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 22 December 2017

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 the Irish Stock Exchange listing requirements, comprises listing particulars for the purpose of the listing of such shares on the Irish Stock Exchange.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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.

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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**;

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;

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

Depositary Agreement means the agreement dated 21 October 2016 between the Company and the Depositary 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**;

Distributor means Kames Capital Plc 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;

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;

Irish Stock Exchange means The Irish Stock Exchange plc;

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;

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) A Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions located in the Channel Islands, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of deposits made with the Depositary.

(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 be 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 Sub-fund with a risk level which is consistent with the risk profile of the Sub-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 discloses 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 Depositary or by a third party depositary 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 Irish Stock Exchange policy.

Insofar as Shares are listed on The Irish Stock Exchange, any accumulation of income by a Fund will also be made in compliance with any applicable rules of The Irish Stock Exchange 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

The EU Benchmark Regulation requires the Company to produce and maintain a robust contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Investment Manager shall comply with this obligation on behalf of the Company.

The Company is required under the EU Benchmark Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by the European Securities and Markets Authority, pursuant to Article 36 of the Benchmarks Regulation. The Investment Manager shall comply with this obligation on behalf of the Company

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 re-stated 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 Depositary 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.

Andrew Bell –UK resident, is Commercial Director at Kames Capital, with responsibility for product development, research, marketing communications and client management. Andrew was previously Client Director for the alternative investments business at Aberdeen Asset Management. Prior to this, he spent 15 years with the RBS Group in a number of roles, including Director of Marketing for RBS Asset Management and Head of Product Development for the Coutts Group. Andrew has a BA (Hons) in Modern History from Christ Church, Oxford, and is a member of the Chartered Institute for Securities and Investment.

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.

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 the Irish Stock Exchange.

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 £55.4 billion in assets under management as at the end of 31 December 2014 and provided discretionary management services to, amongst others, retail and institutional investors and other collective investment schemes.

5.3. Depositary

The Company has appointed Citi Depositary Services Ireland Limited as depositary pursuant to the

Depositary Agreement.

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

Under the terms of the Depositary Agreement, Citi Depositary Services Ireland Limited (the **Depositary**) has been appointed as depositary of the Company's assets and the assets of the Company have been entrusted to the Depositary for safekeeping.

The key duties of the Depositary are to perform the depositary 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

5.4. **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**.

5.5. **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.

5.6. 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.

5.7. 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 "Telephone 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 “Telephone 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 “Telephone 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 the Irish Stock Exchange, 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 the Irish Stock Exchange 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. Such prices will usually be the prices applicable to the previous Dealing Day's trades.

10. 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 the Irish Stock Exchange 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.

11. TAXATION

11.1. 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.

11.2. **Ireland**

Tax On Income And Capital Gains

The Company

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 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; and

(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 reasonable 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**

A company which has its central management and control in the Republic of Ireland (the **State**) is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in the State but which is incorporated in the State is resident in the State except where:

- the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the State has a double taxation treaty, or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or

- the company is regarded as not resident in the State under a double taxation treaty between the State and another country.

It should be noted that the determination of a company`s residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A TCA.

It should be further noted that the text of section 23A Taxes Consolidation Act 1997 was replaced in its entirety by section 43 Finance Act 2014. Consequently the abovementioned tax residence rules have been substantially modified as regards Irish incorporated companies. The changes are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Fund.

(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

11.3. 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. 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.

11.4. **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.**

12. GENERAL INFORMATION

12.1. **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 the Irish Stock Exchange 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 the Irish Stock Exchange 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.

12.2. **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.

12.3. **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 15 shall apply mutatis mutandis.

Share Qualification

The Articles do not contain a share qualification for Directors.

12.4. **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.

12.5. **Directors' Interests**

12.5.1. There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed;

12.5.2. 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

12.5.3. 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.

12.5.4. 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.

12.6. **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:

12.6.1. **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.

12.6.2. **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.

12.6.3. **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.

12.6.4. **The Distribution Agreement dated** 26 October 2007 between the Company, RBS Fund Services (Ireland) Limited and the Distributor, 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.

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

12.7. 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.

12.8. 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

12.9. 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:

12.9.1. the Memorandum and Articles of Association of the Company;

12.9.2. the Prospectus (as amended and supplemental to) and the Supplements;

12.9.3. the annual and semi-annual reports relating to the Company most recently prepared by the Administrator;

12.9.4. details of notices sent to Shareholders;

12.9.5. the material contracts referred to above;

12.9.6. the Regulations;

12.9.7. the Central Bank UCITS Regulations;

12.9.8. the key investor information documents (**KIID**s); and

12.9.9. 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.

12.10. **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/ 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.

12.11. **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; 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 Mobilieres 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

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

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

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

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

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

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

SCHEDULE 3 DIRECTORY

KAMES CAPITAL INVESTMENT COMPANY (IRELAND) PLC

25/28 NORTH WALL QUAY

DUBLIN 1

IRELAND

DIRECTORS

MIKE KIRBY

ANDREW BELL

BRONWYN WRIGHT

INVESTMENT MANAGER

KAMES CAPITAL PLC

KAMES HOUSE

3 LOCHSIDE CRESCENT

EDINBURGH EH12 9SA

UNITED KINGDOM

DEPOSITARY

CITI DEPOSITARY SERVICES IRELAND LIMITED

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

A & L GOODBODY SOLICITORS
INTERNATIONAL FINANCIAL SERVICES CENTRE
NORTH WALL QUAY
DUBLIN 1
IRELAND

SPONSORING BROKERS

A&L LISTING LIMITED
INTERNATIONAL FINANCIAL SERVICES CENTRE
NORTH WALL QUAY
DUBLIN 1
IRELAND

SECRETARY

GOODBODY SECRETARIAL LIMITED
INTERNATIONAL FINANCIAL SERVICES CENTRE
NORTH WALL QUAY
DUBLIN 1
IRELAND

DISTRIBUTOR

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

Kames Absolute Return Bond Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Absolute Return Bond Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames High Yield Global Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Application has been made to the Irish Stock Exchange for the Sterling Class H – Income Shares, Swiss Franc (hedged) Class H – Income Shares, US Dollar (hedged) Class H – Income Shares, Euro (hedged) Class A – Income Shares, Sterling Class A – Accumulation Shares, Sterling Class A – Income Shares, US Dollar (hedged) Class A- Accumulation Shares, US Dollar (hedged) Class A-Income Shares, Euro (hedged) Class B- Income Shares and US Dollar (hedged) Class B-Income Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. The Directors confirm there has been no significant change in the financial or trading position of the Fund 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. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate positive absolute returns for investors over a rolling 3 year period irrespective of market conditions.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in global debt instruments in any currency, ranging from AAA Government Bonds through to high yield and emerging market bonds. The Fund may invest in all types of fixed and floating rate fixed income securities, including (but not limited to) the following:

Investment Grade Bonds The Fund may invest up to 100% of its net assets in bonds issued by companies, sovereign governments and their agencies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P), or BBB- or higher by Fitch or its successors (Fitch) or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

The Fund may invest up to 20% in aggregate of its net assets in a combination of Emerging Market Debt and High Yield Bonds as defined below.

Emerging Market Debt The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets. Within emerging market investments, the Fund seeks to participate in the more established markets which the Investment Manager believes provide sufficient liquidity. The Fund may invest in both sovereign and corporate emerging market bonds.

High Yield Bonds are issues rated Ba1 by Moody's or below or BB+ by Standard and Poor's or below, or non-rated debt instruments deemed by the Investment Manager to be of similar credit quality. The average quality of the Fund's holdings will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate. Lower quality companies may be a focus at certain times.

The Fund will invest directly in sovereign and corporate fixed and floating rate bonds predominantly having a maturity of up to 15 years, based on the Investment Manager's view of the effect of future interest rate changes on the yield curve for those bonds and/or on future asset values. The Fund will be broadly diversified by industry and issuer, but asset allocation is subject to change as global bond markets evolve. The Fund will aim to manage interest rate risk, preserve capital and profit in all market conditions by holding derivatives and taking short positions synthetically via FDIs, based on the Investment Manager's view of anticipated changes in interest rates and sovereign and corporate bond yields (see below).The Fund will invest in bonds denominated in a number of currencies. The Investment Manager will usually hedge the majority of currency exposures arising from bond positions back to the Fund's base currency. From time to time, the Investment Manager may take modest currency positions where it sees potential value, relative to the base currency. However no more than 5% of the Net Asset Value of the Fund may be exposed to unhedged currency positions.

The Fund will use financial derivative instruments (**FDI**s) to run a long/short strategy for investment purposes. For example, short positions may be achieved by selling futures, buying put options, buying CDS protection (both single name and index) as well as buying or selling forwards. These long and short positions may be over any type of bond described above. The Investment Manager shall endeavour to generate a total return that is uncorrelated to major bond market indices by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short), both within and across the above mentioned bond types in order to take advantage of excessive over- and under-valuation of debt instruments. Many of the positions will aim to be market neutral through the use of appropriate hedging strategies. Diversification will be sought through varied maturities, bond types and fixed and floating rate exposures. By gaining exposure to markets where the Investment Manager has identified inefficiencies and mispricing of assets the Fund shall therefore endeavour to generate opportunities regardless of market direction.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

The Fund may also invest in ancillary liquid assets such as cash, bank deposits, stocks, bonds, short term certificates, commercial paper and treasury bills.

Financial Derivative Instruments

The Fund will invest extensively in FDIs, for both hedging and investment purposes. Such FDIs shall be limited to interest rate futures, options, swaps (including credit default swaps) and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

Efficient Portfolio Management and FDIs

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(iii) to gain an exposure to the composition and performance of a particular index (e.g. a credit default swap index). For example, the Fund may make use of a credit default swap index to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings. FDIs may also be used to gain exposure to a credit default swap index or to individual stocks.

FDIs may also be used in order to take tactical decisions. Futures, options, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options, forwards or swaps (including credit default swaps) to manage the Fund's exposure to the market. These instruments may be used to increase, reduce or maintain exposure to the market as a whole or its subcomponents to enhance the Fund's performance or protect downside risk. For example typical positions taken will be based on the Investment Manager's view on sensitivity of prices or sensitivity of spreads to expected changes in both economic and market conditions.

Specific FDI

Below are the details of the FDI in which the Fund may invest. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section. For the avoidance of doubt however, the Fund's investment via FDIs may focus on bonds having a maturity in excess of 15 years.

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. Generally, the underlying assets of the futures contracts will be government bonds**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Interest rate futures (either exchange-traded or OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from an anticipated interest rate move. Positions may also be taken to hedge against the risk that interest rates move in an adverse direction.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be the assets referred to in the Investment Policy.

The Fund may also write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will also be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example a situation may arise where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund will use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlyings of swaps will be single stocks (bonds) or indices.

Credit default swaps (**CDS**) (OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in credit spreads. Positions may be taken to hedge against the risk that changes in credit spreads move in an adverse direction.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 200% of its assets in long positions and up to 100% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within any limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 7.1% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated using the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 200% of the Net Asset Value of the

Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("**repo transactions**) for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to repo transactions will be less than 20% AUM and the maximum expected proportion of AUM subject to SFTs shall not exceed 100% AUM. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest more than 20% of its net assets in aggregate in fixed income instruments issued by issuers based in emerging markets, or in fixed income instruments rated less than Baa3 by Moody's, BBB- by S&P or BBB- by Fitch. The Fund shall not invest in collective investment schemes.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Sterling.

The classes of shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Sterling classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is 'Method 1 (Base Currency Hedging)' of share class currency hedging as explained in the Prospectus in section 3.9.2 under the heading "Hedged and Unhedged Share Classes"

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in both private and public debt and FDIs in these asset classes may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

10.3. **Liquidity Risk**

From time to time the secondary bond market can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary bond markets may be very illiquid. As a result the Fund may have to sell holdings of bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.4. **Credit Risk**

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.5. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.7. **Inflation Risk**

The Fund may invest up to 100% of its net assets in lower-yielding investment grade bonds. While such bonds generally carry a lower default risk they are more susceptible to devaluation over time due to inflation. In the event that inflation rises significantly over the medium to long term the nominal value of the Fund's assets may decrease and inflation may diminish the real value of the Fund's investments over time.

10.8. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.9. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.10. **Legal and/or Regulatory Risk**

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.

10.11. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors, or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.12. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.13. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.14. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Sterling; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.15. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.16. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.17. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.18. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.19. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.20. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.21. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.22. **Potential Involvement in Litigation Risk**

The Fund may have up to 20% exposure to below investment grade investments. As a consequence of credit problems with such investments and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.23. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

10.24. **FDI Risk**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including:

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(2) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain FDIs, which may involve the assumption of obligations as well as rights and assets;

(5) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.24.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.24.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.24.3. **Settlement Risk**

The risk that the counterparty to a Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.24.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.24.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.25. **Specific Instrument Risks**

10.25.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.25.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.25.3. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.25.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

11. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. Any such dividend in relation to the Income Classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking an absolute return through an actively managed portfolio which has the flexibility to access the complete range of fixed income securities. Investors in the Fund should be comfortable with a low level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Sterling.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling		Class A	Income
2.	Sterling		Class A	Accumulation
3.	Euro	(hedged)	Class A	Income
4.	US Dollar	(hedged)	Class A	Income
5.	US Dollar	(hedged)	Class A	Accumulation
6.	Swiss Franc	(hedged)	Class A	Accumulation
7.	Swedish Krona	(hedged)	Class A	Accumulation
8.	Swedish Krona	(hedged)	Class A	Income
9.	Norwegian Krone	(hedged)	Class A	Accumulation
10.	Norwegian Krone	(hedged)	Class A	Income
11.	Danish Krone	(hedged)	Class A	Accumulation
12.	Danish Krone	(hedged)	Class A	Income
13.	Icelandic Króna	(hedged)	Class A	Accumulation
14.	Icelandic Króna	(hedged)	Class A	Income
15.	Japanese Yen	(hedged)	Class A	Accumulation
16.	Japanese Yen	(hedged)	Class A	Income
17.	Sterling		Class B	Accumulation
18.	Sterling		Class B	Income
19.	Euro	(hedged)	Class B	Income
20.	US Dollar	(hedged)	Class B	Income
21.	Swedish Krona	(hedged)	Class B	Accumulation
22.	Swedish Krona	(hedged)	Class B	Income
23.	Norwegian Krone	(hedged)	Class B	Accumulation
24.	Norwegian Krone	(hedged)	Class B	Income

25.	Danish Krone	(hedged)	Class B	Accumulation
26.	Danish Krone	(hedged)	Class B	Income
27.	Icelandic Króna	(hedged)	Class B	Accumulation
28.	Icelandic Króna	(hedged)	Class B	Income
29.	Japanese Yen	(hedged)	Class B	Accumulation
30.	Japanese Yen	(hedged)	Class B	Income
31.	Swedish Krona	(hedged)	Class C	Accumulation
32.	Swedish Krona	(hedged)	Class C	Income
33.	Sterling		Class C	Accumulation
34.	US Dollar	(hedged)	Class C	Accumulation
35.	Euro	(hedged)	Class C	Accumulation
36.	Swiss Franc	(hedged)	Class C	Accumulation
37.	Norwegian Krone	(hedged)	Class C	Accumulation
38.	Norwegian Krone	(hedged)	Class C	Income
39.	Danish Krone	(hedged)	Class C	Accumulation
40.	Danish Krone	(hedged)	Class C	Income
41.	Icelandic Króna	(hedged)	Class C	Accumulation
42.	Icelandic Króna	(hedged)	Class C	Income
43.	Japanese Yen	(hedged)	Class C	Accumulation
44.	Japanese Yen	(hedged)	Class C	Income
45.	Sterling		Class H	Accumulation
46.	US Dollar	(hedged)	Class H	Accumulation
47.	Euro	(hedged)	Class H	Accumulation
48.	Swiss Franc	(hedged)	Class H	Income
49.	Sterling		Class H	Income
50.	US Dollar	(hedged)	Class H	Income
51.	Swedish Krona	(hedged)	Class H	Accumulation
52.	Swedish Krona	(hedged)	Class H	Income
53.	Norwegian Krone	(hedged)	Class H	Accumulation
54.	Norwegian Krone	(hedged)	Class H	Income
55.	Danish Krone	(hedged)	Class H	Accumulation
56.	Danish Krone	(hedged)	Class H	Income

57.	Icelandic Króna	(hedged)	Class H	Accumulation
58.	Icelandic Króna	(hedged)	Class H	Income
59.	Japanese Yen	(hedged)	Class H	Accumulation
60.	Japanese Yen	(hedged)	Class H	Income
61.	Sterling		Class Z	Accumulation
62.	Sterling		Class Z	Income
63.	Euro	(hedged)	Class Z	Accumulation
64.	Euro	(hedged)	Class Z	Income
65.	US Dollar	(hedged)	Class Z	Accumulation
66.	US Dollar	(hedged)	Class Z	Income
67.	Swiss Franc	(hedged)	Class Z	Accumulation
68.	Swiss Franc	(hedged)	Class Z	Income
69.	Swedish Krona	(hedged)	Class Z	Accumulation
70.	Swedish Krona	(hedged)	Class Z	Income
71.	Norwegian Krone	(hedged)	Class Z	Accumulation
72.	Norwegian Krone	(hedged)	Class Z	Income
73.	Danish Krone	(hedged)	Class Z	Accumulation
74.	Danish Krone	(hedged)	Class Z	Income
75.	Icelandic Króna	(hedged)	Class Z	Accumulation
76.	Icelandic Króna	(hedged)	Class Z	Income
77.	Japanese Yen	(hedged)	Class Z	Accumulation
78.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine

	from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

All Classes (except for the B, C and Z share classes): £500 or equivalent in another acceptable currency

B and C Classes: £500,000 or equivalent in another acceptable currency

Z Share Classes: £250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

All Classes (except for the Z share classes): £500 or equivalent in another acceptable currency

Z Share Classes: £10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

All Classes (except for the Z Share Classes): £500 or equivalent in another acceptable currency

Z Share Classes: £10,000,000 or equivalent in another acceptable currency

Minimum residual holding

All Classes (except for the Z Share Classes): £500 or equivalent in another acceptable currency

Z Share Classes: £225,000,000

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each Class, Shares of such Class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Norwegian Krone	NOK 100
Danish Krone	DKK 100
Icelandic Króna	ISK 1000

Japanese Yen	JPY 1000

Launched Share Classes

The following Share classes are currently issued at their Net Asset Value per Share on each Dealing Day:

1.	Sterling		Class B	Accumulation
2.	Sterling		Class C	Accumulation
3.	US Dollar	(hedged)	Class C	Accumulation
4.	Sterling		Class B	Income
5.	Euro	(hedged)	Class C	Accumulation
6.	Euro	(hedged)	Class H	Accumulation
7.	Swiss Franc	(hedged)	Class C	Accumulation
8.	Swedish Krona	(hedged)	Class C	Accumulation
9.	US Dollar	(hedged)	Class H	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class C Shares or Class H Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000.

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING FUND STATUS

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market

17. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Absolute Return Bond Global Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Absolute Return Bond Global Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames High Yield Global Bond Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the **Prospectus**).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should note that the Fund may principally invest in financial derivative instruments.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. The Directors confirm there has been no significant change in the financial or trading position of the Fund 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. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate positive absolute returns over a rolling 3 year period irrespective of market conditions.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in global debt instruments in any currency, ranging from AAA Government Bonds through to high yield and emerging market bonds. The Fund may also invest in Financial Derivative Instruments (**FDIs**) as outlined below under "Financial Derivative Instruments". The Fund may invest in all types of fixed and floating rate fixed income securities, including (but not limited to) the following:

Investment Grade Bonds The Fund may invest up to 100% of its net assets in bonds issued by companies, sovereign governments and their agencies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P), or BBB- or higher by Fitch or its successors (Fitch).

The Fund may invest up to 20% in aggregate of its net assets in a combination of Emerging Market Debt and High Yield Bonds as defined below.

> **Emerging Market Debt** The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets. Within emerging market investments, the Fund seeks to participate in the more established markets which the Investment Manager believes provide sufficient liquidity. The Fund may invest in both sovereign and corporate emerging market bonds.
>
> **High Yield Bonds** are issues rated Ba1 by Moody's or below, BB+ by Standard and Poor's or below, or BB+ by Fitch or below. The average quality of the Fund's holdings in High Yield Bonds will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate and be lower at certain times.

For the avoidance of doubt, as set out under the **Investment Restrictions** section below, the Fund will not invest in either bonds rated below B3 by Moody's, below B- by Standard and Poor's or below B- by Fitch (the **Minimum Bond Rating**) or unrated bonds. If the Investment Manager identifies that the Fund holds either bonds with a rating below the Minimum Bond Rating or unrated bonds (for example as a result of the rating of a bond held by the Fund being downgraded), the Investment Manager will use reasonable endeavours to sell any such holdings within 6 months from the date on which they are identified.

The Fund will hold sovereign and corporate fixed and floating rate bonds based on the Investment Manager's view of the effect of future interest rate changes on the yield curve for those bonds and/or on future asset values. The Fund will be broadly diversified by industry and issuer, but asset allocation is subject to change as global bond markets evolve. The Fund will aim to manage interest rate risk, preserve capital, profit in all market conditions and generate returns related to interest rates and inflation rates by holding FDIs and taking long and short positions synthetically via FDIs, based on the Investment Manager's view of anticipated changes in interest rates, inflation rates and sovereign and corporate bond yields (see below).

The Fund will invest in bonds denominated in a number of currencies. The Investment Manager will usually hedge the majority of currency exposures arising from bond positions back to the Fund's base currency.

As either a consequence of the Fund's use of FDIs or in order for the Fund to meet the Investment Objective, the Fund may also hold a material amount of cash from time to time in ancillary liquid assets such as: (i) overnight, term and call account deposits; and (ii) certificates of deposits and debt and debt related instruments (including bonds, treasury bills and commercial paper) issued by government or corporate issuers (which may be listed or unlisted). The Fund shall endeavour to ensure that the minimum rating of these investments or where appropriate, the rating for the relevant counterparty/deposit taker shall be a long term credit rating of at least one of the following: A- from Standard & Poors, or A3 from Moody's.

Investment Strategy

The Investment Manager will aim to meet the Fund's Investment Objective by using a combination of the strategies below to take advantage of any inefficiencies and/or mispricing of assets in markets which they have identified using proprietary research. Each of the investment strategies are subjected to rigorous scrutiny whereby the Investment Manager analyses an asset's fundamentals (such as macroeconomic factors including gross domestic product, inflation and fiscal and monetary policies and for corporate bonds, research industry-related factors and company specific factors, including the companies' financials), valuation (if an unsustainable valuation gap has opened between two assets), technicals (including new issue supply expectations from the issuer or other relevant issuers and the degree to which these could affect the price or liquidity of the bonds) and sentiment (considering investor positioning). The Investment Manager will endeavour to generate positive returns regardless of market direction but the Fund may have some exposure to market direction from time to time.

Credit and Asset Allocation strategy

This strategy generates returns through the Investment Manager's highest conviction ideas on assets in which the Fund may invest in accordance with its investment policies which will rise or fall in value over a particular period. These ideas may be implemented through pair trades (where the Investment Manager looks to take advantage of the relative prospects of two assets by taking a long position in one and a synthetic short position using FDIs in the other). Positions will be well diversified by sector.

Carry strategy

Due to the Fund's use of FDIs, it will often hold material amounts of cash. This cash may be invested in ancillary liquid assets as set out above or allocated to the Carry strategy, which operates by investing in short-dated, corporate bonds to generate income. This strategy will consist of a global portfolio of corporate bonds with a maturity of up to five years.

Rates strategy

This strategy exploits expected movements in inflation rates and interest rates globally and the value of global government bonds or bond indices. The Investment Manager will seek to generate returns by using FDIs to take long and short positions in global government bonds or bond indices, inflation rates or interest rates. This will allow the Fund to benefit from the relative prospects of such bonds, indices or rates. For example the Fund might be long government bond A and short government bond B in the expectation that the returns of A will outperform B over a particular period.

The Fund will invest in the asset classes set out in the Investment Policy section above including the use of FDIs (as set out under the heading 'Financial Derivative Instruments' below) in order to implement these strategies and may take long and short positions using FDIs (primarily futures and swaps). For example, short positions may be achieved by selling futures, buying put options, buying Credit Default Swap protection (both single name and index) as well as buying or selling forwards.

These long and short positions may be over any type of investment described in the Investment Policy or indices (subject to the conditions and limits set out in the Central Bank UCITS Regulations and the ESMA Guidelines on ETFs and other UCITS issues) related thereto. The Investment Manager shall endeavour to generate a total return by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short), both within and across the above mentioned bond types in order to take advantage of excessive over- and under-valuation of debt instruments. Diversification will be sought through varied maturities, bond types and fixed and floating rate exposures. By gaining exposure to markets where the Investment Manager has identified inefficiencies and mispricing of assets the Fund shall therefore endeavour to generate opportunities regardless of market direction. The Fund may however have some exposure to market direction from time to time, for example if the Fund were to take an unhedged long position in one of the assets in which the Fund may invest in accordance with its investment policies.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

Financial Derivative Instruments

Investment Purposes and Efficient Portfolio Management

The Fund will invest extensively in FDIs, for both hedging and investment purposes. Such FDIs shall be limited to futures, options, swaps (including credit default swaps) and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to implement the strategies referred to above;

(iii) to hedge out market risk;

(iv) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(v) to gain an exposure to the composition and performance of a particular index (e.g. a credit default swap index). For example, the Fund may make use of a credit default swap index to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings.

FDIs may also be used to take tactical decisions or gain exposure to a credit default swap index or to individual stocks. Futures, options, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options, forwards or swaps (including credit default swaps) to manage the Fund's exposure to the market. These instruments may be used to increase, reduce or maintain exposure to the market as a whole or its subcomponents to enhance the Fund's performance or protect downside risk. For example typical positions taken will be based on the Investment Manager's view on sensitivity of prices or sensitivity of spreads to expected changes in both economic and market conditions.

Specific FDIs

Below are the details of the FDIs in which the Fund may invest. The underlying assets of these FDIs will be one of the asset classes referred to above in the **Investment Policies** section or indices related thereto.

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. Generally, the underlying assets of the futures contracts will be government bonds and interest rates**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Interest rate futures (either exchange-traded or OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from an anticipated interest rate move. Positions may also be taken to hedge against the risk that interest rates move in an adverse direction.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be securities.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The Fund will invest in options to gain exposure to the bonds referred to in the Investment Policy and to bond indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange or interest rate) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange or interest rate) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund will use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlying assets of swaps will be single stocks (bonds) or indices.

Credit default swaps (**CDS**) (OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in credit spreads. Positions may be taken to hedge against the risk that changes in credit spreads move in an adverse direction.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 300% of its assets in long positions and up to 250% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 7.1% of the Net Asset Value of the Fund and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 300% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus. 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.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("repo transactions") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to repo transactions will be less than 20% AUM and the maximum expected proportion of AUM subject to SFTs shall not exceed 100% AUM. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest more than 20% of its net assets in aggregate in fixed income instruments issued by issuers based in emerging markets, or in fixed income instruments rated less than Baa3 by Moody's, BBB- by S&P or BBB- by Fitch. The Fund shall not invest in collective investment schemes. The Fund will not invest in either bonds rated below the Minimum Bond Rating or unrated bonds. If the Investment Manager identifies that the Fund holds either bonds with a rating below the Minimum Bond Rating or unrated bonds (for example as a result of the rating of a bond held by the Fund being downgraded), the Investment Manager will use reasonable endeavours to sell any such holdings within 6 months from the date on which they are identified.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Sterling.

The classes of Shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Sterling classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in both private and public debt and FDIs in these asset classes may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

10.3. Liquidity Risk

From time to time the secondary bond market can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary bond markets may be very illiquid. As a result the Fund may have to sell holdings of bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.4. Credit Risk

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.5. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.7. **Inflation Risk**

The Fund may invest up to 100% of its net assets in lower-yielding investment grade bonds. While such bonds generally carry a lower default risk they are more susceptible to devaluation over time due to inflation. In the event that inflation rises significantly over the medium to long term the nominal value of the Fund's assets may decrease and inflation may diminish the real value of the Fund's investments over time.

10.8. **Foreign Investment Risk**

As the Fund will invest in global bonds, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

10.9. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.10. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.11. **Legal and/or Regulatory Risk**

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.

10.12. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.13. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.14. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.15. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Sterling; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.16. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.17. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an ongoing basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.18. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.19. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.20. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.21. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.22. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.23. **Potential Involvement in Litigation Risk**

The Fund may have up to 20% exposure to below investment grade investments. As a consequence of credit problems with such investments and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.24. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

10.25. **FDI Risk**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including:

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(2) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain FDIs, which may involve the assumption of obligations as well as rights and assets;

(5) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.25.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.25.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.25.3. **Settlement Risk**

The risk that the counterparty to a Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.25.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.25.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.26. **Specific Instrument Risks**

10.26.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.26.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.26.3. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.26.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

11. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. Any such dividend in relation to the Income classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking an absolute return through an actively managed portfolio which has the flexibility to access the complete range of fixed income securities and FDIs. Investors in the Fund should be comfortable with a low level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a longer term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Sterling.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling		Class A	Accumulation
2.	Sterling		Class A	Income
3.	Euro	(hedged)	Class A	Accumulation

4.	Euro	(hedged)	Class A	Income
5.	US Dollar	(hedged)	Class A	Accumulation
6.	US Dollar	(hedged)	Class A	Income
7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Swedish Krona	(hedged)	Class A	Accumulation
10.	Swedish Krona	(hedged)	Class A	Income
11.	Norwegian Krone	(hedged)	Class A	Accumulation
12.	Norwegian Krone	(hedged)	Class A	Income
13.	Danish Krone	(hedged)	Class A	Accumulation
14.	Danish Krone	(hedged)	Class A	Income
15.	Icelandic Króna	(hedged)	Class A	Accumulation
16.	Icelandic Króna	(hedged)	Class A	Income
17.	Japanese Yen	(hedged)	Class A	Accumulation
18.	Japanese Yen	(hedged)	Class A	Income
19.	Sterling		Class B	Accumulation
20.	Sterling		Class B	Income
21.	US Dollar	(hedged)	Class B	Income
22.	Swiss Franc	(hedged)	Class B	Income
23.	Swedish Krona	(hedged)	Class B	Accumulation
24.	Swedish Krona	(hedged)	Class B	Income
25.	Norwegian Krone	(hedged)	Class B	Accumulation
26.	Norwegian Krone	(hedged)	Class B	Income
27.	Danish Krone	(hedged)	Class B	Accumulation
28.	Danish Krone	(hedged)	Class B	Income
29.	Icelandic Króna	(hedged)	Class B	Accumulation
30.	Icelandic Króna	(hedged)	Class B	Income
31.	Japanese Yen	(hedged)	Class B	Accumulation
32.	Japanese Yen	(hedged)	Class B	Income
33.	Sterling		Class C	Accumulation
34.	Sterling		Class C	Income
35.	US Dollar	(hedged)	Class C	Accumulation

36.	US Dollar	(hedged)	Class C	Income
37.	Euro	(hedged)	Class C	Accumulation
38.	Euro	(hedged)	Class C	Income
39.	Swiss Franc	(hedged)	Class C	Accumulation
40.	Swiss Franc	(hedged)	Class C	Income
41.	Swedish Krona	(hedged)	Class C	Accumulation
42.	Swedish Krona	(hedged)	Class C	Income
43.	Norwegian Krone	(hedged)	Class C	Accumulation
44.	Norwegian Krone	(hedged)	Class C	Income
45.	Danish Krone	(hedged)	Class C	Accumulation
46.	Danish Krone	(hedged)	Class C	Income
47.	Icelandic Króna	(hedged)	Class C	Accumulation
48.	Icelandic Króna	(hedged)	Class C	Income
49.	Japanese Yen	(hedged)	Class C	Accumulation
50.	Japanese Yen	(hedged)	Class C	Income
51.	Sterling		Class Z	Income
52.	Euro	(hedged)	Class Z	Accumulation
53.	Euro	(hedged)	Class Z	Income
54.	US Dollar	(hedged)	Class Z	Accumulation
55.	US Dollar	(hedged)	Class Z	Income
56.	Swiss Franc	(hedged)	Class Z	Accumulation
57.	Swiss Franc	(hedged)	Class Z	Income
58.	Swedish Krona	(hedged)	Class Z	Accumulation
59.	Swedish Krona	(hedged)	Class Z	Income
60.	Norwegian Krone	(hedged)	Class Z	Accumulation
61.	Norwegian Krone	(hedged)	Class Z	Income
62.	Danish Krone	(hedged)	Class Z	Accumulation
63.	Danish Krone	(hedged)	Class Z	Income
64.	Icelandic Króna	(hedged)	Class Z	Accumulation
65.	Icelandic Króna	(hedged)	Class Z	Income
66.	Japanese Yen	(hedged)	Class Z	Accumulation

67.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	£500 or equivalent in another acceptable currency
Class B:	£500,000 or equivalent in another acceptable currency
Class C:	£250,000,000 or equivalent in another acceptable currency
Class Z:	£250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£10,000,000 or equivalent in another acceptable currency
Class Z	£10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£10,000,000 or equivalent in another acceptable currency
Class Z	£10,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£225,000,000 or equivalent in another acceptable currency
Class Z	£225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Norwegian Krone	NOK 100
Danish Krone	DKK 100
Icelandic Króna	ISK 1000
Japanese Yen	JPY 1000

Launched Shares Classes

The following share classes are launched and are available at their Net Asset Value per Share:

1	Sterling		Class B	Accumulation
2	Sterling		Class B	Income
3	Swedish Krona	(hedged)	Class B	Accumulation
4	Sterling		Class C	Accumulation
5	Euro	(hedged)	Class C	Accumulation
6	Swiss Franc	(hedged)	Class C	Accumulation
7	US Dollar	(hedged)	Class C	Accumulation
8	Sterling		Class C	Income
9	Swedish Krona	(hedged)	Class C	Accumulation
10	Euro	(hedged)	Class C	Income

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class Z Shares or Class C Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000 and this cost will be amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING FUND STATUS

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the Fund's Share classes which shall be directed towards the UK market.

17. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Equity Market Neutral Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Equity Market Neutral Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames High Yield Global Bond Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should note that the Fund may principally invest in financial derivative instruments.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Application has been made to the Irish Stock Exchange for the Euro (hedged) Class A-Income Shares, Euro (hedged) Class B- Income Shares, Euro (hedged) Class C- Accumulation Shares, Euro (hedged) Class C- Income Shares, Sterling Class A – Accumulation Shares, Sterling Class A-Income Shares, Sterling Class B-Income Shares, Sterling Class C- Accumulation Shares, Sterling Class C-Income Shares, Swiss Franc (hedged) Class B- Income Shares, Swiss Franc (hedged) Class C- Accumulation Shares, Swiss Franc (hedged) Class C-Income Shares, US Dollar (hedged) Class A- Accumulation Shares, US Dollar (hedged) Class A- Income Shares, US Dollar (hedged) Class B – Income Shares, US Dollar (hedged) Class C – Accumulation Shares and US Dollar (hedged) Class C- Income Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars. The Directors confirm there has been no significant change in the financial or trading position of the Fund 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. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since the publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate positive absolute returns over a rolling 3 year period irrespective of market conditions.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in companies based in the UK, principally conducting business in the UK or listed in the UK stock market (collectively referred to as "**UK Companies**"). The Fund may also invest up to 10% in companies which are not UK Companies. The Fund will invest in these companies or equity indices primarily using Financial Derivative Instruments ("**FDIs**") such as swaps and contracts for differences but may also invest directly in equities. The Fund may also invest in other derivatives and in other securities and instruments as described below.

As a consequence of the Fund's use of FDIs, the Fund may have significant holdings in: (i) overnight, term and call account deposits; and (ii) certificates of deposits and debt and debt related instruments (including bonds and commercial paper) issued by government or corporate issuers (which may be listed or unlisted). The Fund shall endeavor to ensure that the minimum rating of these investments or where appropriate, the rating for the relevant counterparty/deposit taker shall be a long term credit rating of at least one of the following: A- from Standard & Poors, or A3 from Moody's; or if unrated, be deemed to be of comparable quality by the Investment Manager but may, in certain circumstances, invest in instruments with a lower credit rating in order to comply with its obligation to spread investment risk. These investments will be held to provide liquidity and collateral for exposures generated through the use of FDIs and also for investment purposes to provide a return.

The Fund may invest up to 10% of its Net Asset Value in other collective investment schemes which will allow the Fund to gain exposure to the types of investment referred to in the Investment Policy.

The Investment Manager will aim to meet the Fund's Investment Objective by using a combination of the strategies below to take advantage of any inefficiencies and/or mispricing of assets in markets which they have identified using proprietary research. Each of the investment strategies are subjected to rigorous scrutiny where the Investment Manager analyses a company's fundamentals (such as changes in production profile or political tensions in a significant operating area), valuation (if an unsustainable valuation gap had opened between two stocks) and technicals (for example, the possibility of a placing of shares or conversely a material share buyback). The Investment Manager will endeavour to generate positive returns regardless of market direction. The Fund may take short positions in order to implement these strategies using FDIs (primarily Contracts for Differences and Swaps), as set out under the heading 'Financial Derivative Instruments' below.

Themes
Under this strategy the Investment Manager will seek to add value by applying its macro and market view. It will take long and short positions in a number of related stocks based on macro-economic and market themes it identifies. The Investment Manager identifies macroeconomic and market 'themes' through proprietary research. Each theme is comprised of a select group of companies, typically a group of between 5 and 10 companies, and can be long or short. A long theme would be one where the Investment Manager's propriety research identifies improving trends whereas a short theme would be one where the Investment Manager's proprietary research identifies deteriorating trends.

Best ideas

This strategy generates alpha through the Investment Manager's highest conviction long and short stock-picking ideas. These include equities that it believes will rise or fall in value over a particular period. Positions will be well diversified by sector and often uncorrelated to existing positions.

Pair trades

This strategy exploits differences in share price performance between similar stocks. The Investment Manager will take long and short positions in two stocks, which aim to allow the Fund to benefit from the companies' relative prospects without being exposed to market movements in the overall sector in which they operate. For example the Fund might be long stock A and short stock B in the expectation that A's shares would outperform those of B over a period of several months, even though the shares would tend to be highly correlated on a daily basis.

The Fund will generally invest in assets denominated in the Fund's Base Currency but may also invest in assets denominated in other currencies. The Investment Manager will not usually hedge any currency exposures within the investment portfolio back to the Fund's Base Currency but may choose to do so from time to time.

The Fund will use FDIs to implement the above strategies. For example, short positions may be achieved by selling contracts for differences or futures, buying put options, as well as buying or selling forwards. These long and short positions may be taken in any type of equity or index (as described in the Investment Policy). The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest. The Investment Manager shall endeavour to generate a total return that is uncorrelated to major equity market indices by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short). Many of the positions will aim to hedge market risk through the use of appropriate hedging strategies. The portfolio will be diversified by industry, sector and market capitalisation.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

Financial Derivative Instruments

The Fund will invest extensively in FDIs, for both hedging and investment purposes. Such FDIs shall be limited to contracts for differences, futures, options, swaps, warrants, convertible securities and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

Efficient Portfolio Management and FDIs

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk

    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of risk.

- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.

- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to implement the strategies referred to above;

(iii) to hedge out market risk; and/or

(iv) to gain an exposure to the composition and performance of a particular index (e.g. FTSE 100).

FDIs may also be used in order to implement tactical decisions. Contracts for differences, futures, options, swaps, warrants, convertible securities or forwards may be used to increase or reduce the Fund's exposure to a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use contracts for differences, futures, swaps, warrants, options or forwards to manage the Fund's exposure to the market. These instruments may be used to gain or maintain exposure to the market and maintain market neutrality at portfolio level.

Specific FDIs

Below are the details of the FDIs in which the Fund may invest. The underlying assets of these FDIs will be one of the asset classes referred to above in this Investment Policies section.

Contracts for Differences

Contracts for Differences ("CFDs") involve a contract between two counterparties ("buyer" and "seller") which requires that the seller will pay to the buyer the difference between the current value of an asset and its value at a particular contract time. (If the difference is negative, then the buyer pays instead to the seller.) CFDs allow traders to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on markets. CFDs are typically traded "over-the-counter", which means that they are traded "off-exchange". CFDs are traded on margin, and the leveraging effect of this increases the risk significantly. Margin rates are typically small and therefore a small amount of money can be used to hold a large position. The Fund will invest in CFDs to gain exposure to the equity investments and equity market indices referred to in the Investment Policy, which may include taking short positions.

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. Generally, the underlying assets of the futures contracts will be the equities described in the Fund's Investment Policy. Futures may also be used to gain access to equity indices.

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to equities.

The Fund may also write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The Fund will invest in options to gain exposure to the equity investments referred to in the Investment Policy and to equity indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (OTC).

Forward agreements (OTC) will also be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can be used to take short positions. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use total return swaps to alter its exposure to equities or equity indices for investment purposes. The Fund may enter into swaps with certain entities as outlined as outlined in paragraph 4.5 of the section entitled "Investment in Financial Derivative Instruments (FDIs)"" in the Prospectus. Subject to compliance with those conditions, the Investment Manager has full discretion as to the appointment of counterparties when entering into swaps in furtherance of the Fund's investment objective and policies. The underlying assets or indices of the swap will be compatible with the investment objective and policies of the Fund. Any counterparty to a total return swap will not have discretion over the composition or management of the Fund's investment portfolio or of the underlying of the financial derivative instrument. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time.

Warrants

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. The Fund will invest in warrants to gain exposure to the equity investments referred to in the Investment Policy.

Convertible securities

Convertible securities are convertible bonds, warrants and preferred stock which are convertible into the common equity of a company.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 100% of its assets in long positions and up to 100% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (RMP) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within any limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 3.5% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 150% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT - REPO TRANSACTIONS

The Fund may enter into repurchase agreements or reverse repurchase agreements ("repo transactions") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions and total return swaps, (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (**AUM**) subject to repo transactions will be less than 100% AUM and will be less than 200% AUM for total return swaps. The maximum expected proportion of AUM subject to SFTs shall not exceed 200%. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest more than 10% in CIS and will not invest in commodities.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Sterling.

The classes of shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Sterling classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to hedge the currency exposure of those Share classes denominated in a currency other than the Base Currency of the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in the securities, FDIs and other assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon equities and FDIs before investing in the Fund.

10.3. Equities and Securities Risk

As the Fund will invest primarily in equities and FDIs, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

10.4. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.5. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the base currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.6. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.7. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.8. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.9. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.10. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.11. **Valuations of New Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed Valuation of Assets.

10.12. **Position/Market Risk**

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change, but diversification across a sizeable number of such securities and markets will typically result in the reduction of volatility at the portfolio level compared with the individual security level. In addition, the Investment Manager will select securities such as to endeavour to prevent high levels of volatility, and may reduce volatility further through the use of hedging transactions. Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

10.13. **Legal and/or Regulatory Risk**

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.

10.14. **Liquidity Risk**

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.15. **FDI Risks**

The prices of FDIs, including futures prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

10.15.1. **General Risk**

The use of these techniques and instruments involves certain risks, including:

(i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(iv) the Fund may invest in certain FDIs which may involve the assumption of obligations as well as rights and assets; and

(v) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.15.2. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.15.3. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.15.4. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.15.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.15.6. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.16. **Specific Instrument Risks**

10.16.1. **Contracts for Differences (CFD)**

Futures and options contracts can also be referred to, as well as include, CFD. These can be options and futures on any index or security. However, unlike other futures and options, CFD can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may create substantially greater risks.

10.16.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.16.3. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.16.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses which could impact investor returns. There is also a possibility that ongoing FDI 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.

10.16.5. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

10.16.6. **Convertible Securities**

The risks associated with convertible securities, are similar to the risks associated with normal equity FDIs. The risks associated with options include liquidity and also the risk that at exercise date, the strike price may be above the prevailing market price for the underlying.

10.16.7. **Options**

Buying options involves less risk than writing options because, if the price of the underlying assets moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

11. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on a quarterly basis at the close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. Any such dividend in relation to the Income Classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for investors seeking an absolute return through an actively managed portfolio which has the flexibility to access a range of equities and FDIs. Investors in the Fund should be comfortable with a medium level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Sterling.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling		Class A	Income
2.	Sterling		Class A	Accumulation
3.	Euro	(hedged)	Class A	Income
4.	Euro	(hedged)	Class A	Accumulation
5.	US Dollar	(hedged)	Class A	Income
6.	US Dollar	(hedged)	Class A	Accumulation
7.	Swiss Franc	(hedged)	Class A	Income
8.	Swiss Franc	(hedged)	Class A	Accumulation
9.	Swedish Krona	(hedged)	Class A	Accumulation
10.	Swedish Krona	(hedged)	Class A	Income
11.	Norwegian Krone	(hedged)	Class A	Accumulation
12.	Norwegian Krone	(hedged)	Class A	Income
13.	Danish Krone	(hedged)	Class A	Accumulation
14.	Danish Krone	(hedged)	Class A	Income
15.	Icelandic Króna	(hedged)	Class A	Accumulation
16.	Icelandic Króna	(hedged)	Class A	Income
17.	Japanese Yen	(hedged)	Class A	Accumulation
18.	Japanese Yen	(hedged)	Class A	Income
19.	Sterling		Class B	Accumulation
20.	Sterling		Class B	Income
21.	Euro	(hedged)	Class B	Accumulation
22.	Euro	(hedged)	Class B	Income
23.	US Dollar	(hedged)	Class B	Accumulation

24.	US Dollar	(hedged)	Class B	Income
25.	Swiss Franc	(hedged)	Class B	Accumulation
26.	Swiss Franc	(hedged)	Class B	Income
27.	Swedish Krona	(hedged)	Class B	Accumulation
28.	Swedish Krona	(hedged)	Class B	Income
29.	Norwegian Krone	(hedged)	Class B	Accumulation
30.	Norwegian Krone	(hedged)	Class B	Income
31.	Danish Krone	(hedged)	Class B	Accumulation
32.	Danish Krone	(hedged)	Class B	Income
33.	Icelandic Króna	(hedged)	Class B	Accumulation
34.	Icelandic Króna	(hedged)	Class B	Income
35.	Japanese Yen	(hedged)	Class B	Accumulation
36.	Japanese Yen	(hedged)	Class B	Income
37.	Sterling		Class C	Accumulation
38.	Sterling		Class C	Income
39.	Euro	(hedged)	Class C	Accumulation
40.	Euro	(hedged)	Class C	Income
41.	US Dollar	(hedged)	Class C	Accumulation
42.	US Dollar	(hedged)	Class C	Income
43.	Swiss Franc	(hedged)	Class C	Accumulation
44.	Swiss Franc	(hedged)	Class C	Income
45.	Swedish Krona	(hedged)	Class C	Accumulation
46.	Swedish Krona	(hedged)	Class C	Income
47.	Norwegian Krone	(hedged)	Class C	Accumulation
48.	Norwegian Krone	(hedged)	Class C	Income
49.	Danish Krone	(hedged)	Class C	Accumulation
50.	Danish Krone	(hedged)	Class C	Income
51.	Icelandic Króna	(hedged)	Class C	Accumulation
52.	Icelandic Króna	(hedged)	Class C	Income
53.	Japanese Yen	(hedged)	Class C	Accumulation
54.	Japanese Yen	(hedged)	Class C	Income
55.	Sterling		Class Z	Accumulation

56.	Sterling		Class Z	Income
57.	Euro	(hedged)	Class Z	Accumulation
58.	Euro	(hedged)	Class Z	Income
59.	US Dollar	(hedged)	Class Z	Accumulation
60.	US Dollar	(hedged)	Class Z	Income
61.	Swiss Franc	(hedged)	Class Z	Accumulation
62.	Swiss Franc	(hedged)	Class Z	Income
63.	Swedish Krona	(hedged)	Class Z	Accumulation
64.	Swedish Krona	(hedged)	Class Z	Income
65.	Norwegian Krone	(hedged)	Class Z	Accumulation
66.	Norwegian Krone	(hedged)	Class Z	Income
67.	Danish Krone	(hedged)	Class Z	Accumulation
68.	Danish Krone	(hedged)	Class Z	Income
69.	Icelandic Króna	(hedged)	Class Z	Accumulation
70.	Icelandic Króna	(hedged)	Class Z	Income
71.	Japanese Yen	(hedged)	Class Z	Accumulation
72.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount	
Class A:	£500 or equivalent in another acceptable currency
Class B:	£500,000 or equivalent in another acceptable currency
Class C:	£1,000,000 or equivalent in another acceptable currency
Class Z:	£250,000,000 or equivalent in another acceptable currency
Minimum additional investment amount	
Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£1,000,000 or equivalent in another acceptable currency
Class Z:	£10,000,000 or equivalent in another acceptable currency
Minimum withdrawal amount	
Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£1,000,000 or equivalent in another acceptable currency
Class Z:	£10,000,000 or equivalent in another acceptable currency
Minimum residual holding	
Classes A and B:	£500 or equivalent in another acceptable currency
Class C:	£1,000,000 or equivalent in another acceptable currency
Class Z:	£225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels at their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each Class, Shares of such Class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Norwegian Krone	NOK 100
Danish Krone	DKK 100
Icelandic Króna	ISK 1000

Japanese Yen	JPY 1000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1	Euro	(hedged)	Class A	Accumulation
2	Sterling		Class B	Accumulation
3	US Dollar	(hedged)	Class B	Accumulation
4	Swiss Franc	(hedged)	Class B	Accumulation
5	Euro	(hedged)	Class B	Accumulation
6	Swedish Krona	(hedged)	Class B	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares or Class C Shares.

Exchange Charge

The Directors reserve the right, at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be payable monthly in arrears. Such fee shall be accrued daily and shall be payable monthly in arrears

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary’s fees will be accrued daily and shall be payable monthly in arrears

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000.

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure.

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING FUND STATUS

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market.

17. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Equity Market Neutral Plus Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Equity Market Neutral Plus Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames High Yield Global Bond Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should note that the Fund may principally invest in financial derivative instruments.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit-taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Application has been made to the Irish Stock Exchange for the Euro (hedged) Class A- Accumulation Shares, Euro (hedged) Class A- Income Shares, Euro (hedged) Class B – Income Shares, Euro (hedged) Class C- Income Shares, Sterling Class A – Accumulation Shares, Sterling Class A – Income Shares, Sterling Class B- Income Shares, Sterling Class C- Income Shares, Swiss Franc (hedged) Class A – Accumulation Shares, Swiss Franc (hedged) Class A- Income Shares, Swiss Franc (hedged) Class B- Income Shares, Swiss Franc (hedged) Class C- Income Shares, US Dollar (hedged) Class A- Accumulation Shares, US Dollar (hedged) Class A- Income Shares, US Dollar (hedged) Class B –Income Share of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No dividends have been declared as at the date of the listing particulars. No application has been made to list the Shares on any other exchange.

The Directors confirm there has been no significant change in the financial or trading position of the Fund 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.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **22 December 2017**

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate strong positive absolute returns over a rolling 3 year period irrespective of market conditions.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in companies based in the UK, principally conducting business in the UK or listed in the UK stock market (collectively referred to as "UK Companies"). The Fund may also invest up to 10% in companies which are not UK Companies. The Fund will invest in these companies or equity indices primarily using Financial Derivative Instruments ("**FDIs**") such as swaps and contracts for differences but may also invest directly in equities. The Fund may also invest in other derivatives and in other securities and instruments as described below.

As a consequence of the Fund's use of FDIs, the Fund may have significant holdings in: (i) overnight, term and call account deposits; and (ii) certificates of deposits and debt and debt related instruments (including bonds and commercial paper) issued by government or corporate issuers (which may be listed or unlisted). The Fund shall endeavour to ensure that the minimum rating of these investments or where appropriate, the rating for the relevant counterparty/deposit taker shall be a long term credit rating of at least one of the following: A- from Standard & Poors, or A3 from Moody's; or if unrated, be deemed to be of comparable quality by the Investment Manager but may, in certain circumstances, invest in instruments with a lower credit rating in order to comply with its obligation to spread investment risk. These investments will be held to provide liquidity and collateral for exposures generated through the use of FDIs and also for investment purposes to provide a return.

The Fund may invest up to 10% of its Net Asset Value in other collective investment schemes which will allow the Fund to gain exposure to the types of investment referred to in the Investment Policy.

The Investment Manager will aim to meet the Fund's Investment Objective by using a combination of the strategies below to take advantage of any inefficiencies and/or mispricing of assets in markets which they have identified using proprietary research. Each of the investment strategies are subjected to rigorous scrutiny where the Investment Manager analyses a company's fundamentals (such as changes in production profile or political tensions in a significant operating area), valuation (if an unsustainable valuation gap had opened between two stocks) and technicals (for example, the possibility of a placing of shares or conversely a material share buyback). The Investment Manager will endeavour to generate positive returns regardless of market direction. The Fund may take short positions in order to implement these strategies using FDIs (primarily Contracts for Differences and Swaps), as set out under the heading 'Financial Derivative Instruments' below.

Themes

Under this strategy the Investment Manager will seek to add value by applying its macro and market view. It will take long and short positions in a number of related stocks based on macro-economic and market themes it identifies. The Investment Manager identifies macroeconomic and market 'themes' through proprietary research. Each theme is comprised of a select group of companies, typically a group of between 5 and 10 companies, and can be long or short. A long theme would be one where the Investment Manager's propriety research identifies improving trends whereas a short theme would be one where the Investment Manager's proprietary research identifies deteriorating trends.

Best ideas

This strategy generates alpha through the Investment Manager's highest conviction long and short stock-picking ideas. These include equities that it believes will rise or fall in value over a particular period. Positions will be well diversified by sector and often uncorrelated to existing positions.

Pair trades

This strategy exploits differences in share price performance between similar stocks. The Investment Manager will take long and short positions in two stocks, which aim to allow the Fund to benefit from the companies' relative prospects without being exposed to market movements in the overall sector in which they operate. For example the Fund might be long stock A and short stock B in the expectation that A's shares would outperform those of B over a period of several months, even though the shares would tend to be highly correlated on a daily basis.

The Fund will generally invest in assets denominated in the Fund's Base Currency but may also invest in assets denominated in other currencies. The Investment Manager will not usually hedge any currency exposures within the investment portfolio back to the Fund's Base Currency, but may choose to do so from time to time.

The Fund will use FDIs to implement the above strategies. For example, short positions may be achieved by selling contracts for differences or futures, buying put options, as well as buying or selling forwards. These long and short positions may be taken in any type of equity or index (as described in the Investment Policy). The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest. The Investment Manager shall endeavour to generate a total return that is uncorrelated to major equity market indices by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short). Many of the positions will aim to hedge market risk through the use of appropriate hedging strategies. The portfolio will be diversified by industry, sector and market capitalisation.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

Financial Derivative Instruments

The Fund will invest extensively in FDIs, for both hedging and investment purposes. Such FDIs shall be limited to contracts for differences, futures, options, swaps, warrants, convertible securities and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

Efficient Portfolio Management and FDIs

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost

  - The generation of additional capital or income for the Fund with no, or an acceptably low level of risk.

- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.

- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to implement the strategies referred to above;

(iii) to hedge out market risk; and/or

(iv) to gain an exposure to the composition and performance of a particular index (e.g. FTSE 100).

FDIs may also be used in order to implement tactical decisions. Contracts for differences, futures, options, swaps, warrants, convertible securities or forwards may be used to increase or reduce the Fund's exposure to a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use contracts for differences, futures, swaps, warrants, options or forwards to manage the Fund's exposure to the market. These instruments may be used to gain or maintain exposure to the market and maintain market neutrality at portfolio level.

Specific FDIs

Below are the details of the FDIs in which the Fund may invest. The underlying assets of these FDIs will be one of the asset classes referred to above in this Investment Policies section.

Contracts for Differences

Contracts for Differences ("CFDs") involve a contract between two counterparties ("buyer" and "seller") which requires that the seller will pay to the buyer the difference between the current value of an asset and its value at a particular contract time. (If the difference is negative, then the buyer pays instead to the seller.) CFDs allow traders to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on markets. CFDs are typically traded "over-the-counter", which means that they are traded "off-exchange". CFDs are traded on margin, and the leveraging effect of this increases the risk significantly. Margin rates are typically small and therefore a small amount of money can be used to hold a large position. The Fund will invest in CFDs to gain exposure to the equity investments and equity market indices referred to in the Investment Policy, which may include taking short positions.

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. Generally, the underlying assets of the futures contracts will be the equities described in the Fund's Investment Policy. Futures may also be used to gain access to equity indices.

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to equities.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The Fund will invest in options to gain exposure to the equity investments referred to in the Investment Policy and to equity indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (OTC).

Forward agreements (OTC) will also be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can be used to take short positions. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use total return swaps to alter its exposure to equities or equity indices for investment purposes. The Fund may enter into swaps with certain entities as outlined as outlined in paragraph 4.5 of the section entitled "Investment in Financial Derivative Instruments (FDIs)”" in the Prospectus. Subject to compliance with those conditions, the Investment Manager has full discretion as to the appointment of counterparties when entering into swaps in furtherance of the Fund’s investment objective and policies. The underlying assets or indices of the swap will be compatible with the investment objective and policies of the Fund. Any counterparty to a total return swap will not have discretion over the composition or management of the Fund's investment portfolio or of the underlying of the FDI. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time.

Warrants

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. The Fund will invest in warrants to gain exposure to the equity investments referred to in the Investment Policy.

Convertible securities

Convertible securities are convertible bonds, warrants and preferred stock which are convertible into the common equity of a company.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 250% of its assets in long positions and up to 250% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within any limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (“VaR”) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 7.1% of the Net Asset Value of the Fund and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 125% to 375% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase agreements or reverse repurchase agreements ("repo transactions") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions and total return swaps, (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (**AUM**) subject to repo transactions will be less than 100% AUM and will be less than 350% AUM for total return swaps. The maximum expected proportion of AUM subject to SFTs shall not exceed 350%. The Company’s counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest more than 10% in CIS and will not invest in commodities.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Sterling.

The classes of shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Sterling classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to hedge the currency exposure of those Share classes denominated in a currency other than the Base Currency of the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency. This is ‘Method 1 (Base Currency Hedging)’ of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading ‘Hedged and Unhedged Share Classes’.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in the securities, FDIs and other assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon equities and FDIs before investing in the Fund.

10.3. Equities and Securities Risk

As the Fund will invest primarily in equities and FDIs, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

10.4. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.5. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the base currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.6. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.7. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.8. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.9. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.10. **Valuations of New Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed Valuation of Assets.

10.11. **Default of Service Provider**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.12. **Position/Market Risk**

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change, but diversification across a sizeable number of such securities and markets will typically result in the reduction of volatility at the portfolio level compared with the individual security level. In addition, the Investment Manager will select securities such as to endeavour to prevent high levels of volatility, and may reduce volatility further through the use of hedging transactions. Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

10.13. **Legal and/or Regulatory Risk**

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.

10.14. **Liquidity Risk**

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.15. **FDI Risks**

The prices of FDIs, including futures prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

10.15.1. **General Risk**

The use of these techniques and instruments involves certain risks, including:

(i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(iv) the Fund may invest in certain FDIs which may involve the assumption of obligations as well as rights and assets; and

(v) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.15.2. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.15.3. **Counterparty/Credit Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures and options. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.15.4. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.15.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.15.6. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.16. **Specific Instrument Risks**

10.16.1. **Contracts for Differences (CFD)**

Futures and options contracts can also be referred to, as well as include, CFD. These can be options and futures on any index or security. However, unlike other futures and options, CFD can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may create substantially greater risks.

10.16.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.16.3. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.16.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses which could impact investor returns. There is also a possibility that ongoing FDI 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.

10.16.5. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

10.16.6. **Convertible Securities**

The risks associated with convertible securities, are similar to the risks associated with normal equity FDIs. The risks associated with options include liquidity and also the risk that at exercise date, the strike price may be above the prevailing market price for the underlying.

10.16.7. **Options**

Buying options involves less risk than writing options because, if the price of the underlying assets moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

11. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on a quarterly basis at the close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. Any such dividend in relation to the Income Classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for investors seeking an absolute return through an actively managed portfolio which has the flexibility to access a range of equities and FDIs. Investors in the Fund should be comfortable with a medium level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Sterling.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling		Class A	Income
2.	Sterling		Class A	Accumulation
3.	Euro	(hedged)	Class A	Income
4.	Euro	(hedged)	Class A	Accumulation
5.	US Dollar	(hedged)	Class A	Income
6.	US Dollar	(hedged)	Class A	Accumulation
7.	Swiss Franc	(hedged)	Class A	Income
8.	Swiss Franc	(hedged)	Class A	Accumulation
9.	Swedish Krona	(hedged)	Class A	Accumulation
10.	Swedish Krona	(hedged)	Class A	Income
11.	Norwegian Krone	(hedged)	Class A	Accumulation
12.	Norwegian Krone	(hedged)	Class A	Income
13.	Danish Krone	(hedged)	Class A	Accumulation
14.	Danish Krone	(hedged)	Class A	Income
15.	Icelandic Króna	(hedged)	Class A	Accumulation
16.	Icelandic Króna	(hedged)	Class A	Income
17.	Japanese Yen	(hedged)	Class A	Accumulation
18.	Japanese Yen	(hedged)	Class A	Income
19.	Sterling		Class B	Accumulation
20.	Sterling		Class B	Income
21.	Euro	(hedged)	Class B	Accumulation
22.	Euro	(hedged)	Class B	Income
23.	US Dollar	(hedged)	Class B	Income

24.	Swiss Franc	(hedged)	Class B	Income
25.	Swedish Krona	(hedged)	Class B	Income
26.	Norwegian Krone	(hedged)	Class B	Accumulation
27.	Norwegian Krone	(hedged)	Class B	Income
28.	Danish Krone	(hedged)	Class B	Accumulation
29.	Danish Krone	(hedged)	Class B	Income
30.	Icelandic Króna	(hedged)	Class B	Accumulation
31.	Icelandic Króna	(hedged)	Class B	Income
32.	Japanese Yen	(hedged)	Class B	Accumulation
33.	Japanese Yen	(hedged)	Class B	Income
34.	Sterling		Class C	Accumulation
35.	Sterling		Class C	Income
36.	Euro	(hedged)	Class C	Accumulation
37.	Euro	(hedged)	Class C	Income
38.	US Dollar	(hedged)	Class C	Income
39.	Swiss Franc	(hedged)	Class C	Accumulation
40.	Swiss Franc	(hedged)	Class C	Income
41.	Swedish Krona	(hedged)	Class C	Accumulation
42.	Swedish Krona	(hedged)	Class C	Income
43.	Norwegian Krone	(hedged)	Class C	Accumulation
44.	Norwegian Krone	(hedged)	Class C	Income
45.	Danish Krone	(hedged)	Class C	Accumulation
46.	Danish Krone	(hedged)	Class C	Income
47.	Icelandic Króna	(hedged)	Class C	Accumulation
48.	Icelandic Króna	(hedged)	Class C	Income
49.	Japanese Yen	(hedged)	Class C	Accumulation
50.	Japanese Yen	(hedged)	Class C	Income
51.	Sterling		Class X	Accumulation
52.	Norwegian Krone	(hedged)	Class X	Accumulation
53.	Danish Krone	(hedged)	Class X	Accumulation
54.	Icelandic Króna	(hedged)	Class X	Accumulation
55.	Japanese Yen	(hedged)	Class X	Accumulation

56.	Sterling		Class Z	Accumulation
57.	Sterling		Class Z	Income
58.	Euro	(hedged)	Class Z	Accumulation
59.	Euro	(hedged)	Class Z	Income
60.	US Dollar	(hedged)	Class Z	Accumulation
61.	US Dollar	(hedged)	Class Z	Income
62.	Swiss Franc	(hedged)	Class Z	Accumulation
63.	Swiss Franc	(hedged)	Class Z	Income
64.	Swedish Krona	(hedged)	Class Z	Accumulation
65.	Swedish Krona	(hedged)	Class Z	Income
66.	Norwegian Krone	(hedged)	Class Z	Accumulation
67.	Norwegian Krone	(hedged)	Class Z	Income
68.	Danish Krone	(hedged)	Class Z	Accumulation
69.	Danish Krone	(hedged)	Class Z	Income
70.	Icelandic Króna	(hedged)	Class Z	Accumulation
71.	Icelandic Króna	(hedged)	Class Z	Income
72.	Japanese Yen	(hedged)	Class Z	Accumulation
73.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	£100,000 or equivalent in another acceptable currency
Class B:	£2,000,000 or equivalent in another acceptable currency
Class C:	£250,000,000 or equivalent in another acceptable currency
Class X:	£100,000,000 or equivalent in another acceptable currency
Class Z:	£250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Class A:	£100,000 or equivalent in another acceptable currency
Class B:	£100,000 or equivalent in another acceptable currency
Class C:	£100,000 or equivalent in another acceptable currency
Class X:	£100,000 or equivalent in another acceptable currency
Class Z:	£10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Class A:	£100,000 or equivalent in another acceptable currency
Class B:	£100,000 or equivalent in another acceptable currency
Class C:	£100,000 or equivalent in another acceptable currency
Class X:	£100,000 or equivalent in another acceptable currency
Class Z:	£10,000,000 or equivalent in another acceptable currency

Minimum residual holding

Class A:	£100,000 or equivalent in another acceptable currency
Class B:	£100,000 or equivalent in another acceptable currency
Class C:	£10,000,000 or equivalent in another acceptable currency
Class X:	£100,000,000 or equivalent in another acceptable currency
Class Z:	£225,000,000 or equivalent in another acceptable currency

The X Share class is only available to companies affiliated with the Investment Manager which have entered into a separate investment mandate with the Investment Manager. The Directors may waive such minimum investment levels at their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each Class, Shares of such Class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Norwegian Krone	NOK 100
Danish Krone	DKK 100
Icelandic Króna	ISK 1000
Japanese Yen	JPY 1000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1	Sterling		Class B	Accumulation
2	Euro	(hedged)	Class B	Accumulation
3	Sterling		Class C	Accumulation
4	Euro	(hedged)	Class C	Accumulation
5	Swiss Franc	(hedged)	Class C	Accumulation
6	Swedish Krona	(hedged)	Class C	Accumulation
7	Sterling		Class X	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares Class C Shares, or Class X Shares.

