

**INSTRUMENT OF INCORPORATION**

of

**AEGON ASSET MANAGEMENT UK ICVC**

**(an Investment Company with Variable Capital)**

**Registered by the Financial Conduct Authority with Registered Number SI 000009**

**As amended by Resolution of the ACD dated 26 July 2013 which took effect on 26 July 2013 and Resolution of the ACD dated 18 December 2013 which took effect on 18 December 2013 and Resolution of the ACD dated 20 February 2014 which took effect on 20 February 2014 and Resolution of the ACD dated 27 April 2015 which took effect on 27 April 2015 and Resolution of the ACD dated 14 April 2016 which took effect on 14 April 2016 and Resolution of the ACD dated 18 April 2016 which took effect on 18 April 2016 and Resolution of the ACD dated 10 June which took effect on 10 June and Resolution of the ACD dated 7 December 2016 which took effect on 8 December 2016 and Resolution of the ACD dated 27 September 2017 which took effect on 28 September 2017 and Resolution of the ACD dated 6 August 2019 which took effect on 7 August 2019 and Resolution of the ACD dated 6 September which took effect on 7 September 2019 and Resolution of the ACD dated 6 March 2020 which took effect on 7 September 2020.**

## INDEX

1.	Interpretation	1
2.	Constitution	4
3.	Name	5
4.	Duration of the Company	5
5.	Object	5
6.	Type of Authorisation of Company	5
7.	Designated Person	5
8.	Eligible Markets	5
8A.	Investment in Government and Public Securities	6
9.	Base Currency	6
10.	Share Capital and Classes of Share	6
11.	Issue and Cancellation of Shares in the Company	7
12.	In Specie Issue and Cancellation	7
13.	Sale and Redemption	8
14.	Sub Funds	8
15.	Valuation and Pricing	9
16.	Exchange of Shares etc	9
17.	Qualifications and Restrictions on Holding Shares	11
18.	Evidence of Title to Shares	13
19.	Denomination of Shares	15
20.	Transfer and Transmission of Shares	15
21.	General Meetings	16
22.	Proceedings at General Meetings	16
23.	Voting Rights	18
24.	Proxies	19
25.	Corporations acting by Representatives	20
26.	Directors	20
27.	Remuneration and Reimbursement of Expenses of ACD	22
28.	Meetings and Proceedings of Directors	22
29.	Interests of ACD	24
30.	Minutes of ACD's Meetings	26
31.	Appointment, Removal and Retirement of Directors	27
32.	Amendments	28
33.	Income Equalisation	28
34.	Rights in Scheme Property and Allocation of Income	29
35.	Income and Distributions	29
36.	Cheques etc.	30
37.	Charges and Expenses	30

38.	Destruction of Documents	31
39.	Notices	32
40.	Winding Up	33
41.	Indemnity	33
42.	Conflict with Regulations	34
	Part 1 Share Classes	35
	Part 2 Sub-Funds	38
	This sub-fund may not invest more than 10% in other collective investment schemes. PART 3	45
	PART 346	
	Determination of Net Asset Value	46
	PART 449	
	Allocation of Rights to Participate in the Property of a Sub-Fund	49

## 1. INTERPRETATION

- 1.1 In this Instrument the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Instrument but not defined herein shall have the same meanings as in the Act or the Regulations (as defined below) (as the case may be) unless the contrary is stated.

**accumulation shares** means shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules net of any tax deducted or accounted for by the Company;

**ACD** means the authorised corporate director holding office as such from time to time pursuant to the FCA Rules;

**Act** means the Financial Services and Markets Act 2000;

**base currency** means the currency in which the accounts of the Company are to be prepared in accordance with clause 9 of this Instrument provided that in the context of a sub-fund or the price of a share relating to a sub-fund or a payment in respect of such a share, reference to base currency shall be treated as a reference to the currency stated in the Prospectus as being the currency to be used for the purpose in question in relation to that sub-fund;

**Class** means in relation to shares means (according to the context) all of the shares relating to a single sub-fund or a particular Class of share relating to a single sub-fund;

