or paying agent or representative appointed in compliance with the requirements of another jurisdiction (in each case at normal commercial rates), any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of

the auditors, tax and legal advisers and fees connected with listing the Shares on Euronext Dublin and registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus, the Supplements, the Key Investor Information Documents, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. All fees and expenses payable out of the assets of each Fund shall be approved by any one of the Directors of the Company.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Only Directors who are not employees of the Aegon group of companies will be entitled to remuneration for their services as director provided however that the annual emoluments of any such Director shall not exceed €20,000 or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. For the Accounting Period ending 31 October 2014, the total Directors' fees amounted to \$41,000 (approximately €31,500). Fees payable to Directors may rise in subsequent years and the other Directors may be entitled to fees in the future, if so resolved by the Directors or by the Shareholders in general meeting. Shareholders shall be notified of any change to the fees payable to Directors. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors.

The cost of establishing subsequent funds will be charged to the relevant Fund. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Company, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

When a Fund invests in the units of other CIS that are managed directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control or by a substantial direct or indirect holding of more than 10% of the capital or of the votes, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS and can only receive a reduced annual management fee (maximum of 0.25 % p.a.) with respect to the holding in that or those other CIS in the Fund.

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

## 12. TAXATION

### 12.1. General

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

**Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.**

### 12.2. Ireland

## Tax On Income And Capital Gains

### The Company

The Company is not an IREF on the basis that it is a UCITS.

The Company shall be regarded as resident in Ireland for tax purposes if its central management & control is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes. The Directors have been advised that the Company qualifies as an investment undertaking as defined in section 739B and the Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes – see DEFINITIONS section for more details).

A chargeable event occurs on:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer, encashment, redemption, cancellation or repurchase of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary,

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses, an exchange by a Shareholder, effected by way of a bargain made at arm's length by the Company, of Shares in the Company for other Shares in the Company or the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739 HA TCA).

If a Shareholder is not an Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder provided that either:

1. The Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident or;
2. The Company is in possession of a written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners, (the "Equivalent Measures Regime").

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rates set out below) to the Irish Revenue Commissioners. Further details in relation to the circumstances under which this election may be made are set out below.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Taxable Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the Shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling

chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax returns) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Company by Shareholders. Where the total value of the Shares in a Fund held by Shareholders who are Irish Taxable Persons as defined, is 10% or more of the Net Asset Value of the Fund, the Company will be liable to account for tax arising on the deemed disposal in respect of Shares in that Fund. Where the value of the Shares held by Irish Taxable Persons is less than 10% of the value of the total Shares of the Company, the Company will not be obliged to deduct tax on the happening of such a chargeable event, provided they elect to report certain information to the Revenue Commissioners and the Shareholder. In such circumstances, the Shareholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a recognised clearing system, the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the Company, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares held by Irish Taxable Persons does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners. Irish legislation also provides for the making of an irrevocable election by the Company to value the Shares on 30 June or 31 December immediately prior to the end of the Relevant Period, rather than on the date of the end of the Relevant Period itself.

## **Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland and the Shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Company to those Shareholders who are not Irish Persons.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish resident nor Irish ordinarily resident, no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are Irish resident or ordinarily resident or who hold their Shares through a branch or agency in Ireland, may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual

payment chargeable to tax under Case IV of Schedule D of the TCA from which tax at the appropriate rate has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their Shareholdings from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received.

If Shares are not denominated in Euro, Shareholders who are Irish Taxable Persons may be liable (on a self-assessment basis) to Irish capital gains taxation, currently at the rate of 33%, on any currency gain arising on the redemption or disposal of the Shares.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### **Return of Values**

As a result of provisions introduced by Finance Act 2012 (and the subsequent Return of Values (Investment Undertakings Regulations 2013), the Company is obliged to report certain details in relation to Shares acquired by investors from 1 January 2012 onwards. The details to be reported include the name, address, date of birth (if an individual) and the value of the units held. For new Shares acquired on or after 1 January 2014, the details to be reported will also include the tax reference number or, in the absence of the number, a special marker indicating that this was not provided. No details are required to be reported in respect of Shareholders who are:

- Exempted Irish Investors, (provided the Relevant Declaration has been made); or
- Shareholders whose shares are held in a recognised clearing system; or
- Shareholders who are neither Irish Residents nor Irish Ordinary Residents (provided a Relevant Declaration has been made).