Exchange Charge

The Directors reserve the right, at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager (excluding the Performance Fee) will be no more than 1.5% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

The Performance Fee

In addition to the Investment Manager Fees, a Performance Fee is payable to the Investment Manager in certain circumstances, as set out below. The Investment Manager may agree at its discretion to waive the Performance Fee or a portion of the Performance Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver. The Performance fee shall be payable annually in arrears.

Definitions

High Water Mark is a measure used to ensure that a Performance Fee is only charged when there has been an increase in value over the Performance Period. For the Fund, the High Water Mark is the Net Asset Value per Share when a Performance Fee last crystallised or, if higher, the Initial Issue Price.

Hurdle Price is one of the prices which has to be exceeded (the other being the High Water Mark) before a Performance Fee will accrue. For the Fund, the Hurdle Price at the start of a Performance Period is equal to higher of: (i) the High Water Mark; and (ii) the Hurdle Price at the end of the previous Performance Period. The Hurdle Price on each subsequent day of that Performance Period is calculated on a cumulative basis by multiplying the previous day's Hurdle Price by one plus the relevant Hurdle Rate. The Hurdle Price is adjusted daily to minimise any negative impact of subscriptions and redemptions on Shareholders.

Hurdle Rate is the relevant cash rate of return applicable in respect of the relevant Share class (as set out in the following table) on the each day during the Performance Period, divided by 365 (or 366 in a leap year). The Investment Manager may amend the relevant cash rate of return upon 60 business days' written notice to Shareholders. For the purpose of the Hurdle Rate EURIBOR is the Euro Interbank Offered Rate, LIBOR is the London Interbank Offered Rate and STIBOR is the Stockholm Interbank Offered Rate.:

Share class	**Relevant cash rate of return**
Class A Euro (hedged) Income Class A Euro (hedged) Accumulation Class B Euro (hedged) Income Class B Euro (hedged) Accumulation Class C Euro (hedged) Income Class C Euro (hedged) Accumulation Class Z Euro (hedged) Income Class Z Euro (hedged) Accumulation	1 month EURIBOR
Class A GBP Income Class A GBP Accumulation Class B GBP Income Class B GBP Accumulation Class C GBP Income Class C GBP Accumulation Class X GBP Accumulation Class Z GBP Income Class Z GBP Accumulation	1 month GBP LIBOR
Class A USD (hedged) Income Class A USD (hedged) Accumulation Class B USD (hedged) Income Class C USD (hedged) Income Class Z USD (hedged) Income Class Z USD (hedged) Accumulation	1 month USD LIBOR
Class A CHF (hedged) Income Class A CHF (hedged) Accumulation Class B CHF (hedged) Income Class C CHF (hedged) Income Class C CHF (hedged) Accumulation	1 month CHF LIBOR

Class Z CHF (hedged) Income Class Z CHF (hedged) Accumulation	
Class A SEK (hedged) Income Class A SEK (hedged) Accumulation Class B SEK (hedged) Income Class C SEK (hedged) Income Class C SEK (hedged) Accumulation Class Z SEK (hedged) Income Class Z SEK (hedged) Accumulation	1 month STIBOR

Outperformance is the amount by which the Net Asset Value per Share exceeds the higher of the High Water Mark and the Hurdle Price.

Performance Fee is a performance related management fee payable to the Investment Manager in addition to the standard investment management fee, in accordance with this Supplement. A Performance Fee will apply to every Share class of the Fund unless this Supplement states otherwise.

Performance Period is the period over which the Performance Fee is calculated and is the period ending at the valuation point on 31st October of each year. The first Performance Period for each Share class will start on the launch date of that Share class. The Performance Period shall be deemed to end on the date on which any Shares are redeemed.

How the Performance Fee is calculated and paid

The Performance Fee is calculated as 15% of the Outperformance. It is calculated and accrued daily by the Administrator, subject to verification by the Depositary. It is calculated at Share class level (rather than, for example, at Fund level or individual Shareholder level) and more information on how this affects investors who buy or sell shares during a Performance Period can be found under the heading 'Dealing during a Performance Period' below.

Using a High Water Mark in the calculation of Outperformance ensures that Shareholders are only charged a Performance Fee once on any performance generated by the Fund. This means that Shares purchased when the Net Asset Value per Share is less than the High Water Mark will not be subject to any Performance Fee until the date on which the Net Asset Value per Share exceeds the High Water Mark (or, if higher, the Hurdle Price). Where the Net Asset Value per Share is below the High Water Mark at the end of a Performance Period, the High Water Mark will remain unchanged and will not be re-set downwards.

The Net Asset Value per Share and the Hurdle Rate may differ in different Share classes. This means that the amount of Performance Fee payable in respect of a Performance Period may differ between Share classes. The Hurdle Rate will vary from day to day over the Performance Period as the relevant cash rate of return (specified in the table above) changes.

The Performance Fee shall not fall below zero. There is no limit on the amount of the Performance Fee which may be payable in a Performance Period. Once a Performance Fee has been paid, it will not be repaid by the Investment Manager regardless of the future performance of the Fund.

The Performance Fee is based on net realised and net unrealised gains and losses at the end of each Performance Period. As a result, a Performance Fee may be charged on gains which are not subsequently realised. Once a Performance Fee has been paid, no refund will be made.

Where a Performance Fee is payable to the Investment Manager, it will already be reflected in the Net Asset Value per Share. This means that payment of the Performance Fee to the Investment Manager will not result in a sudden drop in the Net Asset Value per Share.

For the purposes of clarification, investors should be aware that the Performance Fee will be calculated as part of the Net Asset Value per share, after any fees and expenses have been deducted but before any Dilution Adjustment has been made. Any reference to the Net Asset Value per share in this Supplement should therefore be construed accordingly.

The application of section 7 and the risks set out in section 10.4 and 10.5 may affect the Performance Fee charged in currency hedged Share classes.

Dealing during a Performance Period

Where an investor holds Shares for part of a Performance Period, a Performance Fee will be payable by the relevant Share class if there is Outperformance over the Performance Period even if, during the part of the Performance Period in which the investor owns Shares, there is no Outperformance. However, any Performance Fee payable will only accrue on those days on which there is Outperformance.

Where Shares are cancelled during a Performance Period and, at the relevant valuation point, the Net Asset Value per Share is above the High Water Mark and the Hurdle Price, any Performance Fee accrued and reflected in the price of those Shares will become payable to the Investment Manager. Any such Performance Fee paid to the Investment Manager will not be repaid even if, at the end of the relevant Performance Period, a Performance Fee would not have been payable in respect of such Shares if they had continued to be held to the end of such Performance Period.

Worked Examples (all prices in pence Sterling)

Note the following worked examples are for illustrative purposes only. They explain how the Performance Fee is calculated and are not predictions of the Net Asset Value per Share, the High Water Mark or the Hurdle Price.

		Performance Period 1		**Performance Period 2**		**Performance Period 3**		**Performance Period 4**		**Performance Period 5**	
		Start	End	Start	End	Start	End	Start	End	Start	End
A	Hurdle Rate		0.5%		1.0%		1.5%		1.5%		2.0%
B	High Water Mark	100.000	100.000	102.625	102.625	102.625	102.625	102.625	102.625	106.968	106.968
C	Hurdle Price	100.000	100.500	102.625	103.651	103.651	105.206	105.206	106.784	106.968	109.107
D	*Illustrative Net Asset Value per Share assuming no performance fee*		*103.000*		*101.000*		*104.000*		*107.000*		*109.107*
E	*Outperformance (row d minus the higher of row c and row b)*		*2.500*		*-2.651*		*-1.206*		*0.216*		*0.000*
F	*Performance Fee accrual (row e multiplied by 15%)*		*0.375*		*0.000*		*0.000*		*0.032*		*0.000*
G	Actual Net Asset Value per Share	100.000	102.625	102.625	101.000	101.000	104.000	104.000	106.968	106.968	109.107

	reflecting Performance fee accrual (row d minus row f)										

Notes to the table above:

For simplicity, the table assumes that the Hurdle Rate has remained constant throughout the Performance Period. In practice, the Hurdle Rate may vary daily and the relevant rate will be applied daily to calculate that day's Hurdle Price.

The Performance Fee is calculated and accrued daily, meaning the Net Asset Value per Share at each valuation point will already reflect any Performance Fee, as shown in row G. The 'Illustrative Net Asset Value per Share' in row D above is not a price at which any investor can buy or sell Shares. This figure is included in the table to show how the Performance Fee is calculated.

Performance Period 1 – Net Asset Value per Share at end of Performance Period is above High Water Mark and Hurdle Price

At the end of Performance Period 1 the Hurdle Price is 100.5p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (100p x 1.005)). The illustrative Net Asset Value per Share at the end of Performance Period 1 is 103p. This is higher than the High Water Mark (100p) and the Hurdle Price (100.5p) at end of the Performance Period and so a Performance Fee is payable on the Outperformance shown in row E (2.5p). The Performance Fee accrual is 15% x 2.5p = 0.375p.

As a performance fee is crystallised at the end of Performance Period 1, the High Water Mark and Hurdle Price for the start of the next Performance Period is set at 102.625p (the Net Asset Value per Share at end of Performance Period 1).

Performance Period 2 – Net Asset Value per Share at end of Performance Period is below High Water Mark and Hurdle Price

At the end of Performance Period 2 the Hurdle Price is 103.651p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (102.625p x 1.01)). The illustrative Net Asset Value per Share at the end of Performance Period 2 is 101p.This is lower than the High Water Mark (102.625p) and the Hurdle Price (103.651p) at end of the Performance Period and so no Performance Fee is payable and the Performance Fee accrual is zero.

As no performance fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains unchanged i.e. 102.625p. The Hurdle Price at the start of the next Performance Period will remain at 103.651p (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Performance Period 3 – Net Asset Value per Share at end of Performance Period is above High Water Mark and below Hurdle Price

At the end of Performance Period 3 the Hurdle Price is 105.206p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (103.651 x 1.015)). The illustrative Net Asset Value per Share at the end of Performance Period 3 is 104p.This is above the High Water Mark (102.625p) however lower than the Hurdle Price at end of the Performance Period, so no Performance Fee is payable and the Performance Fee accrual is zero.

As no Performance Fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains the same i.e. 102.625p. The Hurdle Price at the start of the next Performance Period will remain at 105.206 (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Performance Period 4 – Net Asset Value per Share at end of Performance Period is above High Water Mark and Hurdle Price

At the end of Performance Period 4 the Hurdle Price is 106.784p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (105.206 x 1.015)). The illustrative Net Asset Value per Share at the end of Performance Period 4 is 107p.This is higher than the High Water Mark (106.784p) and the Hurdle Price (104.164) at end of the Performance Period and so a Performance Fee is payable on the Outperformance shown in row E (0.216p). The Performance Fee accrual is 15% x 0.216 = 0.032p.

As a performance fee is crystallised at the end of Performance Period 4, the High Water Mark and Hurdle Price for the start of the next Performance Period are both set at 106.968p (the Net Asset Value per Share at end of Performance Period 4).

Performance Period 5 – No Outperformance, Net Asset Value per Share at end of Performance Period is equal to the Hurdle Price

At the end of Performance Period 5 the Hurdle Price is 109.107p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (106.968 x 1.02)). The illustrative Net Asset Value per Share at the end of Performance Period 5 is 109.107p.This is above the High Water Mark (106.968p) and equal to the Hurdle Price (109.107p) at end of the Performance Period. The Outperformance in row E is zero so no Performance Fee is payable. Although at certain times during the Performance Period the Net Asset Value per Share will have been above the Hurdle Price and therefore an accrual would have built up, at the end of the Performance Period the Outperformance is zero and therefore the Performance Fee accrual is zero.

As no Performance Fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains the same i.e. 106.968p. The Hurdle Price at the start of the next Performance Period will remain at 109.107p (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be payable monthly in arrears. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary for the custodial services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum. The Depositary's fee will be accrued daily and shall be payable monthly in arrears.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary’s fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be payable monthly in arrears. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000.

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure.

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING FUND STATUS

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market.

17. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Global Diversified Growth Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Global Diversified Growth Fund (the **Fund**), a fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other Funds in existence as at the date of this Supplement:

(1) Kames Absolute Return Bond Fund;

(2) Kames Absolute Return Bond Constrained Fund;

(3) Kames Absolute Return Bond Global Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Emerging Market Bond Opportunities Fund;

(6) Kames Equity Market Neutral Fund;

(7) Kames Equity Market Neutral Plus Fund;

(8) Kames Global Diversified Income Fund;

(9) Kames Global Equity Income Fund;

(10) Kames Global Equity Market Neutral Fund

(11) Kames Global Sustainable Equity Fund;

(12) Kames High Yield Global Bond Fund;

(13) Kames Investment Grade Global Bond Fund;

(14) Kames Strategic Global Bond Fund; and

(15) Kames Short Dated High Yield Global Bond Fund

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Shareholders should note that all or part of the fees and expenses (including investment management fees) may be charged (in whole or part) to the capital of the Fund. Where such fees and expenses are charged to capital, there is a greater chance 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.

Application has been made to the Irish Stock Exchange for all the Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximise total return (income plus capital) over the medium term at a lower risk than global equity markets by investing in a diversified portfolio of global assets. By investing in the Fund the capital is at risk. There is no guarantee that the Fund will deliver positive returns over this, or any, time period.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

The Investment Manager may, in accordance with the requirements of the Central Bank, delegate some or all of its duties including the discretionary investment management of the Fund to a sub-investment manager whose fees will be discharged by the Investment Manager. Details of any sub-investment managers appointed in respect of the Fund shall be available to Shareholders on request and will be disclosed in the periodic reports of the Company.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing predominantly in a diversified portfolio of equities and bonds denominated in any currency. The Fund's exposure to the equities and bonds may be obtained through direct investment or through the financial derivative instruments (FDI) described below. Assets will be chosen based on global economic outlook, trends, and investment opportunities where it is the view of the Investment Manager that a positive return may be generated for the Fund. As a result, at any one time the Fund may be diversified across asset classes, sectors, currencies or countries or may be more focused. Equities will be limited to a maximum of 100% of the Fund’s Net Asset Value at all times. The Fund may invest in all types of fixed and floating rate bonds as described below.

Equities: The Fund may invest up to 100% of its net assets in equities and equity indices, including indirect exposure to property and other specialist asset sectors, such as companies that specialise in aircraft leasing, infrastructure and renewable energy. The equity income element of the Fund includes allocations to global equity income portfolios. The Investment Manager shall screen companies based on historic company and financial information to identify a suitable investment universe taking into account factors such as dividend yields, dividend growth rates, pay-out ratios, balance sheets and returns on equity. The Investment Manager compliments screening with in-depth analysis of the fundamental operating outlook, valuation metrics and technical support for each company. In conducting this in-depth analysis the Investment Manager may review and consider a company’s business model, the dynamics of the company’s industry and structural trends (**fundamentals);** price momentum and earnings momentum (**technical**) and a company’s valuation relative to historical valuations and relative to the valuation of its peers (**valuation**).

Bonds: The Fund may hold sovereign and corporate fixed and floating rate bonds based on the Investment Manager's view of the effect of future performance of those bonds and future asset values. The Fund will be broadly diversified by industry and issuer, by asset allocation and is subject to change as global bond markets evolve. In formulating such a view, the Investment Manager will consider the effect of interest rates on the value of the Fund's investments or potential investments and will take a view on the likelihood of values rising and falling over particular periods. Individual investments will be made within asset allocations with specialists in each area undertaking the investments in the area.

The Fund may, at all times, invest up 100% of its net assets in bonds and bond indices, as further detailed below.

Investment Grade Bonds: The Fund may invest up to 100% of its net assets in bonds issued by companies, sovereign governments and their agencies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P), or BBB- or higher by Fitch or its successors (Fitch) or, in the case of unrated bonds, those deemed by the Investment Manager to have an equivalent credit rating ("**Investment Grade Bonds**").

High Yield Bonds: The Fund may invest up to 100% of its net assets in bonds issued by companies, sovereign governments and their agencies who are rated Ba1 by Moody's or below, BB+ by Standard and Poor's or below, or BB+ by Fitch or below or, in the case of non-rated bonds, those deemed by the Investment Manager to have an equivalent credit rating or below ("**High yield Bonds**"). The average quality of the Fund's holdings in High Yield Bonds will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate and be lower at certain times. Lower quality companies may also be a focus at certain times.

Collective Investment Schemes: The Fund may also invest in the shares or units of other regulated open-ended collective investment schemes to gain exposure to the asset classes listed in this Investment Policy and which will contribute towards achievement of the Fund's investment objective. The domicile of such collective investment schemes will be worldwide. Investment in collective investment schemes will not exceed 20% of the Net Asset Value of the Fund.

Property: The Fund may seek exposure to real property assets and, as the Fund cannot hold real property assets directly, such exposure will be achieved by investing in listed Real Estate Investment Trusts (REITs) and any bonds that the REITs may issue. The Fund shall invest no more than 50% of its Net Asset Value in REITs or bonds issued by REITS. The Fund may also have indirect exposure to property through its investments in equities.

Emerging Markets: The Fund may invest up to 50% of its Net Asset Value in emerging markets. The Investment Manager will aim to meet the Fund's investment objective by evaluating the relative attractiveness of assets within emerging markets. The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets.

Commodities: The Fund may seek indirect exposure to commodities such as gold and other precious metals through exchange traded products (**ETPs**). ETPs are securities which are listed and traded on a regulated stock exchange. ETPs include Exchange Traded Funds (ETFs), Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs). The Fund will not seek to gain exposure to commodities through the use of short or leveraged ETPs Such investments will be listed and/or traded on Recognised Markets set out in Appendix I of the Prospectus (subject to any exceptions permitted under the Regulations). The Fund's indirect exposure to commodities shall not exceed 5% of its Net Asset Value.

Liquid Assets: Under normal circumstances, the Fund may hold and invest up to 10% of its net assets in liquid assets such as cash, bank deposits, money market instruments including but not limited to commercial paper or treasury bills. The Fund may, however, hold and invest more than 10% of its net assets in liquid assets on a short term basis. Such assets may be held: (i) in the absence of finding individual securities which the Investment Manager considers the possible or expected return to outweigh any risks involved in such investment; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; or (iii) as otherwise deemed appropriate by the Investment Manager.

The Investment Manager may or may not hedge any currency exposures within the Fund's investment portfolio back to the Fund's Base Currency, depending on whether it is anticipated that the currency is likely to outperform or underperform against the Base Currency.

The Fund may also use warrants, financial derivative instruments (**FDI**) (as further described below) and forwards for investment or hedging purposes. The Fund will aim to deliver income to the Shareholders and manage interest rate risk by holding FDIs and taking short positions synthetically via FDIs, based on anticipated changes in interest rates and sovereign and corporate bond yields.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed / traded on a Recognised Market (see Appendix 1 of the Prospectus for a list of Recognised Markets).

Investment Strategy

In order to achieve the Fund's investment objective the Investment Manager will invest in a variety of asset classes. The Investment Manager will allocate Fund assets to each of the asset types set out in the investment Policy section above depending upon its macroeconomic view and how it expects each asset class to perform in the future. The Investment Manager will evaluate potential assets based on their ability to provide strong, regular and growing income. Evaluation includes operating outlook, valuation and technical support and will be used when asset picking.

Once the asset allocation is set the Investment Manager will invest in its highest conviction ideas. The Investment Manager's highest conviction ideas are identified using an initial universe of potential investments which fall within the Fund's investment policy which are assessed by the Investment Manager in relation to valuation, fundamentals (including financial performance and qualitative factors), technical (i.e. patterns of market activity) and market investor sentiment. Those with the highest assessment are then considered for investment by the Investment Manager. Conversely those with the lowest assessment may be considered for shorting. As a result, at any one time the Fund may be diversified across asset classes, sectors, currencies or countries or may be more focused.

The Investment Manager will take positions depending on the relative attractiveness of markets and constituents of those markets in line with its team's views of how an asset's valuation will move over time. Where the Investment Manager believes an asset is attractively priced and is likely to outperform the market, the Investment Manager is likely to hold a larger position compared to an asset it believes is unlikely to perform as well.

In addition the Fund will use FDIs for investment purposes. For example, short positions may be achieved by selling futures, buying or selling options, buying CDS protection (both single name and index) and contracts for difference as well as buying or selling forwards. These long and short positions may be over any type of asset described above.

The Investment Manager shall endeavour to generate income with the potential for capital growth. This will be achieved by taking advantage of over or undervalued assets. In addition to conventional approaches the Investment Manager may use specialist techniques to generate such a return. These specialist techniques could include, but are not limited to currency strategies, trades, interest rate strategies and selling covered call options. Currency strategies refer to instances where the Investment Manager anticipates that one currency will outperform another, therefore the Investment Manager will purchase one currency and sell the other. Interest rate strategies are similar in that where interest rates are higher in one country than another, the Investment Manager will place any cash balances in the country with the higher interest rates. Similarly where interest rates differ between currencies, the Investment Manager will buy and sell accordingly. Long and short positions in a number of related stocks will be undertaken based on macro-economic and market themes the Investment Manager identifies.

Financial Derivative Instruments

The Fund may use FDIs for the purposes of Efficient Portfolio Management (**EPM**).The Fund may also invest in FDIs for investment purposes.

Efficient Portfolio Management and FDIs

The Fund may use FDIs for the purposes of EPM. Permitted EPM transactions are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, warrants, swaps CFDs or swaps forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparties with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

In addition to the foregoing, the transactions must satisfy the following requirements:

- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost

- The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.

- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.

- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purpose of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes and FDIs

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates;

(iii) to gain an exposure to the composition and performance of a particular index;

(iv) to hedge out market risk; and/or

(v) to implement the investment strategies above.

FDIs may also be used in order to take tactical decisions. Futures, options, contracts for difference, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options, contracts for difference, forwards or swaps (including credit default swaps) to manage the Fund's exposure to the market. These instruments may be used to increase, reduce or maintain exposure to the market as a whole or its subcomponents to enhance the Fund's performance or protect downside risk. For example typical positions taken will be based on the Investment Manager's view on sensitivity of prices or sensitivity of spreads to expected changes in both economic and market conditions.

Specific FDIs

Below are the details of the FDIs in which the Fund may utilise. The underlying assets of these FDIs will be one of the asset classes referred to above in the **Investment Policies** section or indices related thereto. The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest. It is not possible to specify in the Supplement the exact indices that the Fund's investment strategy may require exposure to as they have not, as at the date of issue of this Supplement been selected and the indices may change over time.

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. Generally, the underlying assets of the futures contracts will be government or corporate bonds, interest rates and equities described in the Fund's Investment Policy**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts for investment purposes or in order to hedge and/or more efficiently manage the Fund.

For example, interest rate futures (either exchange-traded or OTC) may be used for both investment and hedging purposes. Active positions may be placed in order to profit from an anticipated interest rate move. Positions may also be taken to hedge against the risk that interest rates move in an adverse direction.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be fixed income securities.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

For example in relation to bonds, the Fund may use options to gain exposure to the bonds referred to in the Investment Policy and to bond indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange or interest rate) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange or interest rate) with a party in another market. As such they are very useful instruments for the management of risk.

The Fund may use swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit or interest rate movements at the time. Generally the underlying assets of such swaps will be single bonds, bond indices, single equities or equity indices.

Interest rate swaps may be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in interest rates. Positions may also be taken to hedge against the risk that changes in interest rates move in an adverse direction.

Credit default swaps (**CDS**) (OTC) may be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in credit spreads. Positions may also be taken to hedge against the risk that changes in credit spreads move in an adverse direction.

The Fund may use total return swaps to alter its exposure to bonds, equities, bond indices or equity indices for investment purposes. The underlying assets or indices of the swap will be compatible with the investment objective and policies of the Fund. Any counterparty to a total return swap will not have discretion over the composition or management of the Fund's investment portfolio or of the underlying of the financial derivative instrument. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time.

Contracts for Differences

Contracts for Differences ("CFDs") involve a contract between two counterparties ("buyer" and "seller") which requires that the seller will pay to the buyer the difference between the current value of an asset and its value at a particular contract time. (If the difference is negative, then the buyer pays instead to the seller.) CFDs allow traders to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on markets. CFDs are typically traded "over-the-counter", which means that they are traded "off-exchange". CFDs are traded on margin, and the leveraging effect of this increases the risk significantly. Margin rates are typically small and therefore a small amount of money can be used to hold a large position. The Fund will invest in CFDs to gain exposure to the investments referred to in the Investment Policy, which may include taking short positions.

Warrants

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The Fund may use warrants to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. The Fund may also invest in warrants to gain exposure to the equity investments referred to in the Investment Policy.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 200% of its assets in long positions and up to 100% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDIs transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 14.1% of the Net Asset Value of the Fund and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 100% to 200% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus. The level of collateral required by the Fund in respect of its investment in OTC FDIs and use of efficient portfolio management techniques will be that required to manage counterparty exposure within the limits set down by the Central Bank.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase agreements and reverse repurchase agreements ("**repo transactions**") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions and total return swaps (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (**AUM**) subject to repo transactions will be less than 10% AUM and will be less than 25% AUM for total return swaps. The maximum expected proportion of AUM subject to SFTs shall not exceed 250% AUM. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Euro.

The classes of Shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' on page 19 of the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Euro classes may be currency hedged Share classes. For such Share classes, the Investment Manager intends to hedge the currency exposure of those Share classes denominated in a currency other than the Base Currency of the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency. This is ‘Method 1 (Base Currency Hedging)’ of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading ‘Hedged and Unhedged Share classes’.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in the securities, FDIs and other assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. **Objective Risk**

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon equities and FDIs before investing in the Fund.

10.3. **Equities and Securities Risk**

As the Fund will invest in equities and FDIs, it may be more volatile than a fund that invests solely in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one of more companies comprised within the assets of the Fund will fall or will fail to rise.

10.4. **Liquidity Risk**

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.5. **General FDI Risks**

The prices of FDIs, including futures prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

General Risk

The use of these techniques and instruments involves certain risks, including:

(i) Dependence on the ability to predict movements of the FDIs and price movements of related instruments;
(ii) Imperfect correlation between the price movements of the FDIs and price movements of related instruments;
(iii) The possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;
(iv) The Fund may use certain FDIs which may involve the assumption of obligations as well as rights and assets; and
(v) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.6. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.7. **Credit Risk**

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.8. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.9. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.10. **Inflation Risk**

The Fund may invest up to 100% of its net assets in lower-yielding investment grade bonds. While such bonds generally carry a lower default risk they are more susceptible to devaluation over time due to inflation. In the event that inflation rises significantly over the medium to long term the nominal value of the Fund's assets may decrease and inflation may diminish the real value of the Fund's investments over time.

10.11. **Foreign Investment Risk**

As the Fund will invest in global assets, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

10.12. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.13. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the Base Currency, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.14. **Legal and/or Regulatory Risk**

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.

10.15. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.16. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.17. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.18. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.19. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.20. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.21. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.22. **Payment of Charges and Expenses to Capital**

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 13 of the Supplement. 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.

10.23. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.24. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.25. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.26. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.27. **Potential Involvement in Litigation Risk**

The Fund may have up to 100% exposure to below investment grade bonds. As a consequence of credit problems with such investments and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.28. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

10.29. **FDI Risk**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including:

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(2) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain FDIs, which may involve the assumption of obligations as well as rights and assets; and

(5) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.29.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.29.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.29.3. **Settlement Risk**

The risk that the counterparty to the Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.29.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.29.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.30. **Specific Instrument Risks**

10.30.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.30.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.30.3. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.30.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going FDI 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.

10.30.5. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

10.30.6. **Contracts for Differences (CFD)**

Futures and options contracts can also be referred to, as well as include, CFD. These can be options and futures on any index or security. However, unlike other futures and options, CFD can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may create substantially greater risks.

11. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on a quarterly basis on the last Business Days of October, January, April and July. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends less any applicable expenses). The Directors currently intend to pay dividends equal to all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the Application Form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking regular income and who are comfortable with a medium to high level of investment risk. In most cases, we expect the Fund to be held as part of a diversified portfolio including other assets e.g. bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, share prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the Fund should be viewed as a longer term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Euro.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Euro		Class A	Accumulation
2.	Euro		Class A	Income
3.	Sterling	(hedged)	Class A	Accumulation
4.	Sterling	(hedged)	Class A	Income
5.	US Dollar	(hedged)	Class A	Accumulation
6.	US Dollar	(hedged)	Class A	Income
7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Swedish Krona	(hedged)	Class A	Income
10.	Swedish Krona	(hedged)	Class A	Accumulation
11.	Japanese Yen	(hedged)	Class A	Accumulation
12.	Japanese Yen	(hedged)	Class A	Income
13.	Norwegian Krone	(hedged)	Class A	Accumulation
14.	Norwegian Krone	(hedged)	Class A	Income

15.	Danish Krone	(hedged)	Class A	Accumulation
16.	Danish Krone	(hedged)	Class A	Income
17.	Icelandic Krona	(hedged)	Class A	Accumulation
18.	Icelandic Krona	(hedged)	Class A	Income
19.	Sterling		Class A	Accumulation
20.	Sterling		Class A	Income
21.	US Dollar		Class A	Accumulation
22.	US Dollar		Class A	Income
23.	Swiss Franc		Class A	Accumulation
24.	Swiss Franc		Class A	Income
25.	Swedish Krona		Class A	Income
26.	Swedish Krona		Class A	Accumulation
27.	Japanese Yen		Class A	Accumulation
28.	Japanese Yen		Class A	Income
29.	Norwegian Krone		Class A	Accumulation
30.	Norwegian Krone		Class A	Income
31.	Danish Krone		Class A	Accumulation
32.	Danish Krone		Class A	Income
33.	Icelandic Krona		Class A	Accumulation
34.	Icelandic Krona		Class A	Income
35.	Euro		Class B	Accumulation
36.	Euro		Class B	Income
37.	Sterling	(hedged)	Class B	Accumulation
38.	Sterling	(hedged)	Class B	Income
39.	US Dollar	(hedged)	Class B	Accumulation
40.	US Dollar	(hedged)	Class B	Income
41.	Swiss Franc	(hedged)	Class B	Income
42.	Swedish Krona	(hedged)	Class B	Income
43.	Japanese Yen	(hedged)	Class B	Accumulation
44.	Japanese Yen	(hedged)	Class B	Income
45.	Norwegian Krone	(hedged)	Class B	Accumulation

46.	Norwegian Krone	(hedged)	Class B	Income
47.	Danish Krone	(hedged)	Class B	Accumulation
48.	Danish Krone	(hedged)	Class B	Income
49.	Icelandic Krona	(hedged)	Class B	Accumulation
50.	Icelandic Krona	(hedged)	Class B	Income
51.	Sterling		Class B	Accumulation
52.	Sterling		Class B	Income
53.	US Dollar		Class B	Accumulation
54.	US Dollar		Class B	Income
55.	Swiss Franc		Class B	Accumulation
56.	Swiss Franc		Class B	Income
57.	Swedish Krona		Class B	Income
58.	Swedish Krona		Class B	Accumulation
59.	Japanese Yen		Class B	Accumulation
60.	Japanese Yen		Class B	Income
61.	Norwegian Krone		Class B	Accumulation
62.	Norwegian Krone		Class B	Income
63.	Danish Krone		Class B	Accumulation
64.	Danish Krone		Class B	Income
65.	Icelandic Krona		Class B	Accumulation
66.	Icelandic Krona		Class B	Income
67.	Sterling	(hedged)	Class C	Accumulation
68.	Sterling	(hedged)	Class C	Income
69.	US Dollar	(hedged)	Class C	Income
70.	Swiss Franc	(hedged)	Class C	Income
71.	Swedish Krona	(hedged)	Class C	Income
72.	Swedish Krona	(hedged)	Class C	Accumulation
73.	Japanese Yen	(hedged)	Class C	Accumulation
74.	Japanese Yen	(hedged)	Class C	Income
75.	Norwegian Krone	(hedged)	Class C	Accumulation
76.	Norwegian Krone	(hedged)	Class C	Income

77.	Danish Krone	(hedged)	Class C	Accumulation
78.	Danish Krone	(hedged)	Class C	Income
79.	Icelandic Krona	(hedged)	Class C	Accumulation
80.	Icelandic Krona	(hedged)	Class C	Income
81.	Sterling		Class C	Accumulation
82.	Sterling		Class C	Income
83.	US Dollar		Class C	Accumulation
84.	US Dollar		Class C	Income
85.	Swiss Franc		Class C	Accumulation
86.	Swiss Franc		Class C	Income
87.	Swedish Krona		Class C	Income
88.	Swedish Krona		Class C	Accumulation
89.	Japanese Yen		Class C	Accumulation
90.	Japanese Yen		Class C	Income
91.	Norwegian Krone		Class C	Accumulation
92.	Norwegian Krone		Class C	Income
93.	Danish Krone		Class C	Accumulation
94.	Danish Krone		Class C	Income
95.	Icelandic Krona		Class C	Accumulation
96.	Icelandic Krona		Class C	Income
97.	Sterling	(hedged)	Class Z	Income
98.	Sterling	(hedged)	Class Z	Accumulation
99.	US Dollar	(hedged)	Class Z	Income
100.	US Dollar	(hedged)	Class Z	Accumulation
101.	Swiss Franc	(hedged)	Class Z	Accumulation
102.	Swiss Franc	(hedged)	Class Z	Income
103.	Swedish Krona	(hedged)	Class Z	Income
104.	Swedish Krona	(hedged)	Class Z	Accumulation
105.	Japanese Yen	(hedged)	Class Z	Accumulation
106.	Japanese Yen	(hedged)	Class Z	Income
107.	Norwegian Krone	(hedged)	Class Z	Accumulation

108.	Norwegian Krone	(hedged)	Class Z	Income
109.	Danish Krone	(hedged)	Class Z	Accumulation
110.	Danish Krone	(hedged)	Class Z	Income
111.	Icelandic Krona	(hedged)	Class Z	Accumulation
112.	Icelandic Krona	(hedged)	Class Z	Income
113.	Sterling		Class Z	Accumulation
114.	Sterling		Class Z	Income
115.	US Dollar		Class Z	Accumulation
116.	US Dollar		Class Z	Income
117.	Swiss Franc		Class Z	Accumulation
118.	Swiss Franc		Class Z	Income
119.	Swedish Krona		Class Z	Income
120.	Swedish Krona		Class Z	Accumulation
121.	Japanese Yen		Class Z	Accumulation
122.	Japanese Yen		Class Z	Income
123.	Norwegian Krone		Class Z	Accumulation
124.	Norwegian Krone		Class Z	Income
125.	Danish Krone		Class Z	Accumulation
126.	Danish Krone		Class Z	Income
127.	Icelandic Krona		Class Z	Accumulation
128.	Icelandic Krona		Class Z	Income
129.	Euro	(hedged)	Class I	Accumulation
130.	Euro	(hedged)	Class I	Income
131.	Euro		Class I	Accumulation
132.	Euro		Class I	Income
133.	Euro	(hedged)	Class L	Accumulation
134.	Euro	(hedged)	Class L	Income
135.	Euro		Class L	Accumulation
136.	Euro		Class L	Income

The B and C share classes are for institutional investors but the Directors may at their discretion accept applications received from other investors

Minimum Share Class Size

US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Krone Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A :	€500 or equivalent in another acceptable currency
Class B:	€500,000 or equivalent in another acceptable currency
Class C:	€10,000,000 or equivalent in another acceptable currency
Class I:	€1,000,000 or equivalent in another acceptable currency
Class L:	€500,000 or equivalent in another acceptable currency
Class Z:	€50,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€20,000 or equivalent in another acceptable currency
Class I and L:	no minimum
Class Z:	€1,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€20,000 or equivalent in another acceptable currency
Class I and L:	no minimum
Class Z:	€1,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	€500 or equivalent in another acceptable currency
Class I and L:	no minimum

Classes C and Z:	€1,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 March 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

US Dollar Classes	USD 10
Sterling Classes	GBP 10
Euro (except I and L classes)	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Japanese Yen	JPY 1,000
Norwegian Krone	NOK100
Danish Krone	DKK 100
Icelandic Krone	ISK 100
Euro (I and L classes)	EUR 10,000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1.	Euro	Class A	Accumulation
2	Euro	Class B	Accumulation
3.	Euro	Class B	Income
4.	Sterling (hedged)	Class B	Accumulation
5.	US Dollar (hedged)	Class B	Accumulation
6.	Sterling (hedged)	Class C	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class Z Shares or Class C Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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. The Fund's objective is to maximise total returns (income plus capital), rather than capital growth alone. 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.

15. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 2% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary’s fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed £30,000 and this cost will be amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

16. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

17. REPORTING FUND STATUS

The Directors intend to apply to HM Revenue and Customs for 'Reporting Fund' status on any of the Fund's Share classes which shall be directed towards the UK market.

18. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Global Diversified Income Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Global Diversified Income Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Absolute Return Bond Fund;

(2) Kames Absolute Return Bond Constrained Fund;

(3) Kames Absolute Return Bond Global Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Emerging Market Bond Opportunities Fund;

(6) Kames Equity Market Neutral Fund;

(7) Kames Equity Market Neutral Plus Fund;

(8) Kames Global Diversified Growth Fund;

(9) Kames Global Equity Income Fund;

(10) Kames Global Equity Market Neutral Fund;

(11) Kames Global Sustainable Equity Fund;

(12) Kames High Yield Global Bond Fund;

(13) Kames Investment Grade Global Bond Fund;

(14) Kames Strategic Global Bond Fund; and

(15) Kames Short Dated High Yield Global Bond Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Shareholders should note that all or part of the fees and expenses (including investment management fees) may be charged (in whole or part) to the capital of the Fund. Where such fees and expenses are charged to capital, there is a greater chance 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.

Application has been made to the Irish Stock Exchange for all the Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide income with the potential for capital growth over the medium term.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

The Investment Manager may, in accordance with the requirements of the Central Bank, delegate some or all of its duties including the discretionary investment management of the Fund to a sub-investment manager whose fees will be discharged by the Investment Manager. Details of any sub-investment managers appointed in respect of the Fund shall be available to Shareholders on request and will be disclosed in the periodic reports of the Company.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing predominantly in a diversified portfolio of equities and bonds denominated in any currency. The Fund's exposure to the equities and bonds may be obtained through direct investment or through the financial derivative instruments (**FDI**) described below. Assets will be chosen based on global economic outlook, trends and investment opportunities where it is the view of the Investment Manager that a positive return may be generated for the Fund. As a result, at any one time the Fund may be diversified across asset classes, sectors, currencies or countries or may be more focused. Equities will be limited to a maximum of 80% of the Fund's Net Asset Value at all times. The Fund may invest in all types of fixed and floating rate bonds as described below.

Equities The Fund may invest up to 80% of its net assets in equities and equity indices, including indirect exposure to property and other specialist asset sectors, such as companies that specialise in aircraft leasing, infrastructure and renewable energy. The equity income element of the Fund includes allocations to global equity income portfolios. The Investment Manager shall screen companies based on historic company and financial information to identify a suitable investment universe taking into account factors such as dividend yields, dividend growth rates, pay-out ratios, balance sheets and returns on equity. The Investment Manager compliments screening with in-depth analysis of the fundamental operating outlook, valuation metrics and technical support for each company. In conducting this in-depth analysis the Investment Manager may review and consider a company's business model, the dynamics of the company's industry and structural trends (**fundamentals**); price momentum and earnings momentum (t**echnical**) and a company's valuation relative to historical valuations and relative to the valuation of its peers (**valuation**).

Bonds The Fund may hold sovereign and corporate fixed and floating rate bonds based on the Investment Manager's view of the effect of future performance of those bonds and future asset values. The Fund will be broadly diversified by industry and issuer, by asset allocation and is subject to change as global bond markets evolve. In formulating such a view, the Investment Manager will consider the effect of interest rates on the value of the Fund's investments or potential investments and will take a view on the likelihood of values rising and falling over particular periods. Individual investments will be made within asset allocations with specialists in each area undertaking the investments in the area.

The Fund may, at all times, invest up 80% of its net assets in bonds and bond indices, as further detailed below.

Investment Grade Bonds The Fund may invest up to 40% of its net assets in bonds issued by companies, sovereign governments and their agencies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P), or BBB- or higher by Fitch or its successors (Fitch) or, in the case of unrated bonds, those deemed by the Investment Manager to have an equivalent credit rating ("**Investment Grade Bonds**").

High Yield Bonds The Fund may invest up to 40% of its net assets in bonds issued by companies, sovereign governments and their agencies who are rated Ba1 by Moody's or below, BB+ by Standard and Poor's or below, or BB+ by Fitch or below or, in the case of non-rated bonds, those deemed by the Investment Manager to have an equivalent credit rating or below ("**High yield Bonds**"). The average quality of the Fund's holdings in High Yield Bonds will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate and be lower at certain times. Lower quality companies may also be a focus at certain times.

Collective Investment Schemes The Fund may also invest in the shares or units of other regulated open-ended collective investment schemes to gain exposure to the asset classes listed in this Investment Policy and which will contribute towards achievement of the Fund's investment objective. The domicile of such collective investment schemes will be worldwide. Investment in collective investment schemes will not exceed 10% of the Net Asset Value of the Fund.

Property The Fund may seek exposure to real property assets and, as the Fund cannot hold real property assets directly, such exposure will be achieved by investing in listed Real Estate Investment Trusts (REITs) and any bonds that the REITs may issue. The Fund shall invest no more than 25% of its Net Asset Value in REITs or bonds issued by REITS. The Fund may also have indirect exposure to property through its investments in equities.

Emerging Markets The Fund may invest up to 30% of its Net Asset Value in emerging markets. The Investment Manager will aim to meet the Fund's investment objective by evaluating the relative attractiveness of assets within emerging markets. The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets.

The Investment Manager may or may not hedge any currency exposures within the Fund's investment portfolio back to the Fund's Base Currency depending on whether it is anticipated that the currency is likely to outperform or underperform against the Base Currency.

The Fund may also use warrants, financial derivative instruments (**FDI**) (as further described below) and forwards for investment or hedging purposes. The Fund will aim to deliver income to the Shareholders and manage interest rate risk by holding FDIs and taking short positions synthetically via FDIs, based on anticipated changes in interest rates and sovereign and corporate bond yields.

The Fund may invest up to 10% of its net assets in ancillary liquid assets such as cash, bank deposits, short term certificates, commercial paper and treasury bills.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed / traded on a Recognised Market (see Appendix 1 of the Prospectus for a list of Recognised Markets).

Investment Strategy

In order to achieve the Fund's investment objective the Investment Manager will invest in a variety of asset classes. The Investment Manager will allocate Fund assets to each of the asset types set out in the investment Policy section above depending upon its macroeconomic view and how it expects each asset class to perform in the future. The Investment Manager will evaluate potential assets based on their ability to provide strong, regular and growing income. Evaluation includes operating outlook, valuation and technical support and will be used when asset picking.

Once the asset allocation is set the Investment Manager will invest in its highest conviction ideas. The Investment Manager's highest conviction ideas are identified using an initial universe of potential investments which fall within the Fund's investment policy which are assessed by the Investment Manager in relation to valuation, fundamentals (including financial performance and qualitative factors), technical (i.e. patterns of market activity) and market/investor sentiment. Those with the highest assessment are then considered for investment by the Investment Manager. Conversely those with the lowest assessment may be considered for shorting. As a result, at any one time the Fund may be diversified across asset classes, sectors, currencies or countries or may be more focused.

The Investment Manager will take positions depending on the relative attractiveness of markets and constituents of those markets in line with its team's views of how an asset's valuation will move over time. Where the Investment Manager believes an asset is attractively priced and is likely to outperform the market, the Investment Manager is likely to hold a larger position compared to an asset it believes is unlikely to perform as well.

In addition the Fund will use FDIs for investment purposes. For example, short positions may be achieved by selling futures, buying or selling options, buying CDS protection (both single name and index) and contracts for difference as well as buying or selling forwards. These long and short positions may be over any type of asset described above.

The Investment Manager shall endeavour to generate income with the potential for capital growth. This will be achieved by taking advantage of over or undervalued assets. In addition to conventional approaches the Investment Manager may use specialist techniques to generate such a return. These specialist techniques could include, but are not limited to currency strategies, trades, interest rate strategies and selling covered call options. Currency strategies refer to instances where the Investment Manager anticipates that one currency will outperform another, therefore the Investment Manager will purchase one currency and sell the other. Interest rate strategies are similar in that where interest rates are higher in one country than another, the Investment Manager will place any cash balances in the country with the higher interest rates. Similarly where interest rates differ between currencies, the Investment Manager will buy and sell accordingly. Long and short positions in a number of related stocks will be undertaken based on macro-economic and market themes the Investment Manager identifies.

Financial Derivative Instruments

The Fund may use FDIs for the purposes of Efficient Portfolio Management (**EPM**).The Fund may also invest in FDIs for investment purposes.

Efficient Portfolio Management and FDIs

The Fund may use FDIs for the purposes of EPM. Permitted EPM transactions are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, warrants, swaps CFDs or swaps forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparties with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

In addition to the foregoing, the transactions must satisfy the following requirements:

- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purpose of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes and FDIs

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates;

(iii) to gain an exposure to the composition and performance of a particular index;

(iv) to hedge out market risk; and/or

(v) to implement the investment strategies above.

FDIs may also be used in order to take tactical decisions. Futures, options, contracts for difference, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options, contracts for difference, forwards or swaps (including credit default swaps) to manage the Fund's exposure to the market. These instruments may be used to increase, reduce or maintain exposure to the market as a whole or its subcomponents to enhance the Fund's performance or protect downside risk. For example typical positions taken will be based on the Investment Manager's view on sensitivity of prices or sensitivity of spreads to expected changes in both economic and market conditions.

Specific FDIs

Below are the details of the FDIs in which the Fund may utilise. The underlying assets of these FDIs will be one of the asset classes referred to above in the **Investment Policies** section or indices related thereto. The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest. It is not possible to specify in the Supplement the exact indices that the Fund's investment strategy may require exposure to as they have not, as at the date of issue of this Supplement been selected and the indices may change over time.

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. Generally, the underlying assets of the futures contracts will be government or corporate bonds, interest rates and equities described in the Fund’s Investment Policy**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts for investment purposes or in order to hedge and/or more efficiently manage the Fund.

For example, interest rate futures (either exchange-traded or OTC) may be used for both investment and hedging purposes. Active positions may be placed in order to profit from an anticipated interest rate move. Positions may also be taken to hedge against the risk that interest rates move in an adverse direction.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be fixed income securities.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

For example in relation to bonds, the Fund may use options to gain exposure to the bonds referred to in the Investment Policy and to bond indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange or interest rate) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange or interest rate) with a party in another market. As such they are very useful instruments for the management of risk.

The Fund may use swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit or interest rate movements at the time. Generally the underlying assets of such swaps will be single bonds, bond indices, single equities or equity indices.

Interest rate swaps may be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in interest rates. Positions may also be taken to hedge against the risk that changes in interest rates move in an adverse direction.

Credit default swaps (**CDS**) (OTC) may be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in credit spreads. Positions may also be taken to hedge against the risk that changes in credit spreads move in an adverse direction.

The Fund may use total return swaps to alter its exposure to bonds, equities, bond indices or equity indices for investment purposes. The underlying assets or indices of the swap will be compatible with the investment objective and policies of the Fund. Any counterparty to a total return swap will not have discretion over the composition or management of the Fund's investment portfolio or of the underlying of the financial derivative instrument. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time

Contracts for Differences

Contracts for Differences ("CFDs") involve a contract between two counterparties ("buyer" and "seller") which requires that the seller will pay to the buyer the difference between the current value of an asset and its value at a particular contract time. (If the difference is negative, then the buyer pays instead to the seller.) CFDs allow traders to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on markets. CFDs are typically traded “over-the-counter”, which means that they are traded “off-exchange”. CFDs are traded on margin, and the leveraging effect of this increases the risk significantly. Margin rates are typically small and therefore a small amount of money can be used to hold a large position. The Fund will invest in CFDs to gain exposure to the investments referred to in the Investment Policy, which may include taking short positions.

Warrants

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The Fund may use warrants to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. The Fund may also invest in warrants to gain exposure to the equity investments referred to in the Investment Policy.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 200% of its assets in long positions and up to 100% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDIs transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 14.1% of the Net Asset Value of the Fund and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 75% to 125% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus. The level of collateral required by the Fund in respect of its investment in OTC FDIs and use of efficient portfolio management techniques will be that required to manage counterparty exposure within the limits set down by the Central Bank.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase agreements and reverse repurchase agreements ("**repo transactions**") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions and total return swaps, (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (**AUM**) subject to repo transactions will be less than 10% AUM and will be less than 25% AUM for total return swaps. The maximum expected proportion of AUM subject to SFTs shall not exceed 250%. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Euro.

The classes of Shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Euro classes may be currency hedged Share classes. For such Share classes, the Investment Manager intends to hedge the currency exposure of those Share classes denominated in a currency other than the Base Currency of the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in the securities, FDIs and other assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon equities and FDIs before investing in the Fund.

10.3. Equities and Securities Risk

As the Fund will invest in equities and FDIs, it may be more volatile than a fund that invests solely in fixed income securities, but may also offer greater potential for growth. The value of the Fund’s underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one of more companies comprised within the assets of the Fund will fall or will fail to rise.

10.4. Liquidity Risk

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.5. General FDI Risks

The prices of FDIs, including futures prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

General Risk

The use of these techniques and instruments involves certain risks, including:

(i) Dependence on the ability to predict movements of the FDIs and price movements of related instruments;

(ii) Imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) The possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(iv) The Fund may use certain FDIs which may involve the assumption of obligations as well as rights and assets; and

(v) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.6. OTC Transactions Risk

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.7. Credit Risk

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.8. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.9. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.10. **Inflation Risk**

The Fund may invest up to 40% of its net assets in lower-yielding investment grade bonds. While such bonds generally carry a lower default risk they are more susceptible to devaluation over time due to inflation. In the event that inflation rises significantly over the medium to long term the nominal value of the Fund's assets may decrease and inflation may diminish the real value of the Fund's investments over time.

10.11. **Foreign Investment Risk**

As the Fund will invest in global assets, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

10.12. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.13. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the Base Currency, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.14. **Legal and/or Regulatory Risk**

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.

10.15. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.16. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.17. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.18. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.19. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.20. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.21. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.22. **Payment of Charges and Expenses to Capital**

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 13 of the Supplement. 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.

10.23. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.24. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.25. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.26. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.27. **Potential Involvement in Litigation Risk**

The Fund may have up to 40% exposure to below investment grade bonds. As a consequence of credit problems with such investments and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.28. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

10.29. **FDI Risk**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including:

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(2) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain FDIs, which may involve the assumption of obligations as well as rights and assets; and

(5) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.29.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.29.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.29.3. **Settlement Risk**

The risk that the counterparty to the Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.29.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.29.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.30. **Specific Instrument Risks**

10.30.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.30.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.30.3. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.30.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going FDI 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.

10.30.5. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

10.30.6. **Contracts for Differences (CFD)**

Futures and options contracts can also be referred to, as well as include, CFD. These can be options and futures on any index or security. However, unlike other futures and options, CFD can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may create substantially greater risks.

11. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on a monthly basis on the last Business Day of each month. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses.

Income earned in an interim accounting period need not be distributed immediately and may instead be retained. Any residual income will be distributed at the Fund's annual income allocation date (31 October). This policy is known as "smoothing." The Investment Manager intends to operate a smoothing policy in respect of Kames Global Diversified Income Fund.

Any such dividend in relation to the income classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. This will ensure that the Income classes can qualify as reporting funds for UK tax purposes. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the Application Form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking regular income and who are comfortable with a medium to high level of investment risk. In most cases, we expect the Fund to be held as part of a diversified portfolio including other assets e.g. bonds, equities, property and cash. While investors will normally be able to liquidate their holdings on a daily basis, share prices will fluctuate and may fall significantly in value. Consequently, it is important to understand that the Fund should be viewed as a longer term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Euro.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Euro		Class A	Accumulation
2.	Euro		Class A	Income
3.	Sterling	(hedged)	Class A	Accumulation
4.	Sterling	(hedged)	Class A	Income
5.	US Dollar	(hedged)	Class A	Accumulation
6.	US Dollar	(hedged)	Class A	Income
7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Swedish Krona	(hedged)	Class A	Income
10.	Swedish Krona	(hedged)	Class A	Accumulation
11.	Japanese Yen	(hedged)	Class A	Accumulation
12.	Japanese Yen	(hedged)	Class A	Income
13.	Norwegian Krone	(hedged)	Class A	Accumulation

14.	Norwegian Krone	(hedged)	Class A	Income
15.	Danish Krone	(hedged)	Class A	Accumulation
16.	Danish Krone	(hedged)	Class A	Income
17.	Icelandic Krona	(hedged)	Class A	Accumulation
18.	Icelandic Krona	(hedged)	Class A	Income
19.	Sterling		Class A	Accumulation
20.	Sterling		Class A	Income
21.	US Dollar		Class A	Accumulation
22.	US Dollar		Class A	Income
23.	Swiss Franc		Class A	Accumulation
24.	Swiss Franc		Class A	Income
25.	Swedish Krona		Class A	Income
26.	Swedish Krona		Class A	Accumulation
27.	Japanese Yen		Class A	Accumulation
28.	Japanese Yen		Class A	Income
29.	Norwegian Krone		Class A	Accumulation
30.	Norwegian Krone		Class A	Income
31.	Danish Krone		Class A	Accumulation
32.	Danish Krone		Class A	Income
33.	Icelandic Krona		Class A	Accumulation
34.	Icelandic Krona		Class A	Income
35.	Euro		Class B	Accumulation
36.	Euro		Class B	Income
37.	Sterling	(hedged)	Class B	Accumulation
38.	Sterling	(hedged)	Class B	Income
39.	US Dollar	(hedged)	Class B	Accumulation
40.	US Dollar	(hedged)	Class B	Income
41.	Swiss Franc	(hedged)	Class B	Accumulation
42.	Swiss Franc	(hedged)	Class B	Income
43.	Swedish Krona	(hedged)	Class B	Income
44.	Swedish Krona	(hedged)	Class B	Accumulation
45.	Japanese Yen	(hedged)	Class B	Accumulation

46.	Japanese Yen	(hedged)	Class B	Income
47.	Norwegian Krone	(hedged)	Class B	Accumulation
48.	Norwegian Krone	(hedged)	Class B	Income
49.	Danish Krone	(hedged)	Class B	Accumulation
50.	Danish Krone	(hedged)	Class B	Income
51.	Icelandic Krona	(hedged)	Class B	Accumulation
52.	Icelandic Krona	(hedged)	Class B	Income
53.	Sterling		Class B	Accumulation
54.	Sterling		Class B	Income
55.	US Dollar		Class B	Accumulation
56.	US Dollar		Class B	Income
57.	Swiss Franc		Class B	Accumulation
58.	Swiss Franc		Class B	Income
59.	Swedish Krona		Class B	Income
60.	Swedish Krona		Class B	Accumulation
61.	Japanese Yen		Class B	Accumulation
62.	Japanese Yen		Class B	Income
63.	Norwegian Krone		Class B	Accumulation
64.	Norwegian Krone		Class B	Income
65.	Danish Krone		Class B	Accumulation
66.	Danish Krone		Class B	Income
67.	Icelandic Krona		Class B	Accumulation
68.	Icelandic Krona		Class B	Income
69.	Euro		Class C	Accumulation
70.	Euro		Class C	Income
71.	Sterling	(hedged)	Class C	Accumulation
72.	Sterling	(hedged)	Class C	Income
73.	US Dollar	(hedged)	Class C	Accumulation
74.	US Dollar	(hedged)	Class C	Income
75.	Swiss Franc	(hedged)	Class C	Accumulation
76.	Swedish Krona	(hedged)	Class C	Income
77.	Swedish Krona	(hedged)	Class C	Accumulation

78.	Japanese Yen	(hedged)	Class C	Accumulation
79.	Japanese Yen	(hedged)	Class C	Income
80.	Norwegian Krone	(hedged)	Class C	Accumulation
81.	Norwegian Krone	(hedged)	Class C	Income
82.	Danish Krone	(hedged)	Class C	Accumulation
83.	Danish Krone	(hedged)	Class C	Income
84.	Icelandic Krona	(hedged)	Class C	Accumulation
85.	Icelandic Krona	(hedged)	Class C	Income
86.	Sterling		Class C	Accumulation
87.	Sterling		Class C	Income
88.	US Dollar		Class C	Accumulation
89.	US Dollar		Class C	Income
90.	Swiss Franc		Class C	Accumulation
91.	Swiss Franc		Class C	Income
92.	Swedish Krona		Class C	Income
93.	Swedish Krona		Class C	Accumulation
94.	Japanese Yen		Class C	Accumulation
95.	Japanese Yen		Class C	Income
96.	Norwegian Krone		Class C	Accumulation
97.	Norwegian Krone		Class C	Income
98.	Danish Krone		Class C	Accumulation
99.	Danish Krone		Class C	Income
100.	Icelandic Krona		Class C	Accumulation
101.	Icelandic Krona		Class C	Income
102.	Sterling	(hedged)	Class Z	Income
103.	Sterling	(hedged)	Class Z	Accumulation
104.	US Dollar	(hedged)	Class Z	Income
105.	US Dollar	(hedged)	Class Z	Accumulation
106.	Swiss Franc	(hedged)	Class Z	Accumulation
107.	Swiss Franc	(hedged)	Class Z	Income
108.	Swedish Krona	(hedged)	Class Z	Income
109.	Swedish Krona	(hedged)	Class Z	Accumulation

110.	Japanese Yen	(hedged)	Class Z	Accumulation
111.	Japanese Yen	(hedged)	Class Z	Income
112.	Norwegian Krone	(hedged)	Class Z	Accumulation
113.	Norwegian Krone	(hedged)	Class Z	Income
114.	Danish Krone	(hedged)	Class Z	Accumulation
115.	Danish Krone	(hedged)	Class Z	Income
116.	Icelandic Krona	(hedged)	Class Z	Accumulation
117.	Icelandic Krona	(hedged)	Class Z	Income
118.	Sterling		Class Z	Accumulation
119.	Sterling		Class Z	Income
120.	US Dollar		Class Z	Accumulation
121.	US Dollar		Class Z	Income
122.	Swiss Franc		Class Z	Accumulation
123.	Swiss Franc		Class Z	Income
124.	Swedish Krona		Class Z	Income
125.	Swedish Krona		Class Z	Accumulation
126.	Japanese Yen		Class Z	Accumulation
127.	Japanese Yen		Class Z	Income
128.	Norwegian Krone		Class Z	Accumulation
129.	Norwegian Krone		Class Z	Income
130.	Danish Krone		Class Z	Accumulation
131.	Danish Krone		Class Z	Income
132.	Icelandic Krona		Class Z	Accumulation
133.	Icelandic Krona		Class Z	Income
134.	Euro	(hedged)	Class I	Accumulation
135.	Euro	(hedged)	Class I	Income
136.	Euro		Class I	Accumulation
137.	Euro		Class I	Income
138.	Euro	(hedged)	Class L	Accumulation
139.	Euro	(hedged)	Class L	Income
140.	Euro		Class L	Accumulation
141.	Euro		Class L	Income

The B and C share classes are for institutional investors but the Directors may at their discretion accept applications received from other investors

Minimum Share Class Size

US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Krone	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	€500 or equivalent in another acceptable currency
Class B:	€500,000 or equivalent in another acceptable currency
Class C:	€10,000,000 or equivalent in another acceptable currency
Class I:	€1,000,000 or equivalent in another acceptable currency
Class L:	€500,000 or equivalent in another acceptable currency
Class Z:	€50,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€20,000 or equivalent in another acceptable currency
Class I and L:	no minimum
Class Z:	€1,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€20,000 or equivalent in another acceptable currency
Class I and L:	no minimum
Class Z:	€1,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	€500 or equivalent in another acceptable currency
Class I and L:	no minimum
Classes C and Z:	€1,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 March 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank. After the Initial Offer Period of each class, such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

US Dollar Classes	USD 10
Sterling Classes	GBP 10
Euro (except I and L classes)	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Japanese Yen	JPY 1,000
Norwegian Krone	NOK100
Danish Krone	DKK 100
Icelandic Krone	ISK 100
Euro (I and L classes)	EUR 10,000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1	Euro		Class A	Accumulation
2	Euro		Class A	Income
3	Sterling	(hedged)	Class A	Income
4	US Dollar	(hedged)	Class A	Accumulation
5	US Dollar	(hedged)	Class A	Income
6	Euro		Class B	Accumulation
7	Euro		Class B	Income
8	Sterling	(hedged)	Class B	Income
9	US Dollar	(hedged)	Class B	Income
10	Swiss Franc	(hedged)	Class B	Income
11	Swedish Krona	(hedged)	Class B	Income

12	Euro		Class C	Accumulation
13	Euro		Class C	Income
14	Sterling	(hedged)	Class C	Income
15	US Dollar	(hedged)	Class C	Income

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class Z Shares or Class C Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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. The Fund's objective is to provide income with the potential for capital growth, rather than capital growth alone. 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.

15. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 2% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €30,000 and this cost will be amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

16. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

17. REPORTING FUND STATUS

The Directors intend to apply to HM Revenue and Customs for 'Reporting Fund' status on any of the Fund's Share classes which shall be directed towards the UK market.

18. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Global Equity Income Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Global Equity Income Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Strategic Global Bond Fund;

(3) Kames High Yield Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund;

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

The Directors of the Company, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscriptions for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Shareholders should note that all or part of the fees and expenses (including investment management fees) 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.

Application has been made to the Irish Stock Exchange for the Sterling Class A – Accumulation Shares, Sterling Class A-Income Shares, Swiss Franc Class A- Accumulation Shares, Swiss Franc Class A- Income Shares, Swiss Franc Class B – Accumulation Shares, Swiss Franc Class B- Income Shares, Swiss Franc Class C- Accumulation Shares, Swiss Franc Class C- Income Shares and US Dollar Class A- Income Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the

Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange.

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

The Directors confirm there has been no significant change in the financial or trading position of the Fund 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.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective is to provide income and capital growth over the longer term by investing in the global equities market. The Fund will aim to deliver a yield higher than that generally available from investment in global equities.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its retail sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

In seeking to achieve its investment objective the Fund intends to invest primarily in a portfolio of global equity securities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). The Fund may also invest to a limited extent, in other securities and instruments as described below.

In selecting investments, the Investment Manager shall seek to invest in equity securities that have the potential for growth of income and capital and the Investment Manager shall seek to identify companies with attractive long-term business prospects that generate cash and produce attractive levels of dividend income.

The Fund shall invest in a diversified portfolio of equity securities. The Investment Manager may invest the Fund's assets in securities of companies across a broad range of industries and sectors, with a wide range of market capitalisations and in companies domiciled throughout the world. The Fund is not constrained by any index weightings and will not concentrate on any particular sector or geographic location, however it is intended that, under normal market conditions, the majority of the Fund's investments will be concentrated in liquid shares of companies with a market capitalisation in excess of £1 billion.

Equity Securities:

The Fund shall directly invest at least 80% of the Net Asset Value of the Fund in equity securities. Equity securities shall comprise common stocks of companies which are either incorporated, listed, carrying on business dealt in or traded on a Recognised Market (as defined in the Prospectus) or which are otherwise permitted for this Fund.

Other Securities and Investments:

The Fund may also hold ancillary liquid assets such as cash, cash investments, bank deposits, short term certificates or high quality short-term money market instruments including, but not limited to, commercial paper and treasury bills but the Investment Manager would not expect to hold substantial amounts of assets in these forms except if such investments were considered to be in the best interests of the Shareholders in the Fund.

The Fund may invest up to 10% of the Fund's Net Asset Value in other open-ended collective investment schemes.

The Fund may use financial indices, such as FTSE 100 and the S&P 500, for efficient portfolio management purposes which is further described in **Specific FDI, Futures** and **Options**. The Fund's use of underlying indexes will be in accordance with the Central Bank UCITS Regulations.

The Fund may enter into stock-lending and repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits for such arrangements set down in the Central Bank UCITS Regulations.

Although it is the intention of the Investment Manager to invest primarily in equity securities, in circumstances where the Investment Manager is unable to identify suitable equity investments, the Fund may invest up to 20% of its assets in preferred stocks, convertible securities, rights, warrants, American Depositary Receipts, Global Depositary Receipts and fixed income securities such as corporate, convertible and government bonds or notes (which may be fixed or floating rate and shall primarily be investment grade (although may include non-investment grade to a limited extent)).

The Fund may invest in equity and index warrants. Equity warrants are securities that give the holder the right, but not the obligation, to subscribe for newly created equity issues of the issuing company or a related company at a fixed price either on a certain date or during a set period. Changes in the value of a warrant do not necessarily correspond to changes in the value of its underlying security. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying security and do not represent any rights in the assets of the issuing company. A warrant ceases to have value if it is not exercised prior to its expiration date. These factors can make warrants more speculative than other types of investments.

The Fund may invest in fixed-income obligations convertible into equity securities of global issuers. The convertible securities in which the Fund may invest include warrants, convertible debt and convertible preferred stock. They may be converted at either a stated price or at a stated rate into underlying shares of common stock. Because of this feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds, and in addition, fluctuates in relation to the value of the underlying common stock.

The Fund may invest in rights which are a type of security entitling holders to purchase new shares issued by the corporation at a predetermined price (normally less than the current market price) in proportion to the number of shares already owned. Rights are issued only for a short period of time, after which they expire.

Financial Derivative Instruments (FDI):

The Fund has the ability to invest in FDI for the purposes of efficient portfolio management as further described below.

The assets of the Fund may be denominated in US Dollars or other currencies that may or may not be hedged back to US Dollars at the investment manager's discretion.

Efficient Portfolio Management (EPM)

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDI dealt in or traded on a Recognised Market, namely, futures, options and forwards.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy the following broadly-based requirements:

- they are economically appropriate;
- they are entered into for one or more of the following specific aims:
    - reduction of risk;
    - reduction of cost;
    - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the UCITS Regulations and/or the Central Bank UCITS Regulations;
- their risks are adequately captured by the risk management process of the Fund, and;
- they do not result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the prospectus and this Supplement.

The use of FDI for the purpose of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Specific FDI

Below are the details of the FDI in which the Fund may invest. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section.

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. Generally, these will be futures contracts in relation to: (i) equities/stocks of companies (worldwide); and (ii) the value of financial indices such as FTSE 100 and S&P 500.