**Class "A", Class "B", Class "C", Class "D", Class "E" Class "G", Class "S" and Class "Z"** means classes of share as described in Part 1 of the Schedule to this Instrument;

**Company** means Aegon Asset Management UK ICVC;

**Depository** means the person to whom is entrusted the safekeeping of all the scheme property of the Company (other than certain scheme property designated by the FCA Rules) and who has been appointed for this purpose in accordance with the OEIC Regulations;

**Directors** means subject to clause 26.2 of this Instrument, the directors of the Company for the time being (including the ACD) or, as the case may be, the directors assembled as a board including any committee of such board;

**FCA** means the Financial Conduct Authority and any successor body or bodies.

**FCA Rules** means the rules contained in the Collective Investment Schemes sourcebook (or COLL) published by the FCA as part of their Handbook of rules made under the Act which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook;

**gross accumulation shares** means accumulation shares which are gross paying;

**gross income shares** means income shares which are gross paying shares;

**gross paying shares** means shares (of whatever Class) in sub-funds of the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to the holders thereof (in the case of income shares) in either case in accordance with relevant tax law without any tax being deducted or accounted for by the Company;

**income shares** means shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules net of any tax deducted or accounted for by the Company;

**in writing** includes printing, lithography, photography, telex, facsimile, electronic mail and any other form of transmission as enables the recipient to know and to record the time of receipt and to preserve a legible copy of such transmission, or partly in one such form and partly in another;

**this Instrument** means this instrument of incorporation, including the Schedule, as amended from time to time;

**net accumulation shares** means accumulation shares which are net paying shares;

**Net Asset Value** means the value of the scheme property of the Company (or, where the context requires, such part of the scheme property as is attributable to a particular sub-fund or Class) less all the liabilities of the Company (or such liabilities as are attributable to that sub-fund or Class as the case may be) determined in each case in accordance with this Instrument;

**Net income shares** means income shares which are net paying;

**Net paying shares** means shares (of whatever Class) in sub-funds of the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to holders thereof (in the case of income shares) in either case in accordance with relevant tax law net of any tax deducted or accounted for by the Company;

**OEIC Regulations** means The Open-Ended Investment Companies Regulations 2001 (as amended, supplemented or re-enacted from time to time);

**ordinary resolution** means a resolution of the Company in general meeting or of a Class meeting (as the case may be) passed by a simple majority of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at such meeting;

**Prospectus** means the prospectus of the Company from time to time;

**the Regulations** means the OEIC Regulations and the FCA Rules;

**Share** means a larger denomination share or a smaller denomination share (as the context requires) in the Company;

**Shareholders** means holders of shares of whatever type in the Company;

**signed** means includes signed by way of a signature or representation of a signature affixed by a photographic, electronic or mechanical means or any other electronic evidence of assent, except where the context specifically requires otherwise;

**US** means the United States of America (including the States and District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;

**US Person** means:

- a) a citizen or resident of the US;
- b) a partnership, limited liability company, corporation or other entity organised in or under the laws of the US or any State or any entity taxed as such or required to file a tax return under the US federal income tax laws;
- c) any estate or trust the executor, administrator or trustee of which is a US Person (as defined above), in the case of a trust of which any professional fiduciary acting as a trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settler if the trust is revocable) is a US Person and no income or beneficiaries of which are subject to US Federal income tax;
- d) any agency or branch or a foreign entity located in the US;
- e) certain accounts held by a dealer or other fiduciary where the person exercising discretion over the accounts is a US Person;
- f) any partnership, corporation or other entity if it is: (a) organised or incorporated under the laws of any foreign jurisdiction; and (b) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the US Securities Act of 1933;
- g) any employee benefit plan (unless such employee benefit plan is: (a) established and administered in accordance with: (i) the laws of a country other than the US; and (ii) the customary practices and documentation of such country; and (b) is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the US); and
- h) any other person or entity whose ownership of shares or solicitation for ownership of shares the ACD through its officers or directors shall determine may violate any securities laws of the US or any state or other jurisdiction thereof.