### **Stamp Duty**

Generally, no Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

### **Capital Acquisitions Tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that

- (a) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (b) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and the valuation date.

### **Other Tax matters**

The income and/or gains of a Company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Company, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Certain Irish Tax Definitions**

- (i) **Residence – Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated before this date, a transition period will apply until 31 December 2020.

(ii) **Residence – Individual**

An individual will be regarded as being resident in the State for a tax year if he/she:

- spends 183 days or more in the State in that tax year; or
- has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.

(iii) **Ordinary Residence – Individual**

The term **ordinary residence** as distinct from **residence**, relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2015 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2018.

(iv) **Intermediary**

This means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
- holds units in an investment undertaking on behalf of other persons.

### **Information exchange and the implementation of FATCA in Ireland**

Irish reporting financial institutions, which may include the Fund have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

With effect from 1 July 2014 the Company is obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will the share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (FATCA), impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (IRS) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (IGA) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) implementing the information disclosure obligations, Irish financial institutions such as the Company are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Company (and/or the Administrator or Investment Manager on behalf of the Company) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for shares in the Company. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Company holds any U.S. assets or has any U.S. investors.

If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (FATCA Deduction) or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such Shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing

### **Common Reporting Standard (CRS)**

The Common Reporting Standard (**CRS**) framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "Regulations"), giving effect to DAC II from 1 January 2016, came into operation on 31

December 2015.

Under the Regulations reporting financial institutions, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie)

### 12.3. **United Kingdom**

The following information is intended to be a general guide to the anticipated tax treatment in the UK of the Company and its Shareholders. The statements made in respect of Shareholders only apply to persons who hold their Shares beneficially as an investment and who are resident in the UK for UK tax purposes. The information is based on the law enacted as at the date of the Prospectus (unless otherwise stated), is subject to changes therein and is not exhaustive.

Investors who are in any doubt about their position, or who may be subject to tax in a jurisdiction other than the UK, should consult a professional adviser.

#### **The Company**

In accordance with the provisions of section 363A, TIOPA 2010, a UCITS which is authorised in a foreign country or territory pursuant to Article 5 of the UCITS Directive will not be treated as UK resident for United Kingdom tax purposes (provided it is not an excluded entity, which the Company should not be). Accordingly, and provided that the Company does not exercise a trade within the UK, or carry on a trade in the UK through a permanent establishment, the Company should not be subject to UK corporation tax on income and capital gains arising to it, other than on UK source income. It is not expected that the activities of the Company will be regarded as trading activities for the purposes of UK taxation, although to the extent that trading activities are carried on in the UK, they could in principle be liable to UK tax. In any event, the profit from such trading activities would not be assessed to UK tax provided that the Company and the Investment Manager meet certain conditions. The Directors and the Investment Manager intend to conduct their respective affairs so that all these conditions are satisfied so far as this is within their respective control, but it cannot be guaranteed that these conditions will at all times be satisfied.

#### **Shareholders - income**

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of distributions of income made by the Company (whether or not such distributions are reinvested). UK resident Shareholders holding Reporting Shares at the end of each reporting period will be subject to UK income tax or corporation tax on their share of the Reporting Fund's income for a reporting period to the extent that this amount exceeds dividends received, and whether or not the income is distributed to them. Therefore UK resident Shareholders holding Accumulation Shares that have Reporting Fund status should be aware that they will be required to account for and pay tax on income which has been reported to them in respect of their holdings even though income has not been distributed to them.

In respect of distributions and any reported income in excess of distributions, shareholders should note the following:

- (i) distributions (or reported income) from a Fund that is substantially invested in interest bearing assets (**a bond fund**) are treated as interest income in the hands of both individual and corporate investors; and
- (ii) distributions (or reported income) from a Fund may be exempt from corporation tax in the hands of a corporate investor, provided the Fund making the distribution is not a bond fund and certain other conditions are met.