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into equity futures contracts in order to both hedge and more efficiently manage the Fund.

Futures will only be used for the purposes of EPM.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for **locking in** gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price.

Generally these will be (i) put/call options in relation to equities/stocks of companies (worldwide); and (ii) put/call options in relation to the types of futures contracts described in the paragraph above.

The Fund may also write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

Options will only be used for the purposes of EPM.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forwards will only be used for the purposes of EPM.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold between 100% to 150% of its assets in long positions and up to 50% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of

FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any given time, be capable of meeting all of its payment and delivery incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as relative value-at-risk (**VaR**) to measure the Fund's global exposure.

VaR is an advanced risk measurement methodology used to assess the Fund's global exposure, as set out in the RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which the VaR of the Fund's portfolio shall not exceed twice the VaR of the reference portfolio; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observational period will be not less than 3 years. VaR will be calculated on a daily basis.

The reference portfolio for the purpose of relating VaR is the MSCI AC World Index (the **Index**). It is a stock market index of over 6,000 global stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International and is often used as a benchmark for global stock funds. The risk profile of the Index is consistent with the investment objectives, policies and limits of the Fund. As it is not expected that the risk profile of the Fund will change frequently, the Fund is managed and marketed with reference to this Index. It is, therefore, appropriate to monitor the global exposure of the Fund using relative VaR.

The level of leverage of the Fund (calculated using the sum of the notionals of the FDIs used by the Fund) under normal circumstance is expected to be in the range of 0% to 50% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. INVESTMENT RESTRICTIONS

The Fund is not permitted to invest in collective investment schemes. In addition, the general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. The Fund shall not invest in collective investment schemes.

5. HEDGED AND UNHEDGED SHARE CLASSES

The Base Currency of the Fund is US Dollar.

The classes of shares available for subscription in the Fund are listed in the section entitled **Key Information for Buying and Selling**.

5.1. 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 currency(ies) of the Fund's underlying assets or the Base Currency. 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.

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

For such Share classes, the Investment Manager intends to 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. This is 'Method 2 (Portfolio Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.8.2 under the heading 'Hedged and Unhedged Share Classes'. The following sections are relevant to hedged Share classes:

5.2.1. The costs of providing hedged Share classes and all other additional 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.

5.2.2. 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.

5.2.3. This currency hedging policy aims to limit any potential currency risk linked to the value of the currency(ies) of the underlying assets falling against the currency in which the hedge 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 value of the currency(ies) of the underlying assets.

This section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

6. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

7. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDI which have been included in the RMP report that has been cleared by the Central Bank.

8. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

8.1. General Risk

The value of the Fund's investments in the securities and assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

8.2. **Objective Risk**

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon global equity securities and FDIs before investing in the Fund.

8.3. **Equities and Securities Risk**

As the Fund will invest primarily in equity securities, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

8.4. **Foreign Investment Risk**

As the Fund will invest in global equity securities, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

8.5. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income investments which are denominated in currencies other than the Base Currency. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

8.6. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the base currency of the Funds, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

8.7. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

8.8. **Custody Risk**

Local custody services in some of the countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

8.9. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

8.10. **Default of Service Provider**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator, or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

8.11. **Payment of Charges and Expenses to Capital**

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 12 of the Supplement. 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.

8.12. **Legal and/or Regulatory Risk**

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.

8.13. **Liquidity Risk**

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

8.14. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

8.15. **Position/Market Risk**

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change, but diversification across a sizeable number of such securities and markets will typically result in the reduction of volatility at the portfolio level compared with the individual security level. In addition, the Investment Manager will select securities such as to endeavour to prevent high levels of volatility, and may reduce volatility further through the use of hedging transactions. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

8.16. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

8.17. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

8.18. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed **Valuation of Assets**.

8.19. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

8.19.1. **General Risk**

The use of these techniques and instruments involves certain risks, including:

(i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(iv) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(v) the Fund may invest in certain FDI which may involve the assumption of obligations as well as rights and assets; and

(vi) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

(vii)

8.19.2. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

8.19.3. **Counterparty/Credit Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures and options. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

8.19.4. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

8.19.5. **Correlation Risk**

The Company may utilise forward contracts and currency options to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

8.19.6. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity

8.20. **Specific Instrument Risks**

8.20.1. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

8.20.2. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

8.20.3. **Convertible Securities**

The risks associated with convertible securities, are similar to the risks associated with normal bonds and options, i.e. there is interest rate risk (the interest rate associated with the bond is below the prevailing market rate), credit risk (the bond par value is not paid back in part or in full), liquidity risk (the bond may not trade frequently with a resulting large spread between the price at which bonds are sold or purchased). The risks associated with options include liquidity and also the risk that at exercise date, the strike price may be above the prevailing market price for the underlying.

9. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses). The Directors currently intend to pay dividends equal to substantially all of the income arising to the income Share classes. This will also ensure that the income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to income shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalization which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation shares may, at the discretion of the Directors, be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

10. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to the global equity market, and who are comfortable with a higher level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

11. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is US Dollar.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	Class A	Income
2.	Sterling	Class A	Accumulation
3.	Euro	Class A	Income
4.	Euro	Class A	Accumulation
5.	US Dollar	Class A	Income
6.	US Dollar	Class A	Accumulation
7.	Swiss Franc	Class A	Income
8.	Swiss Franc	Class A	Accumulation
9.	Swedish Krona	Class A	Income
10.	Swedish Krona	Class A	Accumulation
11.	Norwegian Krone	Class A	Income
12.	Norwegian Krone	Class A	Accumulation
13.	Danish Krone	Class A	Income
14.	Danish Krone	Class A	Accumulation
15.	Icelandic Króna	Class A	Income
16.	Icelandic Króna	Class A	Accumulation
17.	Japanese Yen	Class A	Income
18.	Japanese Yen	Class A	Accumulation
19.	Sterling	Class B	Accumulation
20.	Euro	Class B	Income
21.	Euro	Class B	Accumulation
22.	Euro (hedged)	Class B	Accumulation
23.	US Dollar	Class B	Income
24.	US Dollar	Class B	Accumulation
25.	Swiss Franc	Class B	Income
26.	Swiss Franc	Class B	Accumulation
27.	Swedish Krona	Class B	Income
28.	Swedish Krona	Class B	Accumulation
29.	Norwegian Krone	Class B	Income
30.	Norwegian Krone	Class B	Accumulation

31.	Danish Krone	Class B	Income
32.	Danish Krone	Class B	Accumulation
33.	Icelandic Króna	Class B	Income
34.	Icelandic Króna	Class B	Accumulation
35.	Japanese Yen	Class B	Income
36.	Japanese Yen	Class B	Accumulation
37.	Sterling	Class C	Income
38.	Euro	Class C	Income
39.	US Dollar	Class C	Income
40.	Swiss Franc	Class C	Accumulation
41.	Swiss Franc	Class C	Income
42.	Swedish Krona	Class C	Accumulation
43.	Swedish Krona	Class C	Income
44.	Norwegian Krone	Class C	Income
45.	Norwegian Krone	Class C	Accumulation
46.	Danish Krone	Class C	Income
47.	Danish Krone	Class C	Accumulation
48.	Icelandic Króna	Class C	Income
49.	Icelandic Króna	Class C	Accumulation
50.	Japanese Yen	Class C	Income
51.	Japanese Yen	Class C	Accumulation
52.	US Dollar	Class Z	Accumulation
53.	US Dollar	Class Z	Income
54.	Euro	Class Z	Accumulation
55.	Euro	Class Z	Income
56.	Swedish Krona	Class Z	Accumulation
57.	Swedish Krona	Class Z	Income
58.	Swiss Franc	Class Z	Accumulation
59.	Swiss Franc	Class Z	Income
60.	Norwegian Krone	Class Z	Income
61.	Norwegian Krone	Class Z	Accumulation
62.	Danish Krone	Class Z	Income
63.	Danish Krone	Class Z	Accumulation
64.	Icelandic Króna	Class Z	Income
65.	Icelandic Króna	Class Z	Accumulation
66.	Japanese Yen	Class Z	Income
67.	Japanese Yen	Class Z	Accumulation

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount*

Class A: $1,000 or equivalent in another acceptable currency

Class B: $500,000 or equivalent in another acceptable currency

Class C: $1,000,000 or equivalent in another acceptable currency

Class Z: $250,000,000 or equivalent in another acceptable currency

* For hedged Share classes the minimum investment amount is $10,000,000 (or its foreign currency equivalent)

Minimum additional investment amount

Class A: $1,000 or equivalent in another acceptable currency

Class B: $1,000 or equivalent in another acceptable currency

Class C: $20,000 or equivalent in another acceptable currency

Class Z: $10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Class A: $1,000 or equivalent in another acceptable currency

Class B: $1,000 or equivalent in another acceptable currency

Class C: $20,000 or equivalent in another acceptable currency

Class Z: $10,000,000 or equivalent in another acceptable currency

Minimum residual holding

Class A: $1,000 or equivalent in another acceptable currency

Class B:	$1,000 or equivalent in another acceptable currency
Class C:	$200,000 or equivalent in another acceptable currency
Class Z:	$225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank. After the Initial Offer Period of each class, such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

1.	Sterling Classes	GBP 10
2.	Euro Classes	EUR 10
3.	US Dollar Classes	USD 10
4.	Swiss Franc Classes	CHF 10
5.	Swedish Krona Classes	SEK 100
6.	Norwegian Krone Classes	NOK 100
7.	Danish Krone Classes	DKK 100
8.	Icelandic Króna Classes	ISK 1000
9.	Japanese Yen Classes	JPY 1000

Launched Shares

The following Classes have launched and are available at their Net Asset Value per Share:

1.	Euro		Class A	Accumulation
2.	Euro		Class A	Income
3.	Euro		Class B	Accumulation
4.	Euro		Class B	Income
5.	Euro	(hedged)	Class B	Accumulation
6.	US Dollar		Class A	Accumulation
7.	US Dollar		Class B	Accumulation
8.	US Dollar		Class B	Income
9.	US Dollar		Class C	Income
10.	Sterling		Class B	Accumulation
11.	Sterling		Class C	Income
12.	Swedish Krona		Class C	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor.

There is no preliminary charge payable on the Class B or Class C Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

12. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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.

The Fund's objective is to provide income and capital growth rather than capital growth alone. 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.

13. FEES AND EXPENSES

13.1. Investment Management Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fees shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to rebate a portion of the Investment Management Fees with respect to certain Shareholders' investment in the Fund. Any such rebate or reduction will not entitle other Shareholders to a similar waiver.

The Investment Manager will not charge a performance fee.

13.2. Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

13.3. Depositary Fee

The fee payable to the Depositary for the services provided to the Company shall not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund subject to a minimum fee of £3000 per annum. The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates).

13.4. Registration Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

13.5. Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

13.6. Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000 (excluding VAT).

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

14. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

15. REPORTING FUND STATUS

It is the current intention of the Directors to apply to HM Revenue and Customs for **Reporting Fund** status on any of the sub-funds' Share classes which shall be directed towards the UK market.

Kames Global Equity Market Neutral Fund

Supplement to the Prospectus dated 22 December 2017 for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Global Equity Market Neutral Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other funds in existence as at the date of this Supplement:

1. Kames Investment Grade Global Bond Fund;
2. Kames Strategic Global Bond Fund;
3. Kames High Yield Global Bond Fund;
4. Kames Active Long Dated Bond Fund;
5. Kames Absolute Return Bond Fund;
6. Kames Equity Market Neutral Fund;
7. Kames Equity Market Neutral Plus Fund;
8. Kames Absolute Return Bond Global Fund;
9. Kames Absolute Return Bond Constrained Fund;
10. Kames Global Equity Income Fund;
11. Kames Emerging Market Bond Opportunities Fund;
12. Kames Global Sustainable Equity Fund;
13. Kames Global Diversified Income Fund;
14. Kames Global Diversified Growth Fund; and
15. Kames Short Dated High Yield Global Bond Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should note that the Fund may principally invest in financial derivative instruments.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Shareholders should note that all or part of the fees and expenses (including investment management fees) 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.

Application has been made to the Irish Stock Exchange for all Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 31 October 2017.

The Prospectus and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since the publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **22 December 2017**

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate positive absolute returns over a rolling 3 year period irrespective of market conditions by investing in the global equities market.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in companies listed or traded on a Recognised Market (see Appendix 1 of the Prospectus for a list of Recognised Markets). The Fund will invest in these companies or equity indices primarily using Financial Derivative Instruments (**FDIs**) such as swaps and contracts for differences but may also invest directly in equities. The Fund may also invest in other derivatives and in other securities and instruments as described below.

As a consequence of the Fund's use of FDIs, the Fund may have significant holdings in: (i) overnight, term and call account deposits; and (ii) certificates of deposits and debt and debt related instruments (including bonds and commercial paper) issued by government or corporate issuers (which may be listed or unlisted). The Fund shall endeavor to ensure that the minimum rating of these investments or where appropriate, the rating for the relevant counterparty/deposit taker shall be a long term credit rating of at least one of the following: A- from Standard & Poors, or A3 from Moody's; or if unrated, be deemed to be of comparable quality by the Investment Manager but the Fund may, in certain circumstances, invest in instruments with a lower credit rating in order to comply with its obligation to spread investment risk. These investments will be held to provide liquidity and collateral for exposures generated through the use of FDIs and also for investment purposes to provide a return.

The Fund may invest up to 10% of its Net Asset Value in other collective investment schemes which will allow the Fund to gain exposure to the types of investment referred to in the Investment Policy.

The Fund may hold up to 20% of its Net Asset Value in emerging markets.

Investment Strategy

The Investment Manager will aim to meet the Fund's Investment Objective by using a combination of the strategies below to take advantage of any inefficiencies and/or mispricing of assets in markets which the Investment Manager has identified using proprietary research. Each of the investment strategies are subjected to rigorous scrutiny where the Investment Manager analyses a company's fundamentals (such as changes in production profile or political tensions in a significant operating area), valuation (if an unsustainable valuation gap had opened between two stocks) and technicals (for example, the possibility of a placing of shares or conversely a material share buyback). The Investment Manager will endeavour to generate positive returns regardless of market direction. The Fund may take short positions in order to implement these strategies using FDIs (primarily Contracts for Differences and Swaps), as set out under the heading 'Financial Derivative Instruments' below.

Best ideas

This strategy generates positive returns through the Investment Manager's highest conviction long and short stock-picking ideas. These include equities that it believes will rise or fall in value over a particular period. Positions will be well diversified by sector and often uncorrelated to existing positions.

Themes

Under this strategy the Investment Manager will seek to add value by applying its macro and market view. It will take long and short positions in a number of related stocks based on macro-economic and market themes it identifies. The Investment Manager identifies macroeconomic and market 'themes' through proprietary research. Each theme is comprised of a select group of companies, typically a group of between 5 and 10 companies, and can be long or short. A long theme would be one where the Investment Manager's propriety research identifies improving trends whereas a short theme would be one where the Investment Manager's proprietary research identifies deteriorating trends.

Pair trades
This strategy exploits differences in share price performance between similar stocks. The Investment Manager will take long and short positions in two stocks, which aim to allow the Fund to benefit from the companies' relative prospects without being exposed to market movements in the overall sector in which they operate. For example the Fund might be long stock A and short stock B in the expectation that A's shares would outperform those of B over a period of several months, even though the shares would tend to be highly correlated on a daily basis.

The Fund will generally invest in assets denominated in the Fund's Base Currency but may also invest in assets denominated in other currencies. The Investment Manager will not usually hedge any currency exposures within the investment portfolio back to the Fund's Base Currency but may choose to do so from time to time.

The Fund will use FDIs to implement the above strategies. For example, short positions may be achieved by selling contracts for differences or futures, buying put options, as well as buying or selling forwards. Long and short positions may be taken in any type of equity or index (as described in the Investment Policy). The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest. The Investment Manager shall endeavour to generate a total return that is uncorrelated to major equity market indices by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short). Many of the positions will aim to hedge market risk through the use of appropriate hedging strategies. The portfolio will be diversified by industry, sector and market capitalisation The Investment Manager may invest the Fund's assets in companies across a broad range of industries and sectors, with a wide range of market capitalisations domiciled throughout the world. The Fund is not constrained by any index weightings and will not concentrate on a particular sector or geographic location.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

Financial Derivative Instruments

The Fund will invest extensively in FDIs, for both Efficient Portfolio Management (**EPM**) and investment purposes. Such FDIs shall be limited to contracts for differences, futures, options, swaps, warrants, convertible securities and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

Efficient Portfolio Management and FDIs

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.

- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to implement the strategies referred to above;

(iii) to hedge out market risk; and/or

(iv) to gain an exposure to the composition and performance of a particular index.

FDIs may also be used in order to implement tactical decisions. Contracts for differences, futures, options, swaps, warrants, convertible securities or forwards may be used to increase or reduce the Fund's exposure to a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use contracts for differences, futures, swaps, warrants, options or forwards to manage the Fund's exposure to the market. These instruments may be used to gain or maintain exposure to the market and maintain market neutrality at portfolio level.

Specific FDIs

Below are the details of the FDIs which the Fund may utilise. The underlying assets of these FDIs will be one of the asset classes referred to above in this Investment Policies section.

Contracts for Differences

Contracts for Differences (**CFD**s) involve a contract between two counterparties ("buyer" and "seller") which requires that the seller will pay to the buyer the difference between the current value of an asset and its value at a particular contract time. (If the difference is negative, then the buyer pays instead to the seller.) CFDs allow traders to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on markets. CFDs are typically traded "over-the-counter", which means that they are traded "off-exchange". CFDs are traded on margin, and the leveraging effect of this increases the risk significantly. Margin rates are typically small and therefore a small amount of money can be used to hold a large position. The Fund will invest in CFDs to gain exposure to the equity investments and equity market indices referred to in the Investment Policy, which may include taking short positions.

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. Generally, the underlying assets of the futures contracts will be the equities described in the Fund's Investment Policy. Futures may also be used to gain access to equity indices.

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to equities.

The Fund may also write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The Fund will invest in options to gain exposure to the equity investments referred to in the Investment Policy and to equity indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will also be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can be used to take short positions. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use total return unfunded asset swaps to alter its exposure to equities or equity indices for investment purposes. The underlying assets or indices of the swap will be compatible with the investment objective and policies of the Fund. Any counterparty to a total return swap will not have discretion over the composition or management of the Fund's investment portfolio or of the underlying of the financial derivative instrument. It is not possible to comprehensively list in this Supplement all the counterparties as they have not, as of the date of issue of this Supplement, been selected and they may change from time to time.

Warrants

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. The Fund will invest in warrants to gain exposure to the equity investments referred to in the Investment Policy.

Convertible securities

Convertible securities are convertible bonds, warrants and preferred stock which are convertible into the common equity of a company.

Other Information

The Fund will be able to take long and/or synthetic short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 250% of its assets in long positions and up to 250% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The Fund will manage risks and generate absolute returns within the confines imposed by the Central Bank's UCITS Regulations. This capability will allow the Investment Manager to isolate specific risk within a position, "hedging out" any secondary or additional risk. Active positions may also be placed in order to profit from anticipated movement in individual names, sectors or markets.

The use of FDIs will be fully supported by a risk management process (RMP) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within any limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 3.5% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 125% to 375% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT - REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements (**repo transactions**) for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions and total return swaps (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (**AUM**) subject to repo transactions will be less than 10% AUM and will be close to 100% AUM for total return swaps on a gross exposure basis. The maximum expected proportion of AUM subject to SFTs shall not exceed 250%. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued daily on a mark-to-market basis to provide the realisable market value of the asset should the counterparty fail. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest in commodities.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Sterling

The classes of shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling'.

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 currency(ies) of the Fund's underlying assets or the Base Currency. 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.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. Currency hedged Share classes may carry the reference '(hedged)' in the name of the Share class. For such Share classes, the Investment Manager intends to hedge the currency exposure of those Share classes denominated in a currency other than the Base Currency of the Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in the securities, FDIs and other assets in which it invests may be affected by normal fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. **Objective Risk**

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon equities and FDIs before investing in the Fund.

10.3. **Equities and Securities Risk**

As the Fund will invest primarily in equities and FDIs, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

10.4. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.5. **Foreign Investment Risk**

As the Fund will invest in global equity securities, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

10.6. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Fund's investments may be expressed in a currency other than the Base Currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Fund's investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.7. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.8. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.9. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.10. **Payment of Charges and Expenses to Capital**

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 14 of the Supplement. 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.

10.11. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.12. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.13. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.14. **Valuations of New Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed Valuation of Assets.

10.15. **Position/Market Risk**

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change, but diversification across a sizeable number of such securities and markets will typically result in the reduction of volatility at the portfolio level compared with the individual security level. In addition, the Investment Manager will select securities such as to endeavour to prevent high levels of volatility, and may reduce volatility further through the use of hedging transactions. Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

10.16. **Political Legal and/or Regulatory Risk**

Legal and Regulatory (including taxation) changes could adversely affect the Fund. Regulation (including taxation) of investment vehicles such as the Fund 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 Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders. The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.17. **Liquidity Risk**

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.18. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.19. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

10.19.1. **General Risk**

The use of these techniques and instruments involves certain risks, including:

(i) dependence on the ability to predict movements of the FDI’s and price movements of related instruments;

(ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund.

(iv) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(v) the Fund may invest in certain FDIs which may involve the assumption of obligations as well as rights and assets; and

(vi) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.19.2. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.19.3. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.19.4. **Settlement Risk**

The counterparty to the Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.19.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.19.6. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.20. **Specific Instrument Risks**

10.20.1. Contracts for Differences (CFD)

Futures and options contracts can also be referred to, as well as include, CFD. These can be options and futures on any index or security. However, unlike other futures and options, CFD can only be settled in cash. Investing in a CFD carries the same risks as investing in a future or option. Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may create substantially greater risks.

10.20.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.20.3. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.20.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses which could impact investor returns. There is also a possibility that ongoing FDI 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.

10.20.5. **Warrants**

The Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

10.20.6. **Convertible Securities**

The risks associated with convertible securities, are similar to the risks associated with normal equity FDIs. The risks associated with options include liquidity and also the risk that at exercise date, the strike price may be above the prevailing market price for the underlying.

10.20.7. **Options**

Buying options involves less risk than writing options because, if the price of the underlying assets moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

11. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on an annual basis on the last Business Day of October. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the Application Form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for investors seeking an absolute return through an actively managed portfolio which has the flexibility to access a range of global equities and FDIs. Investors in the Fund should be comfortable with a medium level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Sterling.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	Class A	Income

2.	Sterling	Class A	Accumulation
3.	Euro (hedged)	Class A	Income
4.	Euro (hedged)	Class A	Accumulation
5.	US Dollar (hedged)	Class A	Income
6.	US Dollar (hedged)	Class A	Accumulation
7.	Swiss Franc (hedged)	Class A	Income
8.	Swiss Franc (hedged)	Class A	Accumulation
9.	Swedish Krona (hedged)	Class A	Income
10.	Swedish Krona (hedged)	Class A	Accumulation
11.	Norwegian Krone (hedged)	Class A	Income
12.	Norwegian Krone (hedged)	Class A	Accumulation
13.	Danish Krone (hedged)	Class A	Income
14.	Danish Krone (hedged)	Class A	Accumulation
15.	Icelandic Krona (hedged)	Class A	Income
16.	Icelandic Krona (hedged)	Class A	Accumulation
17.	Japanese Yen (hedged)	Class A	Income
18.	Japanese Yen (hedged)	Class A	Accumulation
19.	Sterling	Class B	Income
20.	Sterling	Class B	Accumulation
21.	Euro (hedged)	Class B	Income
22.	Euro (hedged)	Class B	Accumulation
23.	US Dollar (hedged)	Class B	Income
24.	US Dollar (hedged)	Class B	Accumulation
25.	Swiss Franc (hedged)	Class B	Income
26.	Swiss Franc (hedged)	Class B	Accumulation
27.	Swedish Krona (hedged)	Class B	Income
28.	Swedish Krona (hedged)	Class B	Accumulation
29.	Norwegian Krone (hedged)	Class B	Income
30.	Norwegian Krone (hedged)	Class B	Accumulation
31.	Danish Krone (hedged)	Class B	Income
32.	Danish Krone (hedged)	Class B	Accumulation
33.	Icelandic Krona (hedged)	Class B	Income
34.	Icelandic Krona (hedged)	Class B	Accumulation
35.	Japanese Yen (hedged)	Class B	Income
36.	Japanese Yen (hedged)	Class B	Accumulation
37.	Sterling	Class C	Accumulation
38.	Sterling	Class C	Income
39.	Euro (hedged)	Class C	Accumulation

40. Euro (hedged)	Class C	Income
41. US Dollar (hedged)	Class C	Accumulation
42. US Dollar (hedged)	Class C	Income
43. Swiss Franc (hedged)	Class C	Accumulation
44. Swiss Franc (hedged)	Class C	Income
45. Swedish Krona (hedged)	Class C	Income
46. Swedish Krona (hedged)	Class C	Accumulation
47. Norwegian Krone (hedged)	Class C	Income
48. Norwegian Krone (hedged)	Class C	Accumulation
49. Danish Krone (hedged)	Class C	Income
50. Danish Krone (hedged)	Class C	Accumulation
51. Icelandic Krona (hedged)	Class C	Income
52. Icelandic Krona (hedged)	Class C	Accumulation
53. Japanese Yen (hedged)	Class C	Income
54. Japanese Yen (hedged)	Class C	Accumulation
55. Sterling	Class P	Income
56. Sterling	Class P	Accumulation
57. Euro (hedged)	Class P	Income
58. Euro (hedged)	Class P	Accumulation
59. US Dollar (hedged)	Class P	Income
60. US Dollar (hedged)	Class P	Accumulation
61. Swiss Franc (hedged)	Class P	Income
62. Swiss Franc (hedged)	Class P	Accumulation
63. Swedish Krona (hedged)	Class P	Income
64. Swedish Krona (hedged)	Class P	Accumulation
65. Norwegian Krone (hedged)	Class P	Income
66. Norwegian Krone (hedged)	Class P	Accumulation
67. Danish Krone (hedged)	Class P	Income
68. Danish Krone (hedged)	Class P	Accumulation
69. Icelandic Krona (hedged)	Class P	Income
70. Icelandic Krona (hedged)	Class P	Accumulation
71. Japanese Yen (hedged)	Class P	Income
72. Japanese Yen (hedged)	Class P	Accumulation
73. Sterling	Class Z	Income
74. Sterling	Class Z	Accumulation
75. Euro (hedged)	Class Z	Income
76. Euro (hedged)	Class Z	Accumulation
77. US Dollar (hedged)	Class Z	Income

78.	US Dollar (hedged)	Class Z	Accumulation
79.	Swiss Franc (hedged)	Class Z	Income
80.	Swiss Franc (hedged)	Class Z	Accumulation
81.	Swedish Krona (hedged)	Class Z	Income
82.	Swedish Krona (hedged)	Class Z	Accumulation
83.	Norwegian Krone (hedged)	Class Z	Income
84.	Norwegian Krone (hedged)	Class Z	Accumulation
85.	Danish Krone (hedged)	Class Z	Income
86.	Danish Krone (hedged)	Class Z	Accumulation
87.	Icelandic Krona (hedged)	Class Z	Income
88.	Icelandic Krona (hedged)	Class Z	Accumulation
89.	Japanese Yen (hedged)	Class Z	Income
90.	Japanese Yen (hedged)	Class Z	Accumulation
91.	Euro (hedged)	Class I	Income
92.	Euro (hedged)	Class I	Accumulation
93.	Euro (hedged)	Class L	Income
94.	Euro (hedged)	Class L	Accumulation

The B and C share classes are for institutional investors but the Directors may at their discretion accept applications received from other investors

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	£500 or equivalent in another acceptable currency
Class B:	£500,000 or equivalent in another acceptable currency
Class I:	£1,000,000 or equivalent in another acceptable currency
Class L:	£500,000 or equivalent in another acceptable currency
Class C:	£250,000,000 or equivalent in another acceptable currency
Class Z:	£1,000,000 or equivalent in another acceptable currency
Class P:	£10,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and P:	£500 or equivalent in another acceptable currency
Class B:	£500,000 or equivalent in another acceptable currency
Classes I and L:	no minimum
Classes C and Z:	£1,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A, B and P:	£500 or equivalent in another acceptable currency
Classes I and L:	no minimum
Classes C and Z:	£1,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	£500 or equivalent in another acceptable currency
Classes I and L:	no minimum
Classes C and Z:	£1,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels at their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 March 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling	GBP 10
US Dollar	USD 10
Euro	EUR 10
Swiss Franc	CHF 10
Swedish Krona	SEK 100
Norwegian Krone	NOK 100
Danish Krone	DKK 100
Icelandic Krona	ISK 1000
Japanese yen	JPY 1000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1.	Sterling	Class B	Accumulation
2.	US Dollar (hedged)	Class B	Accumulation
3.	Euro (hedged)	Class B	Accumulation
4.	Swiss Franc (hedged)	Class B	Accumulation
5.	Swedish Krona (hedged)	Class B	Accumulation
6.	Sterling	Class C	Accumulation
7.	US Dollar (hedged)	Class C	Accumulation
8.	Euro (hedged)	Class C	Accumulation
9.	Swiss Franc (hedged)	Class C	Accumulation
10.	Sterling	Class P	Accumulation
11.	US Dollar (hedged)	Class P	Accumulation
12.	Euro (hedged)	Class P	Accumulation
13.	Swiss Franc (hedged)	Class P	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class C Shares or Class Z Shares.

Exchange Charge

The Directors reserve the right, at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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.

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.

15. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1.5% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Performance Fee for the Class P Shares

In addition to the Investment Manager Fees, a Performance Fee is payable by the Class P Shareholders to the Investment Manager in certain circumstances, as set out below. The Investment Manager may agree at its discretion to waive the Performance Fee or a portion of the Performance Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver. The Performance fee shall be payable annually in arrears.

Definitions

High Water Mark is a measure used to ensure that a Performance Fee is only charged when there has been an increase in value over the Performance Period. For the Fund, the High Water Mark is the Net Asset Value per Share when a Performance Fee last crystallised or, if higher, the Initial Issue Price.

Hurdle Price is one of the prices which has to be exceeded (the other being the High Water Mark) before a Performance Fee will accrue. For the Fund, the Hurdle Price at the start of a Performance Period is equal to higher of: (i) the High Water Mark; and (ii) the Hurdle Price at the end of the previous Performance Period. The Hurdle Price on each subsequent day of that Performance Period is calculated on a cumulative basis by multiplying the previous day’s Hurdle Price by one plus the relevant Hurdle Rate. The Hurdle Price is adjusted daily to minimise any negative impact of subscriptions and redemptions on Shareholders.

Hurdle Rate is the relevant cash rate of return applicable in respect of the relevant Share class (as set out in the following table) on the each day during the Performance Period, divided by 365 (or 366 in a leap year). The Investment Manager may amend the relevant cash rate of return upon 60 business days’ written notice to Shareholders. For the purpose of the Hurdle Rate EURIBOR is the Euro Interbank Offered Rate, LIBOR is the London Interbank Offered Rate and STIBOR is the Stockholm Interbank Offered Rate, CHF LIBOR is the Swiss Franc Interbank Offer Rate, NIBOR is the Norwegian Interbank Offered Rate, CIBOR is the Copenhagen Interbank Offered Rate, REIBOR is the Reykjavik Interbank Offered Rate and TIBOR is the Tokyo Interbank Offered Rate.:

Share class	**Relevant cash rate of return**
Class P Euro (hedged) Income Class P Euro (hedged) Accumulation	1 month EURIBOR
Class P GBP Income Class P GBP Accumulation	1 month GBP LIBOR
Class P USD (hedged) Income Class P USD (hedged) Accumulation	1 month USD LIBOR
Class P CHF (hedged) Income Class P CHF (hedged) Accumulation	1 month CHF LIBOR
Class P SEK (hedged) Income Class P SEK (hedged) Accumulation	1 month STIBOR
Class P NOK (hedged) Income Class P NOK (hedged) Accumulation	1 month NIBOR

Class P DKK (hedged) Income Class P DKK (hedged) Accumulation	1 month CIBOR
Class P ISK (hedged) Income Class P ISK (hedged) Accumulation	1 month REIBOR
Class P JPY (hedged) Income Class P JPY (hedged) Accumulation	1 month TIBOR

Outperformance is the amount by which the Net Asset Value per Share exceeds the higher of the High Water Mark and the Hurdle Price.

Performance Fee is a performance related management fee payable to the Investment Manager in addition to the standard investment management fee, in accordance with this Supplement. A Performance Fee will apply to every A Share class of the Fund unless this Supplement states otherwise.

Performance Period is the period over which the Performance Fee is calculated and is the period ending at the valuation point on 31st October of each year. The first Performance Period for each Share class will start on the launch date of that Share class. The Performance Period shall be deemed to end on the date on which any Shares are redeemed.

How the Performance Fee is calculated and paid

The Performance Fee is calculated as 15% of the Outperformance. It is calculated and accrued daily by the Administrator, subject to verification by the Depositary. It is calculated at Share class level (rather than, for example, at Fund level or individual Shareholder level) and more information on how this affects investors who buy or sell shares during a Performance Period can be found under the heading 'Dealing during a Performance Period' below.