Except that a US Person shall not include corporations, partnerships or other entities which are organised or incorporated under the laws of any non-US Person (as described above), unless such corporation, partnership or other entity was formed by such US Person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended.

- 1.2 Any reference in this Instrument to any statute, statutory provision or regulation shall be construed as including a reference to any modification, amendment, extension, replacement or re-enactment thereof for the time being in force.
- 1.3 In this Instrument, words denoting the singular shall include the plural and vice versa. Words denoting one gender only shall include all genders. Words denoting persons shall include companies or associations or unincorporated bodies of persons.
- 1.4 In this Instrument, the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.
- 1.5 The word "company" shall (unless the contrary intention is expressed) mean a body corporate including a company within the meaning of the FCA Rules.
- 1.6 Any reference in this Instrument to shares being issued "in respect of" or "relating to" a sub-fund shall be construed as a reference to shares issued by the Company which give the holder thereof rights (as provided for in the Regulations and this Instrument) for the time being to participate in that part of the scheme property comprising the sub-fund in question and the entitlement (as provided for in the Regulations and this Instrument) to exchange those rights for rights to participate in that part of the scheme property comprising any other sub-fund of the Company (save to the extent that the provisions of the Prospectus limit the issue of units in any such other sub-fund).
- 1.7 The headings and the footnotes used in this Instrument are for convenience only, do not form part of, and shall not affect the construction of, this Instrument.
- 1.8 Any reference in this Instrument to clause numbers shall (unless the contrary intention is expressed) be construed as a reference to clauses of this Instrument.
- 1.9 Any reference in this Instrument to more than one Director, Directors in the plural or to a board or committee of Directors shall, during such time as the ACD is the sole Director, be read and construed as a reference to the ACD in its capacity as ACD.

## 2. **CONSTITUTION**

- 2.1 The head office of the Company is situated in Scotland.
- 2.2 The Company is an open-ended investment company with variable share capital.

- 2.3 The Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment after he has paid the price of his shares in the Company and no further liability can be imposed on him in respect of the shares which he holds.
- 2.4 The scheme property of the Company is entrusted to a Depositary for safekeeping (in accordance with and subject to any exceptions permitted by the FCA Rules).
- 2.5 Charges or expenses of the Company may be taken out of the scheme property.

### 3. **NAME**

The name of the Company is Aegon Asset Management UK ICVC.

### 4. **DURATION OF THE COMPANY**

The Company is not to be wound up after the expiry of a particular period of time and shall continue in existence until otherwise wound up in accordance with Rule 7.3 of the FCA Rules.

### 5. **OBJECT**

The object of the Company is to invest the scheme property in transferable securities, money market instruments, derivative instruments and forward transactions, deposits, units and shares in collective investment schemes, cash and near cash in accordance with the FCA Rules applicable to the Company and each sub-fund according to the type of authorisation of the Company with the aim of spreading investment risk and giving its Shareholders the benefit of the results of the management of that property.

### 6. **TYPE OF AUTHORISATION OF COMPANY**

The Company is a UCITS scheme for the purposes of the FCA Rules and also an Umbrella Company for the purposes of the OEIC Regulations.

### 7. **DESIGNATED PERSON**

The person designated for the purposes of paragraph 4 of Schedule 4 to the OEIC Regulations shall be the person who is for the time being the ACD of the Company.

### 8. **ELIGIBLE MARKETS**

- 8.1 Subject to any restriction contained in the FCA Rules or this Instrument, the Company has the power to invest in any securities market or deal on any derivatives market:

- 8.1.1 which is an eligible securities market or eligible derivatives market under the FCA Rules to the extent that power to do so is conferred by the FCA Rules; or

- 8.1.2 to the extent that the power to do so is conferred by the FCA Rules irrespective of any issue of eligibility.



- 8.2 The ACD, after consultation with and notification to the Depositary, may choose a market as one which is appropriate for the purpose of investment of, or dealing in, the scheme property. Any such market will be an eligible market for the purposes of the FCA Rules and a list of such markets will be included in the Prospectus.