## Shareholders - gains

Each of the Share classes in the Company will be treated as an **offshore fund** within the meaning given by section 355 (Taxation (International and Other Provisions Act) 2010). As such, the Offshore Funds (Tax) Regulations 2009 will apply to treat chargeable gains made on disposal of Shares as income unless the Fund has obtained Reporting Fund status from HM Revenue & Customs (HMRC) for each period of account in which Shareholders held the Shares in question.

Provided the Company obtains such certification, Shareholders disposing of interests in reporting Share classes who are resident in the UK for tax purposes may be liable to capital gains tax (or corporation tax on capital gains) in respect of any gain realised on repurchase of those Shares or on any switch from one Fund to another within the Company or on any other disposal of those Shares. Any such gain may be reduced by any UK capital gains tax exemption or allowance available to a Shareholder.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. The Directors intend to manage the affairs of the Company and the Fund so that these upfront and annual duties are met and continue to be met on an on-going basis for each of the classes within the Company, which intend to seek UK reporting fund status. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders six months following the end of the relevant reporting period.

Once reporting fund status is obtained from HMRC for the relevant classes, it will remain in place so long as the annual requirements are undertaken. Should investor wish further information on the implications of the Funds obtaining such status they should seek professional advice.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, Shareholder reports will generally be made available, for Reporting Shares, within six months of the end of the reporting period at [www.kamescapital.com](http://www.kamescapital.com). Whilst reportable income data shall principally be made available on a website accessible to UK investors, alternatively, Shareholders may, if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address: Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

Each such request must be received within three months of the end of the reporting period. Unless the Investment Manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

It is the Investor's responsibility to calculate and report their respective total reportable income to HMRC based on the number of Shares held at the end of the reporting period. In addition to reportable income attributable to each Share Class the report will include information on amounts distributed per Share and the dates of distributions in respect of the reporting period.

Shareholders investing in classes of Shares within a Fund without reporting fund status should seek their own professional advice.

A decision regarding whether to apply for reporting fund status in respect of new Share classes of any sub-funds will be made at the time of launch of such Share classes.

## Income equalisation

For Reporting Shares, the Company operates full equalisation arrangements which ensure that the income yield is not affected by incoming and outgoing investors during the reporting period. Equalisation applies to Shares purchased during a reporting period. Equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred to above. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Shareholders investing in classes of Shares within a Fund without Reporting Fund status should seek their own professional advice.

## Corporate Investors

Under Chapter 3 of Part 6 of the Corporation Tax Act 2009, if any Fund has more than 60%, by market value, of its investments in qualifying investments (broadly investments that yield a return directly or indirectly in the form of interest), at any time in the accounting period of the corporate investor, the interest held by such corporate investor may be deemed to constitute a **loan relationship**. As a consequence, a corporate investor will be taxed on the increase in value of its holding on a mark to market basis (rather than on disposal) or will obtain tax relief for any equivalent decrease in value. The provisions relating to non-reporting funds (outlined above) and those relating to holdings in controlled foreign companies (outlined below) would not then apply to such corporate shareholders.

Special rules may apply to certain classes of investor within the charge to UK corporation tax where they hold, alone or together with other associated persons, Shares which confer a right to at least 25% of the profits of the Company. Such investors may be subject to UK tax on undistributed profits under the **controlled foreign company** rules, unless one of a number of exemptions is met, and should therefore take their own specific professional tax advice.

### **Anti-avoidance rules**

#### Transfer of Assets Abroad

The attention of individuals ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which may render such persons liable to taxation in respect of undistributed income and profits of the Company. However, this legislation will not apply if such individuals can satisfy HMRC that either:

- (i) the purpose of avoiding liability to UK taxation was not the purpose or one of the purposes of their investment in the Company; or
- (ii) the investment was a bona fide commercial transaction and was not designed for the purpose of avoiding UK taxation.

#### Non-Resident Close Companies

The attention of persons resident in the UK (and who, if they are individuals, are domiciled in the UK), is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992. These provisions only apply to persons who, together with other connected persons, hold 25% or more of the Shares in the Company and the Company is controlled in such a manner that it would be a close company for UK tax purposes, were it resident in the UK. These provisions could, if applied, result in such a person being treated, for the purposes of the UK taxation of chargeable gains, as if part of any gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company.