Using a High Water Mark in the calculation of Outperformance ensures that Shareholders are only charged a Performance Fee once on any performance generated by the Fund. This means that Shares purchased when the Net Asset Value per Share is less than the High Water Mark will not be subject to any Performance Fee until the date on which the Net Asset Value per Share exceeds the High Water Mark (or, if higher, the Hurdle Price). Where the Net Asset Value per Share is below the High Water Mark at the end of a Performance Period, the High Water Mark will remain unchanged and will not be re-set downwards.

The Net Asset Value per Share and the Hurdle Rate may differ in different Share classes. This means that the amount of Performance Fee payable in respect of a Performance Period may differ between Share classes. The Hurdle Rate will vary from day to day over the Performance Period as the relevant cash rate of return (specified in the table above) changes.

The Performance Fee shall not fall below zero. There is no limit on the amount of the Performance Fee which may be payable in a Performance Period. Once a Performance Fee has been paid, it will not be repaid by the Investment Manager regardless of the future performance of the Fund.

The Performance Fee is based on net realised and net unrealised gains and losses at the end of each Performance Period. As a result, a Performance Fee may be charged on gains which are not subsequently realised. Once a Performance Fee has been paid, no refund will be made.

Where a Performance Fee is payable to the Investment Manager, it will already be reflected in the Net Asset Value per Share. This means that payment of the Performance Fee to the Investment Manager will not result in a sudden drop in the Net Asset Value per Share.

For the purposes of clarification, investors should be aware that the Performance Fee will be calculated as part of the Net Asset Value per share, after any fees and expenses have been deducted but before any Dilution Adjustment has been made. Any reference to the Net Asset Value per share in this Supplement should therefore be construed accordingly.

The application of section 7 and the risks set out in section 10.4 and 10.6 may affect the Performance Fee charged in currency hedged Share classes.

Dealing during a Performance Period

Where an investor holds Shares for part of a Performance Period, a Performance Fee will be payable by the relevant Share class if there is Outperformance over the Performance Period even if, during the part of the Performance Period in which the investor owns Shares, there is no Outperformance. However, any Performance Fee payable will only accrue on those days on which there is Outperformance.

Where Shares are cancelled during a Performance Period and, at the relevant valuation point, the Net Asset Value per Share is above the High Water Mark and the Hurdle Price, any Performance Fee accrued and reflected in the price of those Shares will become payable to the Investment Manager. Any such Performance Fee paid to the Investment Manager will not be repaid even if, at the end of the relevant Performance Period, a Performance Fee would not have been payable in respect of such Shares if they had continued to be held to the end of such Performance Period.

Worked Examples (all prices in pence Sterling)

Note the following worked examples are for illustrative purposes only. They explain how the Performance Fee is calculated and are not predictions of the Net Asset Value per Share, the High Water Mark or the Hurdle Price.

		Performance Period 1		**Performance Period 2**		**Performance Period 3**		**Performance Period 4**		**Performance Period 5**	
		Start	End	Start	End	Start	End	Start	End	Start	End
A	Hurdle Rate		0.5%		1.0%		1.5%		1.5%		2.0%
B	High Water Mark	100.000	100.000	102.625	102.625	102.625	102.625	102.625	102.625	106.968	106.968
C	Hurdle Price	100.000	100.500	102.625	103.651	103.651	105.206	105.206	106.784	106.968	109.107
D	*Illustrative Net Asset Value per Share assuming no performance fee*		*103.000*		*101.000*		*104.000*		*107.000*		*109.107*
E	*Outperformance (row d minus the higher of row c and row b)*		*2.500*		*-2.651*		*-1.206*		*0.216*		*0.000*
F	*Performance Fee accrual (row e multiplied by 15%)*		*0.375*		*0.000*		*0.000*		*0.032*		*0.000*
G	Actual Net Asset Value per Share reflecting Performance fee accrual (row d minus row f)	100.000	102.625	102.625	101.000	101.000	104.000	104.000	106.968	106.968	109.107

Notes to the table above:

For simplicity, the table assumes that the Hurdle Rate has remained constant throughout the Performance Period. In practice, the Hurdle Rate may vary daily and the relevant rate will be applied daily to calculate that day's Hurdle Price.

The Performance Fee is calculated and accrued daily, meaning the Net Asset Value per Share at each valuation point will already reflect any Performance Fee, as shown in row G. The 'Illustrative Net Asset Value per Share' in row D above is not a price at which any investor can buy or sell Shares. This figure is included in the table to show how the Performance Fee is calculated.

Performance Period 1 – Net Asset Value per Share at end of Performance Period is above High Water Mark and Hurdle Price

At the end of Performance Period 1 the Hurdle Price is 100.5p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (100p x 1.005)). The illustrative Net Asset Value per Share at the end of Performance Period 1 is 103p. This is higher than the High Water Mark (100p) and the Hurdle Price (100.5p) at end of the Performance Period and so a Performance Fee is payable on the Outperformance shown in row E (2.5p). The Performance Fee accrual is 15% x 2.5p = 0.375p.

As a performance fee is crystallised at the end of Performance Period 1, the High Water Mark and Hurdle Price for the start of the next Performance Period is set at 102.625p (the Net Asset Value per Share at end of Performance Period 1).

Performance Period 2 – Net Asset Value per Share at end of Performance Period is below High Water Mark and Hurdle Price

At the end of Performance Period 2 the Hurdle Price is 103.651p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (102.625p x 1.01)). The illustrative Net Asset Value per Share at the end of Performance Period 2 is 101p.This is lower than the High Water Mark (102.625p) and the Hurdle Price (103.651p) at end of the Performance Period and so no Performance Fee is payable and the Performance Fee accrual is zero.

As no performance fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains unchanged i.e. 102.625p. The Hurdle Price at the start of the next Performance Period will remain at 103.651p (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Performance Period 3 – Net Asset Value per Share at end of Performance Period is above High Water Mark and below Hurdle Price

At the end of Performance Period 3 the Hurdle Price is 105.206p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (103.651 x 1.015)). The illustrative Net Asset Value per Share at the end of Performance Period 3 is 104p.This is above the High Water Mark (102.625p) however lower than the Hurdle Price at end of the Performance Period, so no Performance Fee is payable and the Performance Fee accrual is zero.

As no Performance Fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains the same i.e. 102.625p. The Hurdle Price at the start of the next Performance Period will remain at 105.206 (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Performance Period 4 – Net Asset Value per Share at end of Performance Period is above High Water Mark and Hurdle Price

At the end of Performance Period 4 the Hurdle Price is 106.784p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (105.206 x 1.015)). The illustrative Net Asset Value per Share at the end of Performance Period 4 is 107p.This is higher than the High Water Mark (106.784p) and the Hurdle Price (104.164) at end of the Performance Period and so a Performance Fee is payable on the Outperformance shown in row E (0.216p). The Performance Fee accrual is 15% x 0.216 = 0.032p.

As a performance fee is crystallised at the end of Performance Period 4, the High Water Mark and Hurdle Price for the start of the next Performance Period are both set at 106.968p (the Net Asset Value per Share at end of Performance Period 4).

Performance Period 5 – No Outperformance, Net Asset Value per Share at end of Performance Period is equal to the Hurdle Price

At the end of Performance Period 5 the Hurdle Price is 109.107p (calculated as the Hurdle Price at the start of the Performance Period x one plus the Hurdle Rate (106.968 x 1.02)). The illustrative Net Asset Value per Share at the end of Performance Period 5 is 109.107p.This is above the High Water Mark (106.968p) and equal to the Hurdle Price (109.107p) at end of the Performance Period. The Outperformance in row E is zero so no Performance Fee is payable. Although at certain times during the Performance Period the Net Asset Value per Share will have been above the Hurdle Price and therefore an accrual would have built up, at the end of the Performance Period the Outperformance is zero and therefore the Performance Fee accrual is zero.

As no Performance Fee is crystallised in this Performance Period, the High Water Mark for the start of the next Performance Period remains the same i.e. 106.968p. The Hurdle Price at the start of the next Performance Period will remain at 109.107p (i.e. the higher of High Water Mark and Hurdle Price at the end of the preceding Performance Period).

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary’s fees will be accrued daily and shall be payable monthly in arrears

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed £20,000 and this cost will be amortised over the first five years of the Fund’s operation.

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure.

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

16. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

17. REPORTING FUND STATUS

The Directors intend to apply to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market.

18. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames Global Sustainable Equity Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Global Sustainable Equity Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Strategic Global Bond Fund;

(3) Kames High Yield Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Equity Income Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Growth Fund;

(8) Kames Absolute Return Bond Fund;

(9) Kames Equity Market Neutral Fund;

(10) Kames Equity Market Neutral Plus Fund;

(11) Kames Absolute Return Bond Global Fund;

(12) Kames Absolute Return Bond Constrained Fund;

(13) Kames Emerging Market Bond Opportunities Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Global Diversified Income Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (together the Prospectus).

The Directors of the Company, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscriptions for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Shareholders should note that all or part of the fees and expenses (including investment management fees) 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.

Application has been made to the Irish Stock Exchange for all Shares of the Fund to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **22 December 2017**

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1. INVESTMENT OBJECTIVE

The investment objective is to maximise total return (income plus capital).

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

In seeking to achieve its investment objective the Fund intends to invest directly in a diversified portfolio of global equity securities which meet the Fund's predefined sustainability criteria.

The Fund is not constrained by any index weightings and will not concentrate on any particular sector. There are no currency or geographical limitations on the Fund's investments. All of the listed assets that the Fund invests in are publicly listed / traded on a Recognised Market (see Appendix 1 of the Prospectus for a list of Recognised Markets).

The Investment Manager may or may not hedge any currency exposures within the Fund's investment portfolio back to the Fund's Base Currency depending on whether it is anticipated that the currency is likely to outperform or underperform against the Base Currency.

Equity Securities:

The Fund shall directly invest at least 80% of the Net Asset Value of the Fund in equity securities. Equity securities shall comprise common stocks of companies which are incorporated, listed, carrying on business, dealt in or traded on a Recognised Market.

Other Investments:

The Fund may invest up to 20% of the Net Asset Value of the Fund in the following ancillary liquid assets: cash, bank deposits, short term certificates, commercial paper and treasury bills.

The Fund may invest up to 10% of the Net Asset Value of the Fund in other open-ended collective investment schemes.

Investment Strategy:

In order to achieve the Fund's investment objective the Investment Manager will directly invest in companies. When investing in a company the Investment Manager uses a consistent Fundamental, Valuation and Technical approach. **Fundamentals**; This involves considering a company's business model, the dynamics of the company's industry (for example, the level of competition and any barriers to entry) and structural trends (for example, changing consumer habits); **Valuation** the company's valuation relative to historical valuations and relative to the valuation of its peers. **Technicals**; the Investment Manager will also seek to identify companies with positive share price momentum (increasing share prices) and earnings momentum by considering a company's historic share prices and expected earnings per share growth (**Technical**).

The aim of this strategy is to consistently identify companies that will outperform their peers and build a diversified, investment portfolio with high levels of stock specific risk[1].

Sustainability Criteria

In order to identify investments which meet the Fund's pre-defined sustainability criteria, the Investment Manager will follow the below two stage process.

Stage one - Potential investments will be screened by the Investment Manager so as to remove the following types of organisation from the Fund's potential investment universe:

[1] *The Fund shall have high levels of stock specific risk given the relatively concentrated nature of the Fund as compared to the investment universe as whole*

Adult entertainment: Firms which own an adult entertainment company or produce adult entertainment.

Animal testing: Firms that engage in the production or sales of animal tested cosmetics

Gambling: Firms which derive more than 10% of revenue from gambling

Genetic modification: Firms which conduct genetic modification for agricultural policies

Tobacco: Firms which derive more than 10% of revenue from tobacco

Weapons: Firms which produce or sell civilian firearms and firms which manufacture or sell armaments, nuclear weapons or associated strategic products

Nuclear power: Firms which own a nuclear power facility

Stage two – Companies which are not eliminated by the stage 1 negative screens shall then be positively screened. The positive screen will use multiple data sources including data from ESG (environment, social & governance) rating agencies, broker research and primary research.

Positive screen – Stage 1 – quantitative assessment

The Investment Manager will employ a quantitative screen using ESG rating data (such as emissions data or safety reports) from a number of third parties to screen those companies which have passed through the negative screen outlined above and identify consistently poor ESG performers for exclusion.

Positive screen – Stage 2 – fundamental analysis

Companies that have then passed through the positive quantitative screen will then be further reviewed for their inclusion in the fund.

The Investment Manager will identify the key ESG risks on a sector basis and positively screen companies accordingly. Fundamental ESG analysis will consider the nature of the products and services that a company provides and also the company's operational practices and standards.

The reporting by companies of ESG data varies by region, sector and within sectors. High ESG impact sectors such as mining, oil & gas, automobiles and airlines would typically report more quantitative information on their ESG performance (for example safety, emissions, energy use, water, mineral grade) which allows more quantitative comparisons and assessments to be made.

For other sectors, where the ESG impacts are less significant (for example media), ESG data disclosure is often less comprehensive. The ESG assessment must therefore be more qualitative focusing on factors such as employee benefits and compensation etc and less on environmental factors since the latter is less relevant to a company's success.

Only companies which the positive screens identify as ESG sector 'leaders' (companies that meet a large amount of the Investment Manager's ESG criteria quantitatively and qualitatively) or 'improvers' (companies where some environmental, social or governance issues have been identified but the company is showing clear evidence of material improvements) will be suitable for investment and inclusion in the portfolio.

Financial Derivative Instruments (FDI):

The Fund has the ability to invest in FDI for the purposes of efficient portfolio management (**EPM**) as further described below.

Efficient Portfolio Management and FDIs

The Fund may invest in FDIs for the purposes of EPM. Permitted EPM transactions are limited to transactions in futures and forwards dealt in or traded on a Recognised Market.

In addition to the foregoing, the transactions must satisfy the following requirements:

- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve at least one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDI for the purpose of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Specific FDI

Below are the details of the FDI in which the Fund may invest. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section.

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 the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Futures will only be used for the purposes of EPM.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forwards will only be used for the purposes of EPM.

Other Information

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The Fund must at any given time, be capable of meeting all of its payment and delivery incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as relative value-at-risk (**VaR**) to measure the Fund's global exposure.

VaR is an advanced risk measurement methodology used to assess the Fund's global exposure, as set out in the RMP. Relative VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which the VaR of the Fund's portfolio shall not exceed twice the VaR of the reference portfolio and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observational period will be not less than 3 years. VaR will be calculated on a daily basis.

The reference portfolio for the purpose of relating VaR is the MSCI AC World Total Return Index (the **Index**). It is a stock market index of over 6,000 global stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International and is often used as a benchmark for global stock funds. The risk profile of the Index is consistent with the investment objectives, policies and limits of the Fund. As it is not expected that the risk profile of the Fund will change frequently, the Fund is managed and marketed with reference to this Index. It is, therefore, appropriate to monitor the global exposure of the Fund using relative VaR. The VaR of the Fund shall not exceed twice the VaR of the Index.

The level of leverage of the Fund (calculated using the sum of the notionals of the FDIs used by the Fund) under normal circumstance is expected to be in the range of 0% to 50% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

5. HEDGED AND UNHEDGED SHARE CLASSES

The Base Currency of the Fund is Euro.

The classes of shares available for subscription in the Fund are listed in the section entitled **Key Information for Buying and Selling**.

5.1. 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 currency(ies) of the Fund's underlying assets or the Base Currency. 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.

5.2. The Company, at its absolute discretion, has the power to issue currency hedged Share classes that are denominated in a currency other than the Base Currency. Currency hedged Share classes may carry the reference '(hedged)' in the name of the Share class.

For such Share classes, the Investment Manager intends to 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. This is 'Method 2 (Portfolio Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'. The following sections are relevant to hedged Share classes:

5.2.1. The costs of providing hedged Share classes and all other additional 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.

5.2.2. 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.

5.2.3. This currency hedging policy aims to limit any potential currency risk linked to the value of the currency(ies) of the underlying assets falling against the currency in which the hedge 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 value of the currency(ies) of the underlying assets.

This section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

6. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

7. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDI which have been included in the RMP report that has been cleared by the Central Bank.

8. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

8.1. **General Instrument Risk**

The value of the Fund's investments in the securities and assets in which it invests may be affected by market fluctuations and other risks inherent in investing in such assets such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

8.2. **Objective Risk**

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon global equity securities and FDIs before investing in the Fund.

8.3. **Equities and Securities Risk**

As the Fund will invest primarily in equity securities, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund’s underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

8.4. **Foreign Investment Risk**

As the Fund will invest in global equity securities, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

8.5. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund’s ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

8.6. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Fund’s investments may be expressed in a currency other than the Base Currency, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

8.7. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

8.8. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

8.9. Default of Service Provider

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator, or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

8.10. Payment of Charges and Expenses to Capital

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 12 of the Supplement. 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.

8.11. Political Legal and/or Regulatory Risk

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. The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

8.12. Liquidity Risk

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result the Fund may have to sell investments at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

8.13. Limited Number of Investments Risk

It is anticipated that the Fund will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

8.14. Position/Market Risk

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change, but diversification across a sizeable number of such securities and markets will typically result in the reduction of volatility at the portfolio level compared with the individual security level. In addition, the Investment Manager will select securities such as to endeavour to prevent high levels of volatility, and may reduce volatility further through the use of hedging transactions Since investment in securities may involve currencies other than the Base Currency, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

8.15. Limited Disposal Rights Risk

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

8.16. Taxation Risk

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

8.17. Valuations of Net Asset Value Risk

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed **Valuation of Assets**.

8.18. FDI Risks

The prices of FDIs, including futures, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted.

8.18.1. General Risk

The use of these techniques and instruments involves certain risks, including:

(i) dependence on the ability to predict movements of the FDIs and price movements of related instruments;

(ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(iii) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(iv) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

(v) the Fund may invest in certain FDIs which may involve the assumption of obligations as well as rights and assets; and

(vi) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

8.18.2. OTC Transactions Risk

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

8.18.3. Credit Risk

The Fund may have credit exposure to counterparties by virtue of investment positions in forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund.

8.18.4. **Settlement Risk**

The counterparty to the Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

8.18.5. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

8.18.6. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity

8.19. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Euro; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders

8.20. **Specific Instrument Risks**

8.20.1. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

8.20.2. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

9. DIVIDEND POLICY

It is the current intention of the Directors to declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends less any applicable expenses). The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalization which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the Application Form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may, at the discretion of the Directors, be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

10. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to the global sustainable equity market, and who are comfortable with a higher level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

11. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Euro.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	Class A	Income
2.	Sterling	Class A	Accumulation
3.	Euro	Class A	Income
4.	Euro	Class A	Accumulation
5.	US Dollar	Class A	Income
6.	US Dollar	Class A	Accumulation
7.	Swiss Franc	Class A	Income
8.	Swiss Franc	Class A	Accumulation
9.	Swedish Krona	Class A	Income
10.	Swedish Krona	Class A	Accumulation
11.	Norwegian Krone	Class A	Income
12.	Norwegian Krone	Class A	Accumulation
13.	Danish Krone	Class A	Income
14.	Danish Krone	Class A	Accumulation
15.	Icelandic Krona	Class A	Income
16.	Icelandic Krona	Class A	Accumulation
17.	Japanese Yen	Class A	Income
18.	Japanese Yen	Class A	Accumulation
19.	Sterling	Class B	Income
20.	Sterling	Class B	Accumulation
21.	Euro	Class B	Income
22.	Euro	Class B	Accumulation
23.	US Dollar	Class B	Income
24.	US Dollar	Class B	Accumulation
25.	Swiss Franc	Class B	Income
26.	Swiss Franc	Class B	Accumulation
27.	Swedish Krona	Class B	Income
28.	Swedish Krona	Class B	Accumulation
29.	Norwegian Krone	Class B	Income
30.	Norwegian Krone	Class B	Accumulation
31.	Danish Krone	Class B	Income
32.	Danish Krone	Class B	Accumulation

33.	Icelandic Krona	Class B	Income
34.	Icelandic Krona	Class B	Accumulation
35.	Japanese Yen	Class B	Income
36.	Japanese Yen	Class B	Accumulation
37.	Sterling	Class C	Accumulation
38.	Sterling	Class C	Income
39.	Euro	Class C	Accumulation
40.	Euro	Class C	Income
41.	US Dollar	Class C	Accumulation
42.	US Dollar	Class C	Income
43.	Swiss Franc	Class C	Accumulation
44.	Swiss Franc	Class C	Income
45.	Swedish Krona	Class C	Income
46.	Swedish Krona	Class C	Accumulation
47.	Norwegian Krone	Class C	Income
48.	Norwegian Krone	Class C	Accumulation
49.	Danish Krone	Class C	Income
50.	Danish Krone	Class C	Accumulation
51.	Icelandic Krona	Class C	Income
52.	Icelandic Krona	Class C	Accumulation
53.	Japanese Yen	Class C	Income
54.	Japanese Yen	Class C	Accumulation
55.	Sterling	Class Z	Income
56.	Sterling	Class Z	Accumulation
57.	Euro	Class Z	Income
58.	Euro	Class Z	Accumulation
59.	US Dollar	Class Z	Income
60.	US Dollar	Class Z	Accumulation
61.	Swiss Franc	Class Z	Income
62.	Swiss Franc	Class Z	Accumulation
63.	Swedish Krona	Class Z	Income
64.	Swedish Krona	Class Z	Accumulation
65.	Norwegian Krone	Class Z	Income
66.	Norwegian Krone	Class Z	Accumulation
67.	Danish Krone	Class Z	Income
68.	Danish Krone	Class Z	Accumulation
69.	Icelandic Krona	Class Z	Income
70.	Icelandic Krona	Class Z	Accumulation

71.	Japanese Yen	Class Z	Income
72.	Japanese Yen	Class Z	Accumulation
73.	Euro	Class I	Accumulation
74.	Euro	Class I	Income
75.	Euro	Class L	Accumulation
76.	Euro	Class L	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Krona Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	€500 or equivalent in another acceptable currency
Class B:	€500,000 or equivalent in another acceptable currency
Class L :	€500,000 or equivalent in another acceptable currency
Class I:	€1,000,000 or equivalent in another acceptable currency
Classes C and Z:	€250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class I and L:	no minimum
Classes C and Z:	€1,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class I and L:	no minimum
Classes C and Z:	€1,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	€500 or equivalent in another acceptable currency
Class I and L:	no minimum
Classes C and Z:	€1,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank. After the Initial Offer Period of each class, such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

1.	Sterling Classes	GBP 10
2.	Euro Classes (excluding I and L Classes)	EUR 10
3.	US Dollar Classes	USD 10
4.	Swiss Franc Classes	CHF 10
5.	Swedish Krona Classes	SEK 100
6.	Norwegian Krone Classes	NOK 100
7.	Danish Krone Classes	DKK 100
8.	Icelandic Krona Classes	ISK 1000
9.	Japanese Yen Classes	JPY 1000
10.	Euro Classes (I and L Classes)	EUR 10,000

Launched Shares

The following Classes have launched and are available at their net asset value per share:

1	Sterling	Class B	Accumulation
2	Euro	Class B	Accumulation
3	Euro	Class B	Income
4	US Dollar	Class B	Accumulation
5	Swiss Franc	Class B	Accumulation
6	Swedish Krona	Class B	Accumulation
7	Sterling	Class C	Accumulation
8	Euro	Class C	Accumulation
9	Euro	Class C	Income
10	US Dollar	Class C	Accumulation

11	Swiss Franc	Class C	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor.

There is no preliminary charge payable on the Class B, Class C or Class Z Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary

12. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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.

The Fund's objective is to maximise total return (income plus capital) rather than capital appreciation alone. 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.

13. FEES AND EXPENSES

13.1. Investment Management Fees

The fee payable to the Investment Manager will be no more than 1.5% per annum of the Net Asset Value of each class.

Such fees shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to rebate a portion of the Investment Management Fees with respect to certain Shareholders' investment in the Fund. Any such rebate or reduction will not entitle other Shareholders to a similar waiver.

13.2. Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

13.3. Depositary Fee

The fee payable to the Depositary for the services provided to the Company shall not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund subject to a minimum fee of £3000 per annum. The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

13.4. Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the Net Asset Value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

13.5. Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

13.6. Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000 (excluding VAT) and this cost will be amortised over the first five years of the Fund's operation.

The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

14. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

15. REPORTING FUND STATUS

The Directors intend to apply to HM Revenue and Customs for **Reporting Fund** status on any of the sub-funds' Share classes which shall be directed towards the UK market.

16. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Kames High Yield Global Bond Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc
An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames High Yield Global Bond Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscriptions for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Shareholders should note that all or part of the fees and expenses (including investment management fees) 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.

Application has been made to the Irish Stock Exchange for the US Dollar Class B- Accumulation Shares and Swiss Franc (hedged) Class B – Income Shares issued and available for issue, to be admitted to the official list and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange.

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

The Directors confirm there has been no significant change in the financial or trading position of the Fund 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. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **22 December 2017**

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1. **INVESTMENT OBJECTIVE**

The investment objective of the Fund is to maximise total return (income plus capital).

2. **INVESTMENT MANAGER**

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its retail sales team to investors in the UK and overseas.

3. **INVESTMENT POLICIES**

The Fund will seek to achieve its investment objective by investing at least two thirds of its net assets in high yield bonds (i.e. securities having a rating of Ba1 by Moody's or below or BB+ by Standard and Poor's or below, or other debt instruments deemed by the Investment Manager to be of similar credit quality) in any currency, which may be government or corporate, and which may be at a fixed or floating rate, rated or unrated. The fund may also hold selected investment grade bonds and cash.

The Fund will invest primarily in high yield bonds whose credit rating is rated below investment grade.

High Yield Bonds The Fund will invest at least two thirds of its net assets within the global high yield bond universe, which are issues rated Ba1 by Moody's or below or BB+ by Standard and Poor's or below, or other debt instruments deemed by the Investment Manager to be of similar credit quality. The average quality of the Fund's holdings will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate. Lower quality companies may be a focus at certain times.

Investment grade bonds The Fund may invest at most 20% of its net assets in bonds issued by companies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), as BBB- or higher by Standard & Poor's (S&P), or equivalent.

Emerging Market Debt The Fund may invest up to 20% of its net assets in what the Investment Manager considers to be smaller, less-developed or emerging markets. The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets. Within emerging market investments, the Fund seeks to participate in the more established markets which the Investment Manager believes provide sufficient liquidity. The Fund may invest in sovereign and corporate emerging market debt. This will usually be, but not exclusively, US dollar denominated.

The Fund will invest primarily in US dollar-denominated assets or assets hedged back to US dollars assets. However, at times, up to 20% of Fund assets may be denominated in non-US currencies that are not hedged back to US dollars.

Duration, yield curve and currency investment strategies will be used. The average portfolio duration of this Fund will normally vary within a plus one and a half to seven and a half year time frame based on the Investment Manager's views for interest rates and government and corporate bond yields. The Investment Manager will take over or under weight positions to various points of the yield curve, in line with its team's views of interest rates and how these will cause the yield curve to change shape. In addition, the Investment Manager will usually hedge the majority of currency exposure arising from bond positions back to the Fund's base currency. From time to time, the Investment Manager may take modest currency positions where it sees potential value, relative to the base currency.

There is no geographic limitation to the investment universe. Most of the assets are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

The Fund will be broadly diversified by industry and issuer. The allocation ranges are subject to change as the market for high yield bonds throughout the world evolves. No issuer will represent more than 10% of the Fund's net assets at any time save as described in paragraph 3.2.2(5) in the Permitted Investments section in the Prospectus.

The Fund may invest up to 20% of its net assets in ancillary liquid assets such as cash, bank deposits, stocks, bonds, short term certificates, commercial paper, and treasury bills. However, no more than 20% of the net assets of the Fund may be held in aggregate in ancillary liquid assets.

Financial Derivative Instruments (FDI)

The Fund may invest in FDIs for the purposes of Efficient Portfolio Management (**EPM**). The Fund may also invest in FDIs for investment purposes.

Efficient Portfolio Management and FDIs

The Fund may invest in FDIs for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the fund:
  - Reduction of risk;
  - Reduction of cost; or
  - The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of index and credit default swaps to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings or to gain exposure to an index or individual stocks.

FDIs may also be used in order to take tactical decisions. Futures, options, forwards and swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options forwards or swaps (including credit default swaps) to increase or reduce the beta, interest rate duration or spread duration of all or part of the Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

Specific FDI

Below are the details of the FDIs in which the Fund may invest. The underlying assets of these FDIs will be one of the asset classes referred to above in this **Investment Policies** section.

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. Generally, the underlying assets of the futures contracts will be government bonds and interest rates**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be the assets referred to in the Investment Policy.

The Fund may also write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example a situation may arise where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlying assets of swaps will be single stocks (bonds) or indices.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may between 100% to 150% of its assets in long positions and up to 50% of its assets in short positions.

Any OTC transactions must be approved with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 14.1% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated using the sum of the notionals of the FDIs used by the Fund) under normal circumstance is expected to be in the range of 50% to 200% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("**repo transactions**) for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment

Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to repo transactions will be less than 100% AUM and the maximum expected proportion of AUM subject to SFTs shall not exceed 200% AUM. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section "Collateral Management Policy" in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager

6. INVESTMENT RESTRICTIONS

The Fund is not permitted to invest in collective investment schemes. In addition, the general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is US Dollar.

The classes available for subscription in the Fund are listed in the section entitled, **Key Information for Buying and Selling**.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-US Dollar classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading FUNDS - Borrowing and Lending Powers the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The following risks may apply to investments made in both private and public debt and FDIs in these asset classes.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the Investment Risks section of the Prospectus and those referred to below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

The investments of the Fund will be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

10.3. Liquidity Risk

The secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond market will be very illiquid. The Fund may have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.4. **Credit Risk**

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of debt asset classes that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.5. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments, changes in interest rates that in the event the Fund makes any fixed interest investments, may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.7. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.8. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.9. **Legal and/or Regulatory Risk**

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.

10.10. **Investment Grade and Government Bonds**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (**S&P**) of BBB- or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors, or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

Although these assets exhibit these minimum ratings, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default, holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.11. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.12. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.13. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of Shareholders.

10.14. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.15. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.16. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator, or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.17. **Payment of Charges and Expenses to Capital**

The fees and expenses of the Fund may be charged to the capital of the Fund in circumstances set out in section 12 of the Supplement. 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.

10.18. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.19. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.20. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted Shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.21. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may not be prepared to permit persons in their jurisdictions to pay interest (or other amounts) to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.22. **Potential Involvement in Litigation Risk**

As a result of the Fund's investment in below investment grade investments and as a consequence of credit problems with such investment and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.23. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed **Valuation of Assets**.

10.24. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM and investment purposes, there is a risk that, in a rising market, potential gains may be restricted.