#### **8A INVESTMENT IN GOVERNMENT AND PUBLIC SECURITIES**

Certain sub-funds may be invested as to more than 35% in a transferable security or an approved money market instrument ("such securities") issued by any one (1) EEA state, (2) local authority of an EEA state, (3) non-EEA state or (4) public international body to which one or more EEA states belong. If it is intended or anticipated that the scheme property of any sub-fund will or may be invested more than 35% in such securities issued by any one issuer, (in addition to those sub-funds currently indicated in Part 2 of the Schedule) a new Part 2 of the Schedule stating that fact in relation to the sub-fund and identifying the issuer (as well as restating the information contained in the previous Part 2) will be substituted for the previous Part 2 and form part of this Instrument to the exclusion of the previous Part 2.

#### **9. BASE CURRENCY**

The accounts of the Company shall be prepared in Sterling.

#### **10. SHARE CAPITAL AND CLASSES OF SHARE**

- 10.1 The capital of the Company shall be represented by shares of no par value and shall at all times be equal to the Net Asset Value of the Company in base currency.
- 10.2 The minimum capital of the Company shall be £100 and the maximum capital shall be £100,000,000,000.
- 10.3 The Company may issue one or more of such Classes of shares as are set out in Part 1 of the Schedule to this Instrument and may do so in respect of such sub-funds as are set out in Part 2 of the Schedule and the rights attaching to each Class of shares shall be as set out in this Instrument, the Prospectus and in the Regulations.
- 10.4 The Directors may by resolution from time to time create Classes of share in respect of a sub-fund additional to those set out in Part 1 of the Schedule to this Instrument. On the creation of any new Class a new Part 1 of the Schedule to this Instrument showing the new Class and the rights attaching to it (as well as those of the other extant Classes) shall be substituted for the previous Part 1 and form part of this Instrument to the exclusion of the previous part.
- 10.5 Where a Class is denominated in a currency which is not the base currency, distributions paid on shares on that Class shall, in accordance with the FCA Rules, be in the currency of that Class, and statements of amounts of money or values included in statements and in tax

certificates shall also be given in the currency of that Class (whether or not also given in the base currency).

- 10.6 Votes at meetings of the sub-fund of which the Class forms part shall be determined in accordance with the proportionate interests in the sub-fund ascertained in accordance with Part 4 of the Schedule and the FCA Rules.
- 10.7 Where for any purpose not specifically covered by the Regulations or this Instrument it is necessary to convert one currency into another, conversions shall be made at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 10.8 The special rights attaching to shares or a Class of share of a sub-fund shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by:
  - 10.8.1 the creation, allotment or issue of further shares of any Class ranking *pari passu* therewith;
  - 10.8.2 the exchange of shares of any class into shares of another class (whether or not the classes relate to the same sub-fund or to different sub-fund(s));
  - 10.8.3 the creation, allotment, issue or redemption of shares of another Class relating to the same sub-fund, provided that the interests of that other Class in the sub-fund represent fairly the financial contributions and benefits of Shareholders of that Class;
  - 10.8.4 the creation, allotment, issue or redemption of shares relating to another sub-fund;
  - 10.8.5 the exercise by the Directors of their powers under clause 14.2.4 or clause 14.3; or
  - 10.8.6 the passing of any resolution at a meeting of holders of shares relating to another sub-fund which does not relate to the sub-fund in which the Class is interested.

## 11. **ISSUE AND CANCELLATION OF SHARES IN THE COMPANY**

The ACD will issue or cancel shares in the Company by making a record of the issue or cancellation of such shares and the number of shares in each Class concerned. Subject to and in accordance with the FCA Rules, the issue or cancellation of shares may take place through the Company directly.

## 12. **IN SPECIE ISSUE AND CANCELLATION**

The Depositary may take into or pay out of the scheme property assets other than cash as payment for the issue or cancellation of shares but only if the Depositary has taken reasonable care to ensure that receipt or payment out of the property concerned would not be likely to result in any material prejudice to the interests of Shareholders of the Company.