### **Genuine Diversity of Ownership Condition**

Shares in each of the Funds shall be widely available. The intended categories of investors are those seeking to invest in UCITS including retail investors, institutional investors (including pension funds) and high net worth individual investors. Shares in the Funds are marketed by the Distributor (or its sub-distributors) and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

#### **12.4. Other Jurisdictions**

The Directors intend to manage the affairs of the Company so that it does not become resident outside of Ireland for tax purposes.

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. **Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.**

### **13. GENERAL INFORMATION**

### 13.1. Reports and Accounts

The Company's year-end is 31 October in each year. The annual report and audited accounts of the Company, in English, will be sent to Euronext Dublin and made available to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The next annual report will be published within four months of 31 October each year. The Company will also prepare unaudited semi-annual reports which will be sent to Euronext Dublin and made available to Shareholders within two months after 30 April in each year. The next semi-annual report will be published within two months of 30 April each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

Audited financial statements and a semi-annual report, with unaudited financial information will be sent to Shareholders within six months and four months respectively of the period to which they relate and a copy of the most recent financial statements will be sent to Shareholders and prospective investors on request.

### 13.2. Incorporation and Share Capital

The Company was incorporated and registered in Ireland under the Act as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds on 25 June 2007 with registered number 442106.

At the date hereof the authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares; the issued share capital of the Company is €2 represented by 2 shares (the **subscriber shares**) issued for the purposes of the incorporation of the Company at an issue price of €1 per Share which are fully paid up and which are held by Kames Capital plc and Kames Capital Management Limited.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

### 13.3. Memorandum and Articles of Association

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

#### **Directors' Authority To Allot Shares**

The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;

#### **Variation of Rights**

The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons present in person or by proxy holding or representing at least one-third in nominal value of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy;

#### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s)

of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;

### **Alteration of Share Capital**

The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amounts;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amounts or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any class of Shares;

### **Directors' Interests**

Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:-

- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or

- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever.

### **Borrowing Powers**

The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;

### **Delegation to Committee**

The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying;

### **Retirement of Directors**

No Director shall be required to retire by rotation and no Director shall be required to retire on account of age.

### **Directors' Remuneration**

Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties;

### **Transfer of Shares**

Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages (including endeavouring to ensure that the relevant Fund's assets are not considered plan assets for the purpose of ERISA) or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached (including without limitation, where a holder fails to provide the Company with information required to satisfy any automatic exchange of information obligations under, for example, FATCA of a Fund, the Company, the Depositary, the administrator, the investment manager or any delegate thereof); or in circumstances which might result in the relevant Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding and any transfer in regard to which any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint. The Directors may decline to register any transfer of Shares unless the transferor and the transferee have provided the Administrator with such evidence of their identities as the Administrator may reasonably require;

### **Right of Repurchase**

Shareholders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Articles of Association;

### **Dividends**

The Articles of Association permit the Directors to declare such dividends on any class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund and, in particular, any investments to which the relevant Fund is entitled. A Shareholder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets with the cost of the sale charged to that holder and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;

### **Funds**

The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:

- (i) for each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated; and
- (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund;

### **Fund Exchanges**

Subject to the provisions of the Articles of Association, a Shareholder holding Shares in any class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day);

### **Winding Up**

The Articles contain provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund, provided that rules in relation to segregated liability between Funds apply;

- (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to each class of Share; and thirdly, any balance then remaining and not attributable to any of the classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the Net Asset Value attributable to each class of Shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of Shares in that class of Shares held by them; and
- (iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act of Ireland, divide among the holders of Shares of any class or classes in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or different classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.
- (iv) A Fund may be wound up pursuant to section 1407 of the Act and in such event the provisions reflected in this paragraph 13 shall apply mutatis mutandis.

#### **Share Qualification**

The Articles do not contain a share qualification for Directors.

#### **13.4. Litigation and Arbitration**

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

#### **13.5. Directors' Interests**

- 13.5.1. There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed;
- 13.5.2. At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as otherwise provided no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company; and
- 13.5.3. At the date of this Prospectus neither the Directors nor any Persons Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital.
- 13.5.4. Andrew Bell is a Director of the Company and an employee of the Investment Manager. Mike Kirby is a director of KB Associates which has been engaged by the Company to provide certain monitoring and reporting services to the Company and is in receipt of remuneration and out of pocket expenses for such services.