The use of these techniques and instruments involves certain risks, including:

a) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

b) imperfect correlation between the price movements of the FDI and price movements of related instruments;

c) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

d) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

e) the Fund may invest in certain FDI which may involve the assumption of obligations as well as rights and assets; and

f) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.24.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.24.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.24.3. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.24.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.24.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.25. **Specific Instrument Risks**

10.25.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.25.2. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.25.3. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.25.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

11. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses). The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund will target retail and institutional investors seeking pooled exposure to the high yield global bond market and who are comfortable with a medium level of investment risk. It is expected that the Fund will be held as a part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is US Dollar.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	(hedged)	Class A	Accumulation
2.	Sterling	(hedged)	Class A	Income
3.	US Dollar		Class A	Accumulation
4.	US Dollar		Class A	Income
5.	Euro	(hedged)	Class A	Accumulation
6.	Euro	(hedged)	Class A	Income
7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Japanese Yen	(hedged)	Class A	Accumulation
10.	Japanese Yen	(hedged)	Class A	Income
11.	Swedish Krona	(hedged)	Class A	Accumulation
12.	Swedish Krona	(hedged)	Class A	Income
13.	Norwegian Krone	(hedged)	Class A	Accumulation
14.	Norwegian Krone	(hedged)	Class A	Income
15.	Danish Krone	(hedged)	Class A	Accumulation
16.	Danish Krone	(hedged)	Class A	Income
17.	Icelandic Króna	(hedged)	Class A	Accumulation
18.	Icelandic Króna	(hedged)	Class A	Income

19.	Sterling	(hedged)	Class B	Accumulation
20.	Sterling	(hedged)	Class B	Income
21.	US Dollar		Class B	Accumulation
22.	US Dollar		Class B	Income
23.	Euro	(hedged)	Class B	Accumulation
24.	Euro	(hedged)	Class B	Income
25.	Swiss Franc	(hedged)	Class B	Accumulation
26.	Swiss Franc	(hedged)	Class B	Income
27.	Japanese Yen	(hedged)	Class B	Accumulation
28.	Japanese Yen	(hedged)	Class B	Income
29.	Swedish Krona	(hedged)	Class B	Accumulation
30.	Swedish Krona	(hedged)	Class B	Income
31.	Norwegian Krone	(hedged)	Class B	Accumulation
32.	Norwegian Krone	(hedged)	Class B	Income
33.	Danish Krone	(hedged)	Class B	Accumulation
34.	Danish Krone	(hedged)	Class B	Income
35.	Icelandic Króna	(hedged)	Class B	Accumulation
36.	Icelandic Króna	(hedged)	Class B	Income
37.	Swedish Krona	(hedged)	Class C	Accumulation
38.	Swedish Krona	(hedged)	Class C	Income
39.	Norwegian Krone	(hedged)	Class C	Accumulation
40.	Norwegian Krone	(hedged)	Class C	Income
41.	Danish Krone	(hedged)	Class C	Accumulation
42.	Danish Krone	(hedged)	Class C	Income
43.	Icelandic Króna	(hedged)	Class C	Accumulation
44.	Icelandic Króna	(hedged)	Class C	Income
45.	Japanese Yen	(hedged)	Class C	Accumulation
46.	Japanese Yen	(hedged)	Class C	Income
47.	Euro	(hedged)	Class I	Accumulation
48.	Euro	(hedged)	Class L	Accumulation
49.	Sterling	(hedged)	Class S	Accumulation
50.	Sterling	(hedged)	Class S	Income

51.	US Dollar		Class S	Accumulation
52.	US Dollar		Class S	Income
53.	Euro	(hedged)	Class S	Accumulation
54.	Euro	(hedged)	Class S	Income
55.	Swedish Krona	(hedged)	Class S	Accumulation
56.	Swedish Krona	(hedged)	Class S	Income
57.	Swiss Franc	(hedged)	Class S	Accumulation
58.	Swiss Franc	(hedged)	Class S	Income
59.	Norwegian Krone	(hedged)	Class S	Accumulation
60.	Norwegian Krone	(hedged)	Class S	Income
61.	Danish Krone	(hedged)	Class S	Accumulation
62.	Danish Krone	(hedged)	Class S	Income
63.	Icelandic Króna	(hedged)	Class S	Accumulation
64.	Icelandic Króna	(hedged)	Class S	Income
65.	Japanese Yen	(hedged)	Class S	Accumulation
66.	Japanese Yen	(hedged)	Class S	Income
67.	Sterling	(hedged)	Class Z	Accumulation
68.	Sterling	(hedged)	Class Z	Income
69.	US Dollar		Class Z	Accumulation
70.	US Dollar		Class Z	Income
71.	Euro	(hedged)	Class Z	Accumulation
72.	Euro	(hedged)	Class Z	Income
73.	Swedish Krona	(hedged)	Class Z	Accumulation
74.	Swedish Krona	(hedged)	Class Z	Income
75.	Swiss Franc	(hedged)	Class Z	Accumulation
76.	Swiss Franc	(hedged)	Class Z	Income
77.	Norwegian Krone	(hedged)	Class Z	Accumulation
78.	Norwegian Krone	(hedged)	Class Z	Income
79.	Danish Krone	(hedged)	Class Z	Accumulation
80.	Danish Krone	(hedged)	Class Z	Income
81.	Icelandic Króna	(hedged)	Class Z	Accumulation
82.	Icelandic Króna	(hedged)	Class Z	Income

83.	Japanese Yen	(hedged)	Class Z	Accumulation
84.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

The S share classes are for institutional investors and are not available to investors investing in the Fund via investment platforms but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Class A

Minimum initial investment amount

USD1,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class B

Minimum initial investment amount

USD500,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class C

Minimum initial investment amount

$250,000,000

Minimum additional investment amount

$10,000,000

Minimum withdrawal amount

$10,000,000

Minimum residual holding

$225,000,000

Class I

Minimum initial investment amount

EUR1,000,000

Minimum additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class L

Minimum initial investment amount

EUR500,000

Minimum additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class S

Minimum initial investment amount

USD 100,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 50,000,000 or equivalent in another acceptable currency

Class Z

Minimum initial investment amount

$250,000,000

Minimum additional investment amount

$10,000,000

Minimum withdrawal amount

$10,000,000

Minimum residual holding

$225,000,000

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

The Initial Issue Price per Share is:

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Swiss Franc Classes	CHF 10
Japanese Yen Classes	JPY 1,000
Swedish Krona Classes	SEK 100
Norwegian Krone Classes	NOK 100
Danish Krone Classes	DKK 100
Icelandic Króna Classes	ISK 1,000
Euro Classes (except I and L Classes)	EUR 10
Euro Classes (I and L Classes)	EUR 10,000

Launched Share Classes

The following Classes have launched and are available at their Net Asset Value per Share:

1	Sterling	(hedged)	Class A	Income
2	Euro	(hedged)	Class A	Income
3	Euro	(hedged)	Class A	Accumulation
4	US Dollar		Class A	Income
5	US Dollar		Class A	Accumulation
6	Swiss Franc	(hedged)	Class A	Accumulation
7	US Dollar		Class B	Income
8	Sterling	(hedged)	Class B	Income
9	Sterling	(hedged)	Class B	Accumulation
10	Euro	(hedged)	Class B	Income

11	Euro	(hedged)	Class B	Accumulation
12	Swiss Franc	(hedged)	Class B	Accumulation
13	Euro	(hedged)	Class L	Accumulation
14	Euro	(hedged)	Class I	Accumulation
15	Swedish Krona	(hedged)	Class B	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund and up to 3% of the Net Asset Value per Share in connection with the subscription of Class L Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares or Class I Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5**%** of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled **Dilution Adjustment** in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. CHARGING OF FEES AND EXPENSES TO CAPITAL

The fees and expenses (including investment management fees) of the Fund may be charged (in whole or part) to the capital of the Fund in order to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or 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.

The Fund's objective is to maximise total returns (income plus capital), rather than capital growth alone. 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.

15. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each Fund. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for both custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates).The Depositary fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to above, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

This section should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

16. REPORTS TO SHAREHOLDERS

The accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to Shareholders within four months and two months respectively of the periods to which they relate.

17. REPORTING FUNDS REGIME – SHARE CLASSES

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market.

Kames Investment Grade Global Bond Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Investment Grade Global Bond Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Active Long Dated Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames High Yield Global Bond Fund;

(4) Kames Global Sustainable Equity Fund;

(5) Kames Global Equity Market Neutral Fund;

(6) Kames Global Diversified Growth Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Absolute Return Bond Fund;

(9) Kames Strategic Global Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund;

(14) Kames Emerging Market Bond Opportunities Fund; and

(15) Kames Short Dated High Yield Global Bond Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Application has been made to the Irish Stock Exchange for the US Dollar Class S – Income Shares, Sterling (hedged) Class S – Income Shares and Euro (hedged) Class S- Income Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange.

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

The Directors confirm there has been no significant change in the financial or trading position of the Fund 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. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximise total return (income plus capital).

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its retail sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing primarily in investment grade government and corporate bonds in any currency which may be at a fixed or floating rate, rated or unrated. The Fund may also hold selected high yield bonds and cash.

Investment Grade Bonds The Fund will invest at least 67% of its net assets in bonds issued by companies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's) BBB- or higher by Standard & Poor's (S&P) or BBB- or higher by Fitch or its successors or equivalent or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

High Yield Bonds The Fund may invest up to 20% of its net assets in high yield bonds, which are issues rated Ba1 by Moody's or below or BB+ by Standard and Poor's or below, or non-rated debt instruments deemed by the Investment Manager to be of similar credit quality. The average quality of the Fund's holdings will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate. Lower quality companies may be a focus at certain times.

The Fund will be broadly diversified by industry and issuer. The allocation ranges are subject to change as the market for high yield bonds throughout the world evolves. No issuer will represent more than 10% of the Fund's net assets at any time save as described in paragraph 3.2.2(5) in the Permitted Investments section in the Prospectus.

The Fund may invest in government bonds both fixed and floating, inflation linked, rated and unrated.

The Fund may make use of derivatives for investment purposes (as well as for the purposes of Efficient Portfolio Management), as provided for below.

Duration, yield curve and currency investment strategies will be used. The Investment Manager will take over or under weight positions to various points of the yield curve, in line with its team's views of interest rates and how these will cause the yield curve to change shape. In addition, the Investment Manager will usually hedge the majority of currency exposure arising from bond positions back to the Fund's base currency. From time to time, the Investment Manager may take modest currency positions where it sees potential value, relative to the base currency.

There is no geographic limitation to the investment universe. Most of the assets are publicly listed/traded on Recognised Markets with an active secondary market (see Appendix 1 for a list of Recognised Markets).

The Fund will invest primarily in US Dollar-denominated assets or assets hedged back to US Dollars assets. However, at times, up to 20% of Fund net assets may be denominated in non-US currencies that are not hedged back to US dollars.

The Fund may invest up to 20% of its net assets in ancillary liquid assets such as cash, bank deposits, stocks, bonds, short term certificates, commercial paper, and treasury bills. However, no more than 20% of the net assets of the Fund may be held in aggregate in ancillary liquid assets.

Financial Derivative Instruments

The Fund may invest in financial derivative instruments (**FDI**s) for the purposes of Efficient Portfolio Management (**EPM**).The Fund may also invest in FDIs for investment purposes.

Efficient Portfolio Management and FDIs

The Fund may invest in FDIs for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparties with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purpose of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of index and credit default swaps to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings or to gain exposure to an index or individual stocks.

FDIs may also be used in order to take tactical decisions. Futures, options, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

Specific FDI

Below are the details of the FDI in which the Fund may invest. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section.

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. Generally, these the underlying assets of the futures contracts will be the reference security, index, interest rate or currency**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be the assets referred to in the Investment Policy.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example a situation may arise where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlyings of swaps will be single stocks (bonds) or indices.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold between 100% to 150%% of its assets in long positions and up to 50% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (RMP) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within any limits set down by the Central Bank

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's risk management process (**RMP**). VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 14.1% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 200% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. INVESTMENT RESTRICTIONS

The Fund shall not invest in collective investment schemes. In addition, the general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund.

5. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is US Dollar.

The classes available for subscription in the Fund are listed in the section entitled, **Key Information for Buying and Selling**.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-US Dollar classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

6. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading FUNDS - Borrowing and Lending Powers the Fund may borrow up to 10% of its net assets on a temporary basis.

7. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

8. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

8.1. General Instrument Risk

The following risks may apply to investments made in both private and public debt and FDIs in these asset classes.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

8.2. Objective Risk

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "Investment Risks" section of the Prospectus and those referred to below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

The investments of the Fund will be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

8.3. Liquidity Risk

The secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond market will be very illiquid. The Fund may have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of

Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

8.4. **Credit Risk**

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of debt asset classes that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

8.5. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments, changes in interest rates that in the event the Fund makes any fixed interest investments, may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the net asset value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

8.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

8.7. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the net asset value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

8.8. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

8.9. **Legal and/or Regulatory Risk**

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.

8.10. **Investment Grade and Government Bonds**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors, or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

8.11. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

8.12. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

8.13. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

8.14. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an ongoing basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

8.15. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

8.16. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

8.17. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

8.18. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may not be prepared to permit persons in their jurisdictions to pay interest (or other amounts) to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

8.19. **Potential Involvement in Litigation Risk**

As a result of the Fund's investment in below investment grade investments and as a consequence of credit problems with such investment and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

8.20. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

8.21. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

8.22. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM and investment purposes, there is a risk that, in a rising market, potential gains may be restricted.

The use of these techniques and instruments involves certain risks, including:

a) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

b) imperfect correlation between the price movements of the FDI and price movements of related instruments;

c) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

d) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

e) the Fund may invest in certain FDI which may involve the assumption of obligations as well as rights and assets; and

f) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

8.22.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

8.22.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

8.22.3. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

8.22.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

8.22.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

8.23. **Specific Instrument Risks**

8.23.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

8.23.2. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

8.23.3. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

8.23.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

9. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each Class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

10. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to the investment grade global bond market and who are comfortable with a medium level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall significantly in value. It is important to understand that the fund should be viewed as a medium to long term investment.

11. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is US Dollar.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	(hedged)	Class A	Accumulation
2.	Sterling	(hedged)	Class A	Income
3.	US Dollar		Class A	Accumulation
4.	US Dollar		Class A	Income
5.	Euro	(hedged)	Class A	Accumulation
6.	Euro	(hedged)	Class A	Income

7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Japanese Yen	(hedged)	Class A	Accumulation
10.	Japanese Yen	(hedged)	Class A	Income
11.	Icelandic Króna	(hedged)	Class A	Accumulation
12.	Icelandic Króna	(hedged)	Class A	Income
13.	Norwegian Krone	(hedged)	Class A	Accumulation
14.	Norwegian Krone	(hedged)	Class A	Income
15.	Swedish Krona	(hedged)	Class A	Accumulation
16.	Swedish Krona	(hedged)	Class A	Income
17.	Danish Krone	(hedged)	Class A	Accumulation
18.	Danish Krone	(hedged)	Class A	Income
19.	Sterling	(hedged)	Class B	Accumulation
20.	Sterling	(hedged)	Class B	Income
21.	US Dollar		Class B	Accumulation
22.	US Dollar		Class B	Income
23.	Euro	(hedged)	Class B	Accumulation
24.	Euro	(hedged)	Class B	Income
25.	Swiss Franc	(hedged)	Class B	Accumulation
26.	Swiss Franc	(hedged)	Class B	Income
27.	Japanese Yen	(hedged)	Class B	Accumulation
28.	Japanese Yen	(hedged)	Class B	Income
29.	Icelandic Króna	(hedged)	Class B	Accumulation
30.	Icelandic Króna	(hedged)	Class B	Income
31.	Norwegian Krone	(hedged)	Class B	Accumulation
32.	Norwegian Krone	(hedged)	Class B	Income
33.	Swedish Krona	(hedged)	Class B	Accumulation
34.	Swedish Krona	(hedged)	Class B	Income

35.	Danish Krone	(hedged)	Class B	Accumulation
36.	Danish Krone	(hedged)	Class B	Income
37.	Swedish Krona	(hedged)	Class C	Accumulation
38.	Swedish Krona	(hedged)	Class C	Income
39.	Japanese Yen	(hedged)	Class C	Accumulation
40.	Japanese Yen	(hedged)	Class C	Income
41.	Icelandic Króna	(hedged)	Class C	Accumulation
42.	Icelandic Króna	(hedged)	Class C	Income
43.	Norwegian Krone	(hedged)	Class C	Accumulation
44.	Norwegian Krone	(hedged)	Class C	Income
45.	Danish Krone	(hedged)	Class C	Accumulation
46.	Danish Krone	(hedged)	Class C	Income
47.	Euro	(hedged)	Class I	Accumulation
48.	Euro	(hedged)	Class L	Accumulation
49.	US Dollar		Class S	Accumulation
50.	US Dollar		Class S	Income
51.	Euro	(hedged)	Class S	Accumulation
52.	Euro	(hedged)	Class S	Income
53.	Swedish Krona	(hedged)	Class S	Accumulation
54.	Swedish Krona	(hedged)	Class S	Income
55.	Swiss Franc	(hedged)	Class S	Accumulation
56.	Swiss Franc	(hedged)	Class S	Income
57.	Sterling	(hedged)	Class S	Accumulation
58.	Sterling	(hedged)	Class S	Income
59.	Japanese Yen	(hedged)	Class S	Accumulation
60.	Japanese Yen	(hedged)	Class S	Income
61.	Icelandic Króna	(hedged)	Class S	Accumulation
62.	Icelandic Króna	(hedged)	Class S	Income

63.	Norwegian Krone	(hedged)	Class S	Accumulation
64.	Norwegian Krone	(hedged)	Class S	Income
65.	Danish Krone	(hedged)	Class S	Accumulation
66.	Danish Krone	(hedged)	Class S	Income
67.	US Dollar		Class Z	Accumulation
68.	US Dollar		Class Z	Income
69.	Euro	(hedged)	Class Z	Accumulation
70.	Euro	(hedged)	Class Z	Income
71.	Swedish Krona	(hedged)	Class Z	Accumulation
72.	Swedish Krona	(hedged)	Class Z	Income
73.	Swiss Franc	(hedged)	Class Z	Accumulation
74.	Swiss Franc	(hedged)	Class Z	Income
75.	Sterling	(hedged)	Class Z	Accumulation
76.	Sterling	(hedged)	Class Z	Income
77.	Japanese Yen	(hedged)	Class Z	Accumulation
78.	Japanese Yen	(hedged)	Class Z	Income
79.	Icelandic Króna	(hedged)	Class Z	Accumulation
80.	Icelandic Króna	(hedged)	Class Z	Income
81.	Norwegian Krone	(hedged)	Class Z	Accumulation
82.	Norwegian Krone	(hedged)	Class Z	Income
83.	Danish Krone	(hedged)	Class Z	Accumulation
84.	Danish Krone	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Directors may at their discretion accept applications received from other investors.

The S share classes are for institutional investors and are not available to investors investing in the Fund via investment platforms but the Directors may at their discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Class A

Minimum initial investment amount

USD1,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class B

Minimum initial investment amount

USD500,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class C

Minimum initial investment amount

USD 250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 225,000,000 or equivalent in another acceptable currency

Class I

Minimum investment limit

EUR1,000,000

Min additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class L

Minimum investment limit

EUR500,000

Min additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class S

Minimum initial investment amount

USD 100,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 50,000,000 or equivalent in another acceptable currency

Class Z

Minimum initial investment amount

USD 250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 10 February 2018. The Initial Offer Period of each Share class may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank. After the Initial Offer Period of each Share class, Shares in each class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

The Initial Issue Price per Share is:

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro Classes (except I and L Classes)	EUR 10
Euro Classes (I and L Classes)	EUR 10,000
Swiss Franc Classes	CHF 10
Japanese Yen Classes	JPY 10
Icelandic Króna Classes	ISK 10
Norwegian Krone Classes	NOK 10
Swedish Krona Classes	SEK 10
Danish Krone Classes	DKK 10

Launched Shares

The following Share classes are currently issues at their Net Asset Value per Share on each Dealing Day.

1	Sterling (hedged)	Class A	Income
2	Euro (hedged)	Class A	Accumulation
3	Euro (hedged)	Class A	Income
4	US Dollar	Class A	Income
5	US Dollar	Class A	Accumulation
6	US Dollar	Class B	Income
7	Euro (hedged)	Class B	Accumulation
8	Sterling (hedged)	Class B	Accumulation
9	Euro (hedged)	Class B	Income

10	Swedish Krona (hedged)	Class B	Accumulation
11	Swiss Franc (hedged)	Class B	Accumulation
12	Euro (hedged)	Class I	Accumulation
13	Euro (hedged)	Class L	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions or Redemptions is defined as 11.00am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares and a charge of up to 3% of the Net Asset Value per Share in connection with the subscription of Class L Shares. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares or Class I Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

12. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of the Fund.

Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees shall be accrued daily and payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to above, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

13. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to Shareholders within four months and two months respectively of the periods to which they relate.

14. REPORTING FUNDS REGIME – SHARE CLASSES

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the sub-funds' Share classes which shall be directed towards the UK market.

Kames Strategic Global Bond Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Strategic Global Bond Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames High Yield Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames Absolute Return Bond Constrained Fund

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the Prospectus).

The Directors of the Company, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should also note that subscriptions for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

Application has been made to the Irish Stock Exchange for all Class A Shares, Class B Shares, Class C Shares, Class I Shares, Class J Shares, Class L Shares, Class S Shares and Class Z Shares of the Fund issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such admission will become effective on or about 22 December 2017.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange.

As at the date of this Supplement, the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

The Directors confirm there has been no significant change in the financial or trading position of the Fund 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.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: **22 December 2017**

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximise total return (income plus capital).

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its retail sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing at least two thirds of its net assets in global debt instruments in any currency, ranging from AAA Government Bonds through to high yield and emerging market bonds. The investment grade and government bond sector includes all fixed income securities available globally, including (but not limited to) the following:

The Fund may invest in government and corporate bonds which may be at a fixed or floating rate, rated or unrated.

Investment Grade Bonds

The Fund may invest up to 100% of its net assets in bonds issued by companies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services or its successors (**Moody's**), BBB- or higher by Standard & Poor's Rating Services or its successors (**S&P**), or BBB- or higher by Fitch Ratings or its successors (**Fitch**) or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

Emerging Market Debt

The Fund may invest up to 40% of its net assets in what the Investment Manager considers to be smaller, less-developed or emerging markets. The Investment Manager's opinion as to what are emerging markets may change over time as a result of developments in national or regional economies and capital markets. Within emerging market investments, the Fund seeks to participate in the more established markets which the Investment Manager believes provide sufficient liquidity. The Fund may invest in sovereign and corporate emerging market debt. This will usually be, but not exclusively, US dollar denominated.

High Yield Bonds

The Fund may invest up to 100% of its net assets in high yield bonds, which are issues rated Ba1 by Moody's or below or BB+ by S&P or below, or non-rated debt instruments deemed by the Investment Manager to be of similar credit quality. The average quality of the Fund's holdings will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate. Lower quality companies may be a focus at certain times.

The Fund will be broadly diversified by industry and issuer. The allocation ranges are subject to change as the market for high yield bonds throughout the world evolves. No issuer will represent more than 10% of the Fund's net assets at any time save as described in paragraph 3.2.2(5) in the Permitted Investments section in the Prospectus.

Duration, yield curve and currency investment strategies will be used. The Investment Manager will take over or under weight positions to various points of the yield curve, in line with its team's views of interest rates and how these will cause the yield curve to change shape. In addition, the Investment Manager will usually hedge the majority of currency exposure arising from bond positions back to the Fund's base currency. From time to time, the Investment Manager may take modest currency positions where it sees potential value, relative to the base currency.

There is no geographic limitation to the investment universe. Most of the assets are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

The Fund will invest primarily in US Dollar-denominated assets or assets hedged back to US Dollars assets. However, at times, up to 50% of Fund net assets may be denominated in non-US currencies that are not hedged back to US dollars.

The Fund may invest up to 20% of its net assets in ancillary liquid assets such as cash, bank deposits, stocks, bonds, short term certificates, commercial paper, and treasury bills. However, no more than 20% of the net assets of the Fund may be held in aggregate in ancillary liquid assets.

Financial Derivative Instruments (FDI)

The Fund may invest in FDIs for the purposes of Efficient Portfolio Management (**EPM**). The Fund may also invest in FDIs for investment purposes.

Efficient Portfolio Management and FDIs

The Fund may invest in FDI for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Fund may use forward currency transactions to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

There is no limit on the amount of the assets which may be used for EPM. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

- EPM may not include speculative transactions.
- Transactions for EPM purposes must be economically appropriate.
- The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the Fund:
    - Reduction of risk
    - Reduction of cost
    - The generation of additional capital or income for the Fund with no, or an acceptably low level of risk.
- Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.
- They cannot result in a change to the Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Fund identified in the Prospectus and this Supplement.

The use of FDIs for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

Investment Purposes

The Fund may use FDIs for investment purposes. The Fund may use FDIs

(i) as a substitute for taking a position in an underlying asset;

(ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of index and swaps to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings or to gain exposure to an index or individual stocks.

FDIs may also be used in order to take tactical decisions. Futures, options, forwards or swaps may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

Specific FDI

Below are the details of the FDI in which the Fund may invest. The underlying assets of these FDI will be one of the asset classes referred to above in this **Investment Policies** section.

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. Generally, the underlying assets of the futures contracts will be government bonds and interest rates**.**

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be the assets referred to in the Investment Policy.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example a situation may arise where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund may use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlyings of swaps will be single stocks (bonds) or indices.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 200% of its assets in long positions and up to 100% of its assets in short positions.

Transactions in OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall risk objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 14.1% of the Net Asset Value of the Fund; and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 200% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("**repo transactions**) for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to repo transactions will be less than 100% AUM and the maximum expected proportion of AUM subject to SFTs shall not exceed 200% AUM. The Company's counterparties for SFTs must satisfy the requirements for counterparties set out in the Company's RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section “Collateral Management Policy” in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. The Fund shall not invest in collective investment schemes.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is US Dollar.

The classes available for subscription in the Fund are listed in the section entitled, **Key Information for Buying and Selling**.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-US Dollar classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is 'Method 1 (Base Currency Hedging)' of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading 'Hedged and Unhedged Share Classes'.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The following risks may apply to investments made in both private and public debt and FDIs in these asset classes.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the Investment Risks section of the Prospectus and those referred to below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

The investments of the Fund will be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

10.3. Liquidity Risk

From time to time the secondary market for high yield bonds is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond market will be very illiquid. As a result the Fund may have to sell holdings of high yield bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.4. Credit Risk

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.5. Interest Rate Risk

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments, changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the net asset value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.7. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the net asset value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.8. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.9. **Legal and/or Regulatory Risk**

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.

10.10. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by S&P of BBB-, or by Moody's of Baa3, or by Fitch of BBB- , or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade debt**.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the senior debt. Subordinated debt has a higher expected rate of return than **senior debt** due to the increased inherent risk.

10.11. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.12. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.13. **Emerging Markets Risk**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.14. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.15. **Conflict of Interest Risk**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an ongoing basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly.

10.16. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.17. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.18. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.19. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.20. **Potential Involvement in Litigation Risk**

As a result of the Fund's investment in below investment grade investments and as a consequence of credit problems with such investment and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.21. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed Valuation of Assets.

10.22. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.23. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM and investment purposes, there is a risk that, in a rising market, potential gains may be restricted.

The use of these techniques and instruments involves certain risks, including:

a) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

b) imperfect correlation between the price movements of the FDI and price movements of related instruments;

c) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

d) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;

e) the Fund may invest in certain FDI which may involve the assumption of obligations as well as rights and assets; and

f) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.23.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.23.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.23.3. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.23.4. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.23.5. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.24. **Specific Instrument Risks**

10.24.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.24.2. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.24.3. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.24.4. **Swaps**

Where the Fund enters into swap arrangements and FDI techniques, it 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 Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

11. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at the close of business on the last Business Day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. This will also ensure that the Income Share classes can qualify as reporting funds for UK tax purposes. Any such dividend in relation to the Income Share classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares classes. Each class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting

Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their distribution of income automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Distributions not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled **Dividend Policy** in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking pooled exposure to global bond markets and who are comfortable with a medium level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall significantly in value. It is important to understand that the Fund should be viewed as a medium to long term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is US Dollar.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	(hedged)	Class A	Accumulation
2.	Sterling	(hedged)	Class A	Income
3.	US Dollar		Class A	Accumulation
4.	US Dollar		Class A	Income
5.	Euro		Class A	Accumulation
6.	Euro	(hedged)	Class A	Accumulation
7.	Euro	(hedged)	Class A	Income
8.	Swiss Franc	(hedged)	Class A	Accumulation
9.	Swiss Franc	(hedged)	Class A	Income
10.	Japanese Yen	(hedged)	Class A	Accumulation
11.	Japanese Yen	(hedged)	Class A	Income
12.	Swedish Krona	(hedged)	Class A	Accumulation
13.	Swedish Krona	(hedged)	Class A	Income

14.	Norwegian Krone	(hedged)	Class A	Accumulation
15.	Norwegian Krone	(hedged)	Class A	Income
16.	Danish Krone	(hedged)	Class A	Accumulation
17.	Danish Krone	(hedged)	Class A	Income
18.	Icelandic Króna	(hedged)	Class A	Accumulation
19.	Icelandic Króna	(hedged)	Class A	Income
20.	Sterling	(hedged)	Class B	Accumulation
21.	Sterling	(hedged)	Class B	Income
22.	US Dollar		Class B	Accumulation
23.	US Dollar		Class B	Income
24.	Euro		Class B	Accumulation
25.	Euro	(hedged)	Class B	Accumulation
26.	Euro	(hedged)	Class B	Income
27.	Swiss Franc	(hedged)	Class B	Accumulation
28.	Swiss Franc	(hedged)	Class B	Income
29.	Japanese Yen	(hedged)	Class B	Accumulation
30.	Japanese Yen	(hedged)	Class B	Income
31.	Swedish Krona	(hedged)	Class B	Accumulation
32.	Swedish Krona	(hedged)	Class B	Income
33.	Norwegian Krone	(hedged)	Class B	Accumulation
34.	Norwegian Krone	(hedged)	Class B	Income
35.	Danish Krone	(hedged)	Class B	Accumulation
36.	Danish Krone	(hedged)	Class B	Income
37.	Icelandic Króna	(hedged)	Class B	Accumulation
38.	Icelandic Króna	(hedged)	Class B	Income
39.	Swedish Krona	(hedged)	Class C	Accumulation
40.	Swedish Krona	(hedged)	Class C	Income
41.	Euro		Class C	Accumulation
42.	Japanese Yen	(hedged)	Class C	Accumulation
43.	Japanese Yen	(hedged)	Class C	Income
44.	Norwegian Krone	(hedged)	Class C	Accumulation

45.	Norwegian Krone	(hedged)	Class C	Income
46.	Danish Krone	(hedged)	Class C	Accumulation
47.	Danish Krone	(hedged)	Class C	Income
48.	Icelandic Króna	(hedged)	Class C	Accumulation
49.	Icelandic Króna	(hedged)	Class C	Income
50.	Euro	(hedged)	Class I	Accumulation
51.	Euro	(hedged)	Class I	Income
52.	US Dollar		Class J	Accumulation
53.	US Dollar		Class J	Income
54.	Euro	(hedged)	Class L	Accumulation
55.	Euro	(hedged)	Class L	Income
56.	Sterling	(hedged)	Class S	Accumulation
57.	Sterling	(hedged)	Class S	Income
58.	US Dollar		Class S	Accumulation
59.	US Dollar		Class S	Income
60.	Euro	(hedged)	Class S	Accumulation
61.	Euro	(hedged)	Class S	Income
62.	Swedish Krona	(hedged)	Class S	Accumulation
63.	Swedish Krona	(hedged)	Class S	Income
64.	Swiss Franc	(hedged)	Class S	Accumulation
65.	Swiss Franc	(hedged)	Class S	Income
66.	Japanese Yen	(hedged)	Class S	Accumulation
67.	Japanese Yen	(hedged)	Class S	Income
68.	Norwegian Krone	(hedged)	Class S	Accumulation
69.	Norwegian Krone	(hedged)	Class S	Income
70.	Danish Krone	(hedged)	Class S	Accumulation
71.	Danish Krone	(hedged)	Class S	Income
72.	Icelandic Króna	(hedged)	Class S	Accumulation
73.	Icelandic Króna	(hedged)	Class S	Income
74.	Sterling	(hedged)	Class Z	Accumulation
75.	Sterling	(hedged)	Class Z	Income

76.	US Dollar		Class Z	Accumulation
77.	US Dollar		Class Z	Income
78.	Euro	(hedged)	Class Z	Accumulation
79.	Euro	(hedged)	Class Z	Income
80.	Swedish Krona	(hedged)	Class Z	Accumulation
81.	Swedish Krona	(hedged)	Class Z	Income
82.	Swiss Franc	(hedged)	Class Z	Accumulation
83.	Swiss Franc	(hedged)	Class Z	Income
84.	Japanese Yen	(hedged)	Class Z	Accumulation
85.	Japanese Yen	(hedged)	Class Z	Income
86.	Norwegian Krone	(hedged)	Class Z	Accumulation
87.	Norwegian Krone	(hedged)	Class Z	Income
88.	Danish Krone	(hedged)	Class Z	Accumulation
89.	Danish Krone	(hedged)	Class Z	Income
90.	Icelandic Króna	(hedged)	Class Z	Accumulation
91.	Icelandic Króna	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

The S share classes are for institutional investors and are not available to investors investing in the Fund via investment platforms but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Class A

Minimum initial investment amount

USD1,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class B

Minimum initial investment amount

USD500,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD1,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD1,000 or equivalent in another acceptable currency

Minimum residual holding

USD1,000 or equivalent in another acceptable currency

Class C

Minimum initial investment amount

USD 250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 225,000,000 or equivalent in another acceptable currency

Class I

Minimum initial investment amount

EUR1,000,000

Minimum additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class J

Minimum initial investment amount

USD 250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 225,000,000 or equivalent in another acceptable currency

Class L

Minimum initial investment amount

EUR500,000

Minimum additional investment amount

No minimum

Minimum withdrawal amount

No minimum

Minimum residual holding

No minimum

Class S

Minimum initial investment amount

USD 100,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 50,000,000 or equivalent in another acceptable currency

Class Z

Minimum initial investment amount

USD 250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

USD 10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

USD, 10,000,000 or equivalent in another acceptable currency

Minimum residual holding

USD 225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. During the Initial Offer Period, Shares are available at their Initial Issue Price. After the Initial Offer Period of each class, Shares in that class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
Euro Classes (except I and L Classes)	EUR 10
Euro Classes (I and L Classes)	EUR 10,000
US Dollar Classes	USD 10
Swiss Franc Classes	CHF 10
Japanese Yen Classes	JPY 1,000
Swedish Krona Classes	SEK 100
Norwegian Krone Classes	NOK 100
Danish Krone Classes	DKK 100
Icelandic Króna Classes	ISK 1,000

Launched Shares Classes

The following Classes have launched and are available at their net asset value per share:

1	Sterling (hedged)	Class A	Accumulation
2	Sterling (hedged)	Class A	Income
3	US Dollar	Class A	Accumulation
4	Euro (hedged)	Class A	Accumulation
5	Euro (hedged)	Class A	Income
6	Swiss Franc (hedged)	Class A	Accumulation
7	Sterling (hedged)	Class B	Accumulation
8	Swedish Krona (hedged)	Class B	Accumulation
9	Sterling (hedged)	Class B	Income
10	US Dollar	Class B	Income
11	Euro (hedged)	Class B	Accumulation
12	Euro (hedged)	Class B	Income

14	Swiss Franc (hedged)	Class B	Accumulation
15	Euro (hedged)	Class I	Accumulation
16	Euro (hedged)	Class L	Accumulation
17	Euro (hedged)	Class S	Income
18	Sterling (hedged)	Class S	Income
19	US Dollar	Class S	Income

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5.5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund and up to 3% of the Net Asset Value per Share in connection with the subscription of Class L Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares or Class I Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each Fund including both Income Shares and Accumulation Shares.

Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary's fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING STATUS

The Directors have applied HM Revenue and Customs for Reporting Fund status on any sub-funds' Share classes which are directed towards the UK market.

Kames Absolute Return Bond Constrained Fund

Supplement to the Prospectus for Kames Capital Investment Company (Ireland) Plc

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Kames Absolute Return Bond Constrained Fund (the **Fund**), a sub-fund of Kames Capital Investment Company (Ireland) Plc (the **Company**) an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**). The Company has fifteen other sub-funds in existence as at the date of this Supplement:

(1) Kames Investment Grade Global Bond Fund;

(2) Kames Global Equity Income Fund;

(3) Kames Strategic Global Bond Fund;

(4) Kames Active Long Dated Bond Fund;

(5) Kames Global Sustainable Equity Fund;

(6) Kames Global Equity Market Neutral Fund;

(7) Kames Global Diversified Income Fund;

(8) Kames Global Diversified Growth Fund

(9) Kames Absolute Return Bond Fund;

(10) Kames Equity Market Neutral Fund;

(11) Kames Equity Market Neutral Plus Fund;

(12) Kames Absolute Return Bond Global Fund;

(13) Kames High Yield Global Bond Fund;

(14) Kames Short Dated High Yield Global Bond Fund; and

(15) Kames Emerging Market Bond Opportunities Fund.

This Supplement forms part of and should be read in conjunction with the Prospectus dated 22 December 2017 (the **Prospectus**).

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 the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should note that the Fund may principally invest in financial derivative instruments.

Investors should also note that subscription for Shares of the Fund is not the same as making a deposit with a bank or other deposit taking body. The principal invested in the Fund is capable of fluctuation and the value of the Shares is not insured or guaranteed.

The Prospectus for the Company and this Supplement, which include all information required to be disclosed by the listing requirements of the Irish Stock Exchange, shall constitute listing particulars for the purposes of the listing of the Shares of the Fund on the Irish Stock Exchange. No application has been made to list the Shares on any other exchange. No dividends have been declared as at the date of the listing particulars. The Directors confirm there has been no significant change in the financial or trading position of the Fund 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.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Neither the admission of Shares of the Company to the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange 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 launch and listing of various classes within the Fund may occur at different times and therefore at the time of the launch of a given class(es), the pool of assets to which a given class(es) relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential investors upon request following publication.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 22 December 2017

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1. INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate positive absolute returns over a rolling 3 year period irrespective of market conditions.

2. INVESTMENT MANAGER

Kames Capital plc, based in Edinburgh, currently manages and distributes Irish and UK domiciled investment companies through its sales team to investors in the UK and overseas.

3. INVESTMENT POLICIES

The Fund will seek to achieve its investment objective by investing in global debt instruments in any currency, ranging from AAA Government Bonds through to high yield and emerging market bonds. The Fund may also invest in Financial Derivative Instruments (**FDIs**) as outlined below under "Financial Derivative Instruments". The Fund may invest in all types of fixed and floating rate fixed income securities, including (but not limited to) the following:

Investment Grade Bonds The Fund may invest up to 100% of its net assets in bonds issued by companies, sovereign governments and their agencies whose credit rating is deemed to be investment grade, defined as Baa3 or higher by Moody's Investor Services (Moody's), BBB- or higher by Standard & Poor's (S&P), or BBB- or higher by Fitch or its successors (Fitch).

The Fund may invest up to 20% in aggregate of its net assets in a combination of Emerging Market Debt and High Yield Bonds as defined below.

Emerging Market Debt The Investment Manager's opinion as to what are "emerging markets" may change over time as a result of developments in national or regional economies and capital markets. Within emerging market investments, the Fund seeks to participate in the more established markets which the Investment Manager believes provide sufficient liquidity. The Fund may invest in both sovereign and corporate emerging market bonds.

High Yield Bonds are issues rated Ba1 by Moody's or below, BB+ by Standard and Poor's or below, or BB+ by Fitch or below. The average quality of the Fund's holdings in High Yield Bonds will usually be in the range of B1 to Ba2 (B+ to BB), but may fluctuate and be lower at certain times.

For the avoidance of doubt, as set out under the **Investment Restrictions** section below, the Fund will not invest in either bonds rated below B3 by Moody’s, below B- by Standard and Poor’s or below B- by Fitch (the **Minimum Bond Rating**) or unrated bonds. If the Investment Manager identifies that the Fund holds either bonds with a rating below the Minimum Bond Rating or unrated bonds (for example as a result of the rating of a bond held by the Fund being downgraded), the Investment Manager will use reasonable endeavours to sell any such holdings within 6 months from the date on which they are identified.

The Fund will hold sovereign and corporate fixed and floating rate bonds based on the Investment Manager's view of the effect of future interest rate changes on the yield curve for those bonds and/or on future asset values. The Fund will be broadly diversified by industry and issuer, but asset allocation is subject to change as global bond markets evolve. The Fund will aim to manage interest rate risk, preserve capital, profit in all market conditions and generate returns related to interest rates and inflation rates by holding FDIs and taking long and short positions synthetically via FDIs, based on the Investment Manager's view of anticipated changes in interest rates, inflation rates and sovereign and corporate bond yields (see below).

The Fund will invest in bonds denominated in a number of currencies. The Investment Manager will usually hedge the majority of currency exposures arising from bond positions back to the Fund's base currency.

As either a consequence of the Fund’s use of FDIs or in order for the Fund to meet the Investment Objective, the Fund may also hold a material amount of cash from time to time in ancillary liquid assets such as: (i) overnight, term and call account deposits; and (ii) certificates of deposits and debt and debt related instruments (including bonds, treasury bills and commercial paper) issued by government or corporate issuers (which may be listed or unlisted). The Fund shall endeavour to ensure that the minimum rating of these investments or where appropriate, the rating for the relevant counterparty/deposit taker shall be a long term credit rating of at least one of the following: A- from Standard & Poors, or A3 from Moody's.

Investment Strategy

The Investment Manager will aim to meet the Fund's Investment Objective by using a combination of the strategies below to take advantage of any inefficiencies and/or mispricing of assets in markets which they have identified using proprietary research. Each of the investment strategies are subjected to rigorous scrutiny whereby the Investment Manager analyses an asset's fundamentals (such as macroeconomic factors including gross domestic product, inflation and fiscal and monetary policies and for corporate bonds, research industry-related factors and company specific factors, including the companies' financials), valuation (if an unsustainable valuation gap has opened between two assets), technicals (including new issue supply expectations from the issuer or other relevant issuers and the degree to which these could affect the price or liquidity of the bonds) and sentiment (considering investor positioning). The Investment Manager will endeavour to generate positive returns regardless of market direction.

Asset Allocation strategy

This strategy generates returns through the Investment Manager's highest conviction ideas on assets in which the Fund may invest in accordance with its investment policies which will rise or fall in value over a particular period. These ideas may be implemented through pair trades (where the Investment Manager looks to take advantage of the relative prospects of two assets by taking a long position in one and a synthetic short position using FDIs in the other). Positions will be well diversified by sector.

Carry strategy

Due to the Fund's use of FDIs, it will often hold material amounts of cash. This cash may be invested in ancillary liquid assets as set out above or allocated to the Carry strategy, which operates by investing in short-dated, corporate bonds to generate income. This strategy will consist of a global portfolio of corporate bonds with a maturity of up to two years.

Rates strategy

This strategy exploits expected movements in inflation rates and interest rates globally and the value of global government bonds or bond indices. The Investment Manager will seek to generate returns by using FDIs to take long and short positions in global government bonds or bond indices, inflation rates or interest rates. This will allow the Fund to benefit from the relative prospects of such bonds, indices or rates. For example the Fund might be long government bond A and short government bond B in the expectation that the returns of A will outperform B over a particular period.

The Fund will invest in the asset classes set out in the Investment Policy section above including the use of FDIs (as set out under the heading 'Financial Derivative Instruments' below) in order to implement these strategies and may take long and short positions using FDIs (primarily futures and swaps). For example, short positions may be achieved by selling futures, buying put options, buying Credit Default Swap protection (both single name and index) as well as buying or selling forwards.

These long and short positions may be over any type of investment described in the Investment Policy or indices (subject to the conditions and limits set out in the Central Bank UCITS Regulations and the ESMA Guidelines on ETFs and other UCITS issues) related thereto. The Investment Manager shall endeavour to generate a total return that is uncorrelated to major bond market indices by investing in long and 'synthetic short' positions via FDIs (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short), both within and across the above mentioned bond types in order to take advantage of excessive over- and under-valuation of debt instruments. Many of the positions will aim to be market neutral through the use of appropriate hedging strategies.

Diversification will be sought through varied maturities, bond types and fixed and floating rate exposures. By gaining exposure to markets where the Investment Manager has identified inefficiencies and mispricing of assets the Fund shall therefore endeavour to generate opportunities regardless of market direction.

There is no geographic limitation to the investment universe. All of the listed assets that the Fund invests in are publicly listed/traded on a Recognised Market (see Appendix 1 of Prospectus for a list of Recognised Markets).

Financial Derivative Instruments

Investment Purposes and Efficient Portfolio Management

The Fund will invest extensively in FDIs, for both hedging and investment purposes. Such FDIs shall be limited to futures, options, swaps (including credit default swaps) and forward agreements. The use of FDIs for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in higher volatility. For descriptions of, and further information on, the above mentioned FDIs please refer to the relevant part of the section of the Prospectus entitled "**FUNDS**".

The Fund may use FDIs:

(i) as a substitute for taking a position in an underlying asset;

(ii) to implement the strategies referred to above;

(iii) to hedge out market risk;

(iv) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or

(v) to gain an exposure to the composition and performance of a particular index (e.g. a credit default swap index). For example, the Fund may make use of a credit default swap index to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings.

FDIs may also be used to take tactical decisions or gain exposure to a credit default swap index or to individual stocks. Futures, options, forwards or swaps (including credit default swaps) may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use FDIs for this purpose.

The Investment Manager may use futures, options, forwards or swaps (including credit default swaps) to manage the Fund's exposure to the market. These instruments may be used to increase, reduce or maintain exposure to the market as a whole or its subcomponents to enhance the Fund's performance or protect downside risk. For example typical positions taken will be based on the Investment Manager's view on sensitivity of prices or sensitivity of spreads to expected changes in both economic and market conditions.

Specific FDIs

Below are the details of the FDIs in which the Fund may invest. The underlying assets of these FDIs will be one of the asset classes referred to above in the **Investment Policies** section or indices related thereto.

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. Generally, the underlying assets of the futures contracts will be government bonds and interest rates.

Futures contracts allow the Fund to hedge against market risk. 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. The Investment Manager may enter into futures contracts in order to both hedge and more efficiently manage the Fund.

Interest rate futures (either exchange-traded or OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from an anticipated interest rate move. Positions may also be taken to hedge against the risk that interest rates move in an adverse direction.

Options

The Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price. Generally these will be put/call options in relation to interest rates and currency and the underlying assets will be securities.

The Fund may also write (sell) options in respect of underlying assets, including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The Fund will invest in options to gain exposure to the bonds referred to in the Investment Policy and to bond indices.

Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

Forward agreements (OTC) will be used primarily for hedging purposes. Positions may be taken to hedge against the risk that currency exchange rates move in an adverse direction. They will ordinarily be used in order to manage currency exchange rate risk.

Swaps

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Swaps may be bought instead of purchasing the underlying asset as a more cost effective way of gaining exposure to that asset, for example in a situation where local settlement in a market is either difficult to access or expensive, asset swaps may be used. Swaps can also be used to enable the Investment Manager to exchange a benefit (e.g. a floating rate of exchange or interest rate) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange or interest rate) with a party in another market. As such they are very useful instruments for the management of risk.

Typically, the Fund will use credit default swaps to alter the Fund's exposure in accordance with the Investment Manager's outlook for broad credit movements at the time. Generally the underlyings of swaps will be single stocks (bonds) or indices.

Credit default swaps (**CDS**) (OTC) will be used for both investment and hedging purposes. Active positions may be placed in order to profit from anticipated moves in credit spreads. Positions may be taken to hedge against the risk that changes in credit spreads move in an adverse direction.

Other Information

The Fund will be able to take long and/or short positions across the assets described in the investment policy. It is anticipated that the Fund may hold up to 200% of its assets in long positions and up to 100% of its assets in short positions.

Any OTC transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

The use of FDIs will be fully supported by a risk management process (**RMP**) to ensure that the use of FDIs continue to be commensurate with the overall investment objectives of the Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions. The Investment Manager uses a risk management technique known as absolute value-at-risk (**VaR**) to measure the Fund's global exposure. VaR is an advanced risk measurement methodology used to assess the Fund's global exposure as set out in the Fund's RMP. VaR will be used by the Fund in accordance with the requirements of the Central Bank pursuant to which VaR of the Fund's portfolio shall not exceed 7.1% of the Net Asset Value of the Fund and the one-tailed confidence interval shall not be less than 95% with a one month holding period. The historical observation period will be not less than 3 years. VaR will be calculated on a daily basis.

The level of leverage of the Fund (calculated as the sum of the notionals of the FDIs used by the Fund) under normal circumstances is expected to be in the range of 50% to 200% of the Net Asset Value of the Fund. It is possible that there may be higher leverage levels from time to time during abnormal market conditions and, for example, at times when there is low volatility.

The collateral management policy of the Company is set out in the Prospectus. 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.

4. EFFICIENT PORTFOLIO MANAGEMENT – REPO TRANSACTIONS

The Fund may enter into repurchase and reverse repurchase agreements ("repo transactions") for the purposes of efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

Direct and indirect operational costs and fees incurred in the use of these techniques may be deducted from the revenue delivered to the Fund from the use of such techniques. All revenue from these techniques, net of direct and indirect operational costs, will be returned to the Fund. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid (including whether such entities are related to the Investment Manager or the Depositary) will be disclosed in the annual report.

5. SECURITIES FINANCING TRANSACTIONS

The Fund may engage in securities financing transactions in respect of repo transactions (**SFTs**) in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of assets under management (AUM) subject to repo transactions will be less than 20% AUM and the maximum expected proportion of AUM subject to SFTs shall not exceed 100% AUM. The Company’s counterparties for SFTs must satisfy the requirements for counterparties set out in the Company’s RMP. Counterparties to the Fund may include central counterparties authorised or recognised by ESMA, credit institutions or entities that have an investment grade credit rating or are indemnified by an institution that has an investment grade credit rating. The Investment Manager will only select counterparties that are in a position to value transactions at least daily and to provide weekly valuations to the Investment Manager. In order to reduce its exposure to any counterparty through SFTs, the Fund may adopt collateral arrangements as described under the section “Collateral Management Policy” in the Prospectus. Cash will be valued at par value, other securities will be valued on a mark-to-market basis. Assets and collateral subject to SFTs will be held by the Depositary on behalf of the Fund. The re-use of collateral is not permitted by the Fund. All proceeds of SFTs shall be allocated to the Fund minus any reasonable costs borne by the Investment Manager.

6. INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply to the Fund. In addition the Fund will not invest more than 20% of its net assets in aggregate in fixed income instruments issued by issuers based in emerging markets, or in fixed income instruments rated less than Baa3 by Moody's, BBB- by S&P or BBB- by Fitch. The Fund shall not invest in collective investment schemes. The Fund will not invest in either bonds rated below the Minimum Bond Rating or unrated bonds. If the Investment Manager identifies that the Fund holds either bonds with a rating below the Minimum Bond Rating or unrated bonds (for example as a result of the rating of a bond held by the Fund being downgraded), the Investment Manager will use reasonable endeavours to sell any such holdings within 6 months from the date on which they are identified.

7. SHARE CLASS CURRENCY HEDGING

The Base Currency of the Fund is Euro.

The classes of Shares available for subscription in the Fund are listed under the heading 'Key Information for Buying and Selling' in the Supplement.

The Company, at its absolute discretion, has the power to issue currency hedged Share classes. The non-Sterling classes will be currency hedged Share classes. For such Share classes, the Investment Manager intends to 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. This is ‘Method 1 (Base Currency Hedging)’ of Share class currency hedging, as explained in the Prospectus in section 3.9.2 under the heading ‘Hedged and Unhedged Share Classes’.

The costs of providing hedged Share classes and all other additional 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.

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 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.

This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency falling against the currency in which the hedge 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.

This Section should be read in conjunction with the section entitled **Hedged and Unhedged Share Classes** in the Prospectus.

8. BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

9. RISK MANAGEMENT

The Company on behalf of the Fund employs a RMP which helps it to accurately measure, monitor and manage the various risks associated with FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Fund will only utilise FDIs which have been included in the RMP report that has been cleared by the Central Bank.

10. RISK FACTORS

The general risk factors set out under the heading **RISK FACTORS** section of the Prospectus apply to the Fund. These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, emerging markets risks, custody and settlement risks, registration risk and foreign exposure risk.

In addition, the following risk factors apply to the Fund:

10.1. General Instrument Risk

The value of the Fund's investments in both private and public debt and FDIs in these asset classes may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which the Fund may invest.

10.2. Objective Risk

There can be no assurance that the Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon fixed income securities and FDIs before investing in the Fund.

10.3. Liquidity Risk

From time to time the secondary bond market can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary bond markets may be very illiquid. As a result the Fund may have to sell holdings of bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

10.4. Credit Risk

The Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers). The Fund intends to mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of bonds that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

10.5. **Interest Rate Risk**

The Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain investment in the Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. The Fund's interest rate exposure will reflect the Investment Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

10.6. **Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

10.7. **Inflation Risk**

The Fund may invest up to 100% of its net assets in lower-yielding investment grade bonds. While such bonds generally carry a lower default risk they are more susceptible to devaluation over time due to inflation. In the event that inflation rises significantly over the medium to long term the nominal value of the Fund's assets may decrease and inflation may diminish the real value of the Fund's investments over time.

10.8. **Foreign Investment Risk**

As the Fund will invest in global bonds, there is a risk of currency fluctuations, economic or financial insolvency, lack of timely or reliable financial information, possible imposition of foreign withholding taxes or unfavourable political, economic or legal developments.

10.9. **Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of the Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency, which could in turn adversely affect the Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

10.10. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the Investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Investment Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

10.11. **Legal and/or Regulatory Risk**

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.

10.12. **Investment Grade and Government Bonds Risk**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (S&P) of BBB-, or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors.

Although these assets exhibit these minimum ratings or higher, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

10.13. **High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

10.14. **Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and the Fund could sustain losses on such investments. The Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

10.15. **Emerging Markets**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Euro; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

10.16. **Custody Risk**

Local custody services in some of the emerging market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

10.17. **Conflicts of Interest**

The Company will rely on the Investment Manager in implementing its investment strategies. The Directors have determined the Investment Policies of the Fund as set out herein and the Investment Manager will monitor the performance of such investments on an ongoing basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein. The Investment Manager and its principals and affiliates will devote a portion of their business time to the Company's business. In addition, where valuations are provided by the Investment Manager there is a possible conflict of interest where their fees are based on or affected by the NAV of the Fund. Any conflicts of interest will be resolved fairly.

10.18. **Default of Service Provider Risk**

The Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Investment Manager, the Administrator or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

10.19. **Political Legal and/or Regulatory Risks**

The value of the assets of the Fund may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements or an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

10.20. **Limited Number of Investments Risk**

The Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.

10.21. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Fund and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the Fund to repurchase their Shares on a Dealing Day.

10.22. **Taxation Risk**

A risk exists that the tax authorities in countries in which the Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

10.23. **Potential Involvement in Litigation Risk**

The Fund may have up to 20% exposure to below investment grade investments. As a consequence of credit problems with such investments and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

10.24. **Valuations of Net Asset Value Risk**

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed "Valuation of Assets".

10.25. **FDI Risk**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including:

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;

(2) imperfect correlation between the price movements of the FDIs and price movements of related instruments;

(3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund;

(4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain FDIs, which may involve the assumption of obligations as well as rights and assets;

(5) Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

10.25.1. **OTC Transactions Risk**

Where the Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the- counter market and the tendency to have limited liquidity and comparatively high price volatility.

10.25.2. **Counterparty Risk**

The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

10.25.3. **Settlement Risk**

The risk that the counterparty to a Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

10.25.4. **Correlation Risk**

The Company may utilise forward contracts to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

10.25.5. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

10.26. Specific Instrument Risks

10.26.1. Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The **gearing** or **leverage** often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

10.26.2. Forwards

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

10.26.3. Options

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If the Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If the Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

10.26.4. Swaps

Where the Fund enters into swap arrangements and FDI techniques, it 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 counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI 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.

11. DIVIDEND POLICY

The Directors may declare dividends for the Income Share classes on a quarterly basis at close of business on the last Business day of July, October, January and April. Dividends shall be declared out of the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses. The Directors currently intend to pay dividends equal to substantially all of the income arising to the Income Share classes. Any such dividend in relation to the Income classes will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. Dividends will be paid by telegraphic transfer within two months of the relevant declaration date.

The Company will operate grouping for equalisation with respect to Income Shares. Each class of each Fund will operate its own equalisation account. Shares purchased during a dividend period are called Group 2 Shares. Shares purchased during any previous dividend period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first dividend. It may be treated as a return of capital for tax purposes.

As set out in section 11.3 of the Prospectus, equalisation data will be provided in respect of Reporting Shares on the Shareholder reports referred in section 11.3 of the Prospectus. Group 2 Shareholders investing in Reporting Shares can use the equalisation data to reduce their reportable income for a period.

Each holder of Income Shares has the option to take dividends in cash or to reinvest in the relevant Fund by the allotment of additional Shares at Net Asset Value per Share provided that no Preliminary Charge will be payable on any Shares so allotted of the Fund. The Fund's default position unless specifically advised on the application form will be to reinvest dividends into the Shares of the Fund. Those Shareholders wishing to have their dividends automatically paid in cash should elect for such method when completing the Application Form. Payment will be made by telegraphic transfer to an account in the name of the Shareholder within 2 months of the declaration date. Dividends not claimed within six years from their due date will lapse and will revert to assets of the Fund.

Accumulation Shares of any class may at the discretion of the Directors be issued on the basis that no dividends will be declared in respect of those Shares and that any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the repurchase price as part of the proportion of the Fund which is attributable to the holders of that class of Shares.

This section should be read in conjunction with the section entitled Dividend Policy in the Prospectus.

12. PROFILE OF A TYPICAL INVESTOR

The Fund is designed for retail and institutional investors seeking an absolute return through an actively managed portfolio which has the flexibility to access the complete range of fixed income securities and FDIs. Investors in the Fund should be comfortable with a low level of investment risk. It is expected that the Fund will be held as part of a diversified portfolio which may include other assets such as bonds, equities, property and cash. Share prices will fluctuate and may fall in value. It is important to understand that the Fund should be viewed as a medium to longer term investment.

13. KEY INFORMATION FOR BUYING AND SELLING

Base Currency

The Base Currency of the Fund is Euro.

Shares available for subscription

Shares of the Fund are currently available for subscription in the following denominations:

1.	Sterling	(hedged)	Class A	Income
2.	Sterling	(hedged)	Class A	Accumulation
3.	Euro		Class A	Income

4.	Euro		Class A	Accumulation
5.	US Dollar	(hedged)	Class A	Income
6.	US Dollar	(hedged)	Class A	Accumulation
7.	Swiss Franc	(hedged)	Class A	Accumulation
8.	Swiss Franc	(hedged)	Class A	Income
9.	Swedish Krona	(hedged)	Class A	Accumulation
10.	Swedish Krona	(hedged)	Class A	Income
11.	Norwegian Krone	(hedged)	Class A	Accumulation
12.	Norwegian Krone	(hedged)	Class A	Income
13.	Danish Krone	(hedged)	Class A	Accumulation
14.	Danish Krone	(hedged)	Class A	Income
15.	Icelandic Króna	(hedged)	Class A	Accumulation
16.	Icelandic Króna	(hedged)	Class A	Income
17.	Japanese Yen	(hedged)	Class A	Accumulation
18.	Japanese Yen	(hedged)	Class A	Income
19.	Sterling	(hedged)	Class B	Income
20.	Euro		Class B	Income
21.	US Dollar	(hedged)	Class B	Income
22.	Swiss Franc	(hedged)	Class B	Income
23.	Swedish Krona	(hedged)	Class B	Income
24.	Norwegian Krone	(hedged)	Class B	Accumulation
25.	Norwegian Krone	(hedged)	Class B	Income
26.	Danish Krone	(hedged)	Class B	Accumulation
27.	Danish Krone	(hedged)	Class B	Income
28.	Icelandic Króna	(hedged)	Class B	Accumulation
29.	Icelandic Króna	(hedged)	Class B	Income
30.	Japanese Yen	(hedged)	Class B	Accumulation
31.	Japanese Yen	(hedged)	Class B	Income
32.	Sterling	(hedged)	Class C	Accumulation
33.	Sterling	(hedged)	Class C	Income
34.	US Dollar	(hedged)	Class C	Accumulation
35.	US Dollar	(hedged)	Class C	Income

36.	Euro		Class C	Accumulation
37.	Euro		Class C	Income
38.	Swiss Franc	(hedged)	Class C	Accumulation
39.	Swiss Franc	(hedged)	Class C	Income
40.	Swedish Krona	(hedged)	Class C	Accumulation
41.	Swedish Krona	(hedged)	Class C	Income
42.	Norwegian Krone	(hedged)	Class C	Accumulation
43.	Norwegian Krone	(hedged)	Class C	Income
44.	Danish Krone	(hedged)	Class C	Accumulation
45.	Danish Krone	(hedged)	Class C	Income
46.	Icelandic Króna	(hedged)	Class C	Accumulation
47.	Icelandic Króna	(hedged)	Class C	Income
48.	Japanese Yen	(hedged)	Class C	Accumulation
49.	Japanese Yen	(hedged)	Class C	Income
50.	Sterling	(hedged)	Class Z	Accumulation
51.	Sterling	(hedged)	Class Z	Income
52.	US Dollar	(hedged)	Class Z	Accumulation
53.	US Dollar	(hedged)	Class Z	Income
54.	Euro		Class Z	Accumulation
55.	Euro		Class Z	Income
56.	Swiss Franc	(hedged)	Class Z	Accumulation
57.	Swiss Franc	(hedged)	Class Z	Income
58.	Swedish Krona	(hedged)	Class Z	Accumulation
59.	Swedish Krona	(hedged)	Class Z	Income
60.	Norwegian Krone	(hedged)	Class Z	Accumulation
61.	Norwegian Krone	(hedged)	Class Z	Income
62.	Danish Krone	(hedged)	Class Z	Accumulation
63.	Danish Krone	(hedged)	Class Z	Income
64.	Icelandic Króna	(hedged)	Class Z	Accumulation
65.	Icelandic Króna	(hedged)	Class Z	Income
66.	Japanese Yen	(hedged)	Class Z	Accumulation
67.	Japanese Yen	(hedged)	Class Z	Income

The B and C share classes are for institutional investors but the Fund may at its discretion accept applications received from other investors.

Minimum Share Class Size

Sterling Classes	GBP 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
US Dollar Classes	USD 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Euro Classes	EUR 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swiss Franc Classes	CHF 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Swedish Krona Classes	SEK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Norwegian Krone Classes	NOK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Danish Krone Classes	DKK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Icelandic Króna Classes	ISK 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion
Japanese Yen Classes	JPY 5,000,000 or such other amount as the Directors may determine from time to time at their absolute discretion

Minimum Investment Levels

Minimum initial investment amount

Class A:	€500 or equivalent in another acceptable currency
Class B:	€500,000 or equivalent in another acceptable currency
Class C:	€250,000,000 or equivalent in another acceptable currency
Class Z:	€250,000,000 or equivalent in another acceptable currency

Minimum additional investment amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€10,000,000 or equivalent in another acceptable currency
Class Z	€10,000,000 or equivalent in another acceptable currency

Minimum withdrawal amount

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€10,000,000 or equivalent in another acceptable currency
Class Z	€10,000,000 or equivalent in another acceptable currency

Minimum residual holding

Classes A and B:	€500 or equivalent in another acceptable currency
Class C:	€225,000,000 or equivalent in another acceptable currency
Class Z	€225,000,000 or equivalent in another acceptable currency

The Directors may waive such minimum investment levels in their absolute discretion.

Initial Offer Period

The Initial Offer Period for each Share class which has not launched has commenced and they will continue to be available for subscription at the Initial Issue Price, as set out below, until 5.00 pm (Irish time) on 30 April 2018. The Initial Offer Period of each class of Shares may be extended or shortened as the Directors may determine and any change will be notified to the Central Bank in accordance with its requirements. After the Initial Offer Period of each class, Shares of such class will be available for subscription at the Net Asset Value per Share.

Initial Issue Price

Sterling Classes	GBP 10
US Dollar Classes	USD 10
Euro Classes	EUR 10
Swiss Franc Classes	CHF 10
Swedish Krona Classes	SEK 100
Norwegian Krone Classes	NOK 100
Danish Krone Classes	DKK 100
Icelandic Króna Classes	ISK 1000
Japanese Yen Classes	JPY 1000

Launched Shares Classes

The following share classes are launched and are available at their Net Asset Value per Share:

1	Euro		Class C	Accumulation
2	Swiss Franc	(hedged)	Class C	Accumulation
3	US Dollar	(hedged)	Class C	Accumulation
4	Sterling	(hedged)	Class C	Accumulation
5	Swedish Krona	(hedged)	Class C	Accumulation

Business Day

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

Dealing Day

The Fund shall be open to dealing on every Business Day.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline for Subscriptions and Redemptions is defined as 11.00 am (Irish time) on the relevant Dealing Day or such other day or time as the Directors may determine provided it is prior to the relevant Valuation Point.

Settlement Date

Subscription monies must be received by and generally payment for Shares redeemed will be effected by the 3rd Business Day falling after the Dealing Day on which the redemption request is received. However, the Company may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to a Shareholder or at the direction of a Shareholder if such payment would result in a breach of the guidelines in operation from time to time in relation to the detection and prevention of money laundering. Redemption proceeds will be paid in the currency of the relevant Share class.

Preliminary Charge

The Company may levy an initial charge of up to 5% of the Net Asset Value per Share in connection with the subscription of Class A Shares of the Fund. This fee will be retained for the benefit of the Distributor. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries, advisers and introducing agents who refer and/or advise prospective investors out of the initial charge and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Distributor. There is no preliminary charge payable on the Class B Shares, Class Z Shares or Class C Shares.

Exchange Charge

The Directors reserve the right at their sole discretion, to impose an exchange fee of up to 1.5% of the total repurchase price of the Shares in respect of an exchange of Shares held in one class for Shares in another class but such fee is charged only if exchanges are in excess of 5 in a calendar year.

Dilution Adjustment

Please refer to the section entitled Dilution Adjustment in the Prospectus.

Valuation Point

Shall mean 12:00 Noon (Irish time) on each Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

14. FEES AND EXPENSES

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of each class. Such fee shall be accrued daily and payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager may agree at its discretion to waive a portion of the Investment Management Fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

Administration Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and shall be payable monthly in arrears.

Depositary Fee

The fee payable to the Depositary, for the custodial services provided to the Company, will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund subject to a minimum fee of £3000 per annum.

The Depositary will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates). The Depositary’s fees will be accrued daily and shall be payable monthly in arrears.

Registrar Fee

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum (plus VAT, if any) of the net asset value of the Fund. Such fee shall be accrued daily and payable monthly in arrears.

Distribution Fee

In addition to the preliminary charge that may be paid to the Distributor as referred to, the fee payable to the Distributor for its services in the distribution of Shares of the Fund shall not exceed 1% per annum of the Net Asset Value attributable to the Class A Shares. The Distributor may, at its sole discretion and in accordance with applicable laws and regulations, (i) pay commission to financial intermediaries including but not limited to sub-distributors, intermediaries and advisers who refer and/or advise prospective investors out of the Distributor's fee as set out above and/or (ii) waive the Distribution Fee for certain prospective investors based on factors deemed appropriate by the Distributor. Where taken, this fee shall be accrued daily and payable monthly in arrears.

Establishment Costs and Expenses

It is estimated that the cost of establishing the Fund will not exceed €20,000 and this cost will be amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the cost of establishing the Fund, in which case it will be entitled to be reimbursed out of the assets of the Fund for such expenditure. This section should be read in conjunction with the section entitled Fees and Expenses in the Prospectus.

15. REPORTS TO SHAREHOLDERS

The yearly accounting date of the Company and the Fund is 31 October. The half yearly accounting date is 30 April.

The Company publishes an annual report incorporating audited financial statements in respect of each annual accounting period. In addition the Company publishes a semi-annual unaudited financial report in respect of each half-yearly accounting period.

The annual and semi-annual reports will be sent to shareholders within four months and two months respectively of the periods to which they relate.

16. REPORTING FUND STATUS

The Directors have applied to HM Revenue and Customs for 'Reporting Fund' status on any of the Fund's Share classes which shall be directed towards the UK market.

17. MISCELLANEOUS

As of the date of this Supplement, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.