## 13.6. Material Contracts

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- 13.6.1. **The Depositary Agreement** dated 21 October 2016 between the between the Company and the Depositary, the material terms of which are set out in the Depositary section above. This Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other(s), although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the applicable requirements of the Central Bank and in accordance with applicable law, rules and regulations, appoint a successor depositary. The Depositary may not be replaced without the approval of the Central Bank; This Agreement is governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with this Agreement; This Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence.
- 13.6.2. **The Administration Agreement** dated 23 December 2016 between the Company and Citibank Europe plc. This Agreement provides that the appointment of the Administrator will continue for an initial term of one year and for successive periods of a year (or such other period as the parties may agree) thereafter unless and until terminated by the Company or the Administrator in accordance with the terms of the Administration Agreement; this Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of negligence, fraud, wilful default or, or any breach of the Administrator's obligations under the Agreement.
- 13.6.3. **The Investment Management Agreement** dated 20 May 2016 between the Company and and the Investment Manager (the **Agreement**); this Agreement provides that the appointment of the Investment Manager will continue for an initial period of three years (the **Initial Term**) and for successive periods of one year unless and until terminated by the Investment Manager giving not less than 90 days written notice to the Company or by the Company giving not less than 90 days written notice to the Investment Manager in each case to end on the expiry of the Initial Term or an extension thereof although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters resulting from the wilful misfeasance, bad faith, fraud, wilful default or negligence of the Investment Manager in the performance or non-performance of its obligations and duties.
- 13.6.4. **The Distribution Agreement** dated 26 October 2007 between the Company, RBS Fund Services (Ireland) Limited and Kames Capital plc, as novated to the Company by way of a Novation Agreement dated 30 June 2009 and amended by way of a Variation Agreement to the Distribution Agreement dated 14 July 2011, this Agreement provides that the appointment of the Distributor will continue for an initial period of three years (the **Initial Term**) and for successive periods of one year unless and until terminated by the Distributor giving not less than 90 days written notice to the Company or by the Company giving not less than 90 days written notice to the Distributor in each case to end on the expiry of the Initial Term or an extension thereof although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; under this Agreement the Distributor will not be liable to the Company for matters in the absence of the Distributor's fraud, negligence or wilful default.
- 13.6.5. **The Distribution Agreement** dated 15 March 2019 between the Company and Aegon Investment Management B.V.. The Agreement provides that it may be terminated by the Company or Aegon Investment Management B.V. by giving at least 90 days prior written notice to the other party of such termination, although in certain circumstances the Agreement may be terminated at any time by notice in writing by either party to the other; this Agreement

contains certain indemnities in favour of Aegon Investment Management B.V. which are restricted to exclude claims attributable to the fraud, negligence or wilful default in the performance or non-performance by Aegon Investment Management B.V. of its obligations or of its duties thereunder.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

### 13.7. **Miscellaneous**

Save as may result from the entry by the Company into the agreements listed under **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Save as disclosed under the Portfolio Transactions and Conflicts of Interest section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

### 13.8. **Remuneration**

Taking into account the internal organisation and the nature, scale and complexity of the Company's activities, the Board has put in place a remuneration policy designed to ensure that any relevant conflicts of interest can be managed appropriately at all times, taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Company.

The Company has no employees to whom remuneration is paid. The directors are paid fixed fees in accordance with this Prospectus, as disclosed in the section entitled **FEES AND EXPENSES**.

The Board is satisfied that the Company's remuneration policies for the Directors whose activities may have a material impact on the risk profiles of the Company are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company. None of the Directors have a performance based variable component to their remuneration, therefore avoiding any potential conflicts of interest. The components of any variable element to remuneration arrangements will be in accordance with the Regulations, as will deferral payment thereof. The Board is satisfied that the Company's remuneration policies and practices for the Directors are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company.

Details of the up to date remuneration policy of the Company including but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at the Responsible Investors section of Kames Capital plc's website - <http://www.kamescapital.com>. A paper copy will be available free of charge upon request at the registered office of the Company

### 13.9. **Documents for Inspection**

Copies of the following documents may be obtained from the Company and inspected at the registered office of the Company during usual business hours during a Business Day at the address shown in the Directory section below:

- 13.9.1. the Memorandum and Articles of Association of the Company;
- 13.9.2. the Prospectus (as amended and supplemental to) and the Supplements;
- 13.9.3. the annual and semi-annual reports relating to the Company most recently prepared by the Administrator;
- 13.9.4. details of notices sent to Shareholders;
- 13.9.5. the material contracts referred to above;

- 13.9.6. the Regulations;
- 13.9.7. the Central Bank UCITS Regulations;
- 13.9.8. the key investor information documents (**KIIDs**); and
- 13.9.9. a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Memorandum and Articles of Association of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

#### 13.10. **Dispute Resolution**

Any person who has a complaint to make about the operation of the Company can submit his complaint in writing to the address given below:

Citi Fund Services Transfer Agency  
1 North Wall Quay  
Dublin 1  
Ireland

Shareholders may also raise a complaint through the EU Online Dispute Resolution (ODR) portal [www.ec.europa.eu/consumers/odr/](http://www.ec.europa.eu/consumers/odr/) if the complaint relates to Shares that were subscribed by electronic means, including via email. Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Investment Manager or any Fund is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

#### 13.11. **Communications Recording**

Please note that the Investment Manager or the Administrator may record telephone calls and electronic communications for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call or communication. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

## SCHEDULE 1 - MARKETS

Subject to the provisions of the Central Bank and with the exception of permitted investments in unlisted securities, the Company will only invest in securities listed or traded on the following stock exchanges and regulated markets which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public):

- 1 (a) any stock exchange which is:
- located in an EEA Member State; or
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America, United Kingdom; or
- (b) any stock exchange included in the following list:

Argentina	Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba, Bolsa de Comercio de Rosario;
Bahrain	Bahrain Stock Exchange;
Bangladesh	Dhaka Stock Exchange and Chittagong Stock Exchange;
Brazil	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Channel Islands	Channel Islands Stock Exchange
Chile	Bolsa de Comercio de Santiago, Bolsa Electronica de Chile, Bolsa de Valparaiso
China	Shanghai Stock Exchange and Shenzhen Stock Exchange,
Colombia	Bolsa de Medellin, Bolsa de Occidente
Costa Rica	
Egypt	Alexandria Stock Exchange, Cairo Stock Exchange
Ghana	Ghana Stock Exchange
India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	Jakarta Stock Exchange and Surabaya Stock Exchange;
Israel	Tel-Aviv Stock Exchange;
Jamaica	Jamaican Stock Exchange
Jordan	Amman Financial Market;
Kazakhstan	Central Asian Stock Exchange, Kazakhstan Stock Exchange;

Kenya	Nairobi Stock Exchange
Korea	Korean Stock Exchange;
Kuwait	Kuwait Stock Exchange;
Lebanon	Beirut Stock Exchange;
Malaysia	Kuala Lumpur Stock Exchange;
Mexico	Bolsa Mexicana de Valores
Morocco	Societe de la Bourse des Valeurs de Casablanca
Namibia	Namibian Stock Exchange;
Nigeria	Nigerian Stock Exchange
Oman	Muscat Securities Market;
Pakistan	Islamabad Stock Exchange; Karachi Stock Exchange; Lahore Stock Exchange
Panama	Bolsa de Valores de Panama S.A.
Peru	Bolsa de Valores de Lima
Philippines	Philippines Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Stock Exchange; Russian Trading System; Moscow Interbank Currency Exchange
Saudi Arabia	Riyadh Stock Exchange;
Senegal	Bourse Régionale des Valeurs Mobilières SA
Serbia	Belgrade Stock Exchange
Singapore	The Stock Exchange of Singapore
South Africa	Johannesburg Stock Exchange South African Futures Exchange; Bond Exchange of South Africa
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taipei Stock Exchange Corporation; Gre Tai Securities Market; Taiwan Futures Exchange
Tanzania	Dar es Salaam Stock Exchange
Thailand	The Stock Exchange of Thailand
Tunisia	Bourse des Valeurs Mobilières de Tunis
Turkey	Istanbul Stock Exchange;
United Arab Emirates	Dubai Financial Market ; NASDAQ Dubai; Abu Dhabi Securities Exchange
Uruguay	Bolsa de Valores de Montevideo; Bolsa Electronica de Valores del Uruguay SA
Venezuela	Caracas Stock Exchange; Maracaibo Stock Exchange; Venezuela Electronic Stock Exchange
Vietnam	Ho Chi Minh Stock Exchange; Hanoi Stock Exchange

## (c) any of the following:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (**FCA**) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

KOSDAQ;

NASDAQ;

SESDAQ;

TAISDAQ/Gretai Market;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Johannesburg Securities Exchange;

The Singapore International Monetary Exchange;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments);

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is:
  - (i) located in an EEA Member State;
  - (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States;
  - (iii) the Channel Islands Stock Exchange;
  - (iv) listed at (c) above.
3. The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

## SCHEDULE 2 – SUB-DELEGATES

As at the date of this Prospectus, the following sub-delegates have been appointed:

As at the date of this Prospectus, the sub-delegates used by the Depositary in various markets are as follows:

Country	Citibank NA
<b>Argentina</b>	The branch of Citibank N.A., in the Republic of Argentina
<b>Australia</b>	Citigroup Pty. Limited
<b>Austria</b>	Citibank, N.A., Milan Branch
<b>Bahrain</b>	Citibank, N.A., Bahrain
<b>Bangladesh</b>	Citibank, N.A., Bangladesh
<b>Belgium</b>	Citibank Europe plc, UK Branch
<b>Benin</b>	Standard Chartered Bank Cote d'Ivoire
<b>Bermuda</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
<b>Bosnia-Herzegovina (Sarajevo)</b>	UniCredit Bank d.d.
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank of Botswana Limited
<b>Brazil</b>	Citibank, N.A., Brazilian Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch
<b>Burkina Faso</b>	Standard Chartered Bank Cote D'Ivoire
<b>Canada</b>	Citibank Canada
<b>Chile</b>	Banco de Chile
<b>China B Shanghai</b>	Citibank, N.A., Hong Kong Branch (For China B shares)

<b>China B Shenzhen</b>	Citibank, N.A., Hong Kong Branch (For China B shares)
<b>China A Shares</b>	Citibank China Co Ltd ( China A shares)
<b>China Hong Kong Stock Connect</b>	Citibank, N.A., Hong Kong Branch
<b>Clearstream ICSD</b>	
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	banco Nacional de costa rica
<b>Croatia</b>	Privedna banka Zagreb d.d.
<b>Cyprus</b>	Citibank Europe plc,Greece branch
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka
<b>Denmark</b>	Nordea Bank Danmark A/S
<b>Egypt</b>	Citibank, N.A., Cairo Branch
<b>Estonia</b>	Swedbank AS
<b>Euroclear</b>	
<b>Finland</b>	Nordea Bank Finland Plc
<b>France</b>	Citibank Europe plc UK branch
<b>Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	Citigroup global markets deutschland ag
<b>Ghana</b>	Standard Chartered Bank of Ghana Limited
<b>Greece</b>	Citibank Europe plc, Greece Branch
<b>Guinea Bissau</b>	Standard Chartered Bank Cote D'ivoire
<b>Hong Kong</b>	Citibank NA Hong Kong

<b>Hungary</b>	Citibank Europe plc Hungarian Branch Office
<b>Iceland</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>India</b>	Citibank NA Mumbai Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch
<b>Ireland</b>	Citibank NA London Branch
<b>Israel</b>	Citibank, N.A., Israel Branch
<b>Italy</b>	Citibank, N.A., Milan Branch
<b>ivory coast</b>	Standard Chartered Bank Cote d'Ivoire
<b>Jamaica</b>	Scotia Investments Jamaica Limited
<b>Japan</b>	Citibank Japan limited
<b>Jordan</b>	Standard Chartered Bank Jordan Branch
<b>Kazakhstan</b>	Citibank Kasaksthan JSC
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Korea (South)</b>	Citibank Korea Inc.
<b>Kuwait</b>	Citibank NA Kuwait Branch
<b>Latvia</b>	Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS
<b>Lebanon</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Lithuania</b>	Swedbank AS, based in Estonia and acting through its Lithuanian branch "Swedbank" AB
<b>Luxembourg</b>	only offered through the ICSDs- Euroclear & Clearstream
<b>Macedonia</b>	Raiffeisen Bank International AG
<b>Malaysia</b>	Citibank Berhad

<b>Mali</b>	Standard Chartered Bank Cote d'Ivoire
<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>Mauritius</b>	The Hong Kong & Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de Mexico, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited
<b>Netherlands</b>	Citibank Europe plc, UK Branch
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Niger</b>	standard chartered bank cote d'ivoire
<b>Nigeria</b>	Citibank Nigeria Limited
<b>Norway</b>	DNB Bank ASA
<b>Oman</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank, N.A. Karachi
<b>Panama</b>	Citibank NA Panama Branch
<b>Peru</b>	Citibank del Peru S.A
<b>Philippines</b>	Citibank, N.A., Manila Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA
<b>Portugal</b>	Citibank Europe plc, sucursal em Portugal
<b>Qatar</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc, Dublin - Romania Branch
<b>Russia</b>	AO Citibank

<b>Saudi Arabia</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.
<b>Sengal</b>	standard chartered bank cote d'ivoire
<b>Serbia</b>	UniCredit Bank Srbija a.d.
<b>Singapore</b>	Citibank, N.A., Singapore Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana
<b>South Africa</b>	Citibank NA South Africa branch
<b>Spain</b>	Citibank Europe plc, Sucursal en Espana
<b>Sri Lanka</b>	Citibank NA Colombo Branch
<b>Sweden</b>	Citibank Europe plc, Sweden Branch
<b>Switzerland</b>	Citibank NA london branch
<b>Taiwan</b>	Citibank Taiwan Limited
<b>Tanzania</b>	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd
<b>Togo</b>	Standard Chartered Bank Cote d'Ivoire
<b>Thailand</b>	Citibank, N.A.Bangkok Branch
<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.S.
<b>Uganda</b>	Standard Chartered Bank of Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates ADX &amp; DFM</b>	Citibank NA UAE
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank NA UAE

<b>United Kingdom</b>	Citibank NA london branch
<b>United States</b>	Citibank NA New York offices
<b>Uruguay</b>	Banco Itau Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A., Venezuela Branch
<b>Vietnam</b>	Citibank NA Hanoi Branch
<b>Zambia</b>	Standard Chartered Bank Zambia Plc
<b>Zimbabwe</b>	Standard Bank of South Africa Ltd. acting through its affiliate Stanbic Bank Zimbabwe Ltd.

### **SCHEDULE 3 DIRECTORY**

KAMES CAPITAL INVESTMENT COMPANY (IRELAND) PLC

70 SIR JOHN ROGERSON'S QUAY

DUBLIN 2

IRELAND

#### **DIRECTORS**

MIKE KIRBY

BRONWYN WRIGHT

STUART DONALD

#### **INVESTMENT MANAGER**

KAMES CAPITAL PLC

KAMES HOUSE

3 LOCHSIDE CRESCENT

EDINBURGH EH12 9SA

UNITED KINGDOM

#### **DEPOSITARY**

CITI DEPOSITARY SERVICES IRELAND DESIGNATED ACTIVITY COMPANY

1 NORTH WALL QUAY

DUBLIN 1

IRELAND

#### **ADMINISTRATOR**

CITIBANK EUROPE PLC

1 NORTH WALL QUAY

DUBLIN 1

IRELAND

#### **AUDITORS**

PRICEWATERHOUSECOOPERS

1 SPENCER DOCK

NORTH WALL QUAY

DUBLIN 1

IRELAND

#### **IRISH LEGAL ADVISERS TO THE COMPANY**

MATHESON  
70 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND

**SPONSORING BROKERS**

MATHESON  
70 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND

**SECRETARY**

MATSACK TRUST LIMITED  
70 SIR ROGERSON'S QUAY  
NORTH  
DUBLIN 2  
IRELAND

**DISTRIBUTORS**

KAMES CAPITAL PLC  
KAMES HOUSE  
3 LOCHSIDE CRESCENT  
EDINBURGH EH12 9SA  
UNITED KINGDOM

AEGON INVESTMENT MANAGEMENT B.V.

AEGONPLEIN 50  
2591 TV  
DEN HAAG  
THE NETHERLANDS