### 13. **SALE AND REDEMPTION**

In accordance with the Regulations, the arrangements for the sale and redemption of shares in the Company are as set out in the Prospectus. The restrictions that apply in relation to the sale and redemption of shares are as set out in Part 1 of the Schedule to this Instrument.

### 14. **SUB FUNDS**

14.1 The assets of a sub-fund of the Company belong exclusively to that sub-fund and shall not be used to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any other sub-fund and shall not be available for that purpose.

14.2 Subject to the FCA Rules, all consideration received for the account of the Company for the issue of shares in respect of a sub-fund together with the investments in which such consideration is invested or reinvested, and all income, earnings, profits and proceeds thereof and liabilities and expenses relating thereto shall be pooled and kept separate from all other monies, investments, assets, liabilities and expenses of the Company and the following provisions shall apply to each sub-fund:

14.2.1 for each sub-fund the Company shall keep books in which all transactions relating to the relevant sub-fund shall be separately recorded and the assets and the liabilities, income and expenditure attributable to that sub-fund shall be applied or charged to such sub-fund subject to the provisions of this clause;

14.2.2 any asset derived from any other asset (whether cash or otherwise) comprised in any sub-fund shall be applied in the books of the Company to the same sub-fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to the relevant sub-fund;

14.2.3 each sub-fund shall be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to that sub-fund; and

14.2.4 any assets, liabilities, expenses, costs or charges not attributable to one sub-fund only may be allocated by the ACD between sub-funds in accordance with the Regulations and the FCA Rules in a manner which the ACD considers is fair to the shareholders of the Company.

14.3 Any sub-fund shall be terminated subject to and in accordance with the Regulations, by the ACD in its absolute discretion if:

14.3.1 one year from the date of the first issue of shares relating to that sub-fund or at any date thereafter the Net Asset Value of the sub-fund is less than One Million Pounds (£1,000,000) or its equivalent in the base currency of the sub-fund; or

14.3.2 the ACD decides that it is desirable to terminate the sub-fund.

14.4 The sub-funds of the Company for the time being constituted and their respective investment objectives are set out in Part 2 of the Schedule to this Instrument.

14.5 Subject to Clause 5, the ACD may by resolution from time to time create such additional sub-fund or sub-funds with such investment objectives and such restrictions as to investment or otherwise, and denominated in such currencies, as the ACD shall from time to time determine. On creation of any such sub-fund or sub-funds a new Part 2 of the Schedule to this Instrument including the specified details of the new sub-fund or sub-funds (as well as those of the other extant sub-funds) shall be substituted for the previous one and shall form part of this Instrument to the exclusion of the previous one.

## 15. VALUATION AND PRICING

The Net Asset Value of the Company and each sub-fund shall be determined in accordance with the FCA Rules, and, subject thereto, in accordance with Part 3 of the Schedule to this Instrument. Subject to the FCA Rules and in the absence of bad faith, negligence or manifest error, such determination by the ACD shall be definitive. The basis for the pricing of any shares issued by the Company shall be forward pricing only in accordance with the FCA Rules.

## 16. EXCHANGE OF SHARES ETC

16.1 Subject to the following provisions of this clause and the Prospectus, any Shareholder (including the ACD) may give notice to the Company in such form as the ACD may from time to time determine in accordance with the Prospectus (an **exchange notice**) of his desire to exchange all or some of his shares of one class issued in respect of any sub-fund (the **original shares**) for shares of another class issued in respect of the same sub-fund or for shares issued in respect of a different sub-fund, (the **new shares**).

16.2 Upon receipt by the Company of an exchange notice, the ACD shall arrange for the Company to cancel (or, at its discretion, the ACD shall itself redeem) the original shares and issue (or, at its discretion, the ACD shall sell to the Shareholder) such number of new shares as is arrived at by reference to clause 16.6 provided that, so far as the Regulations allow, the ACD may impose such restrictions as to the Classes for which exchange may be effected and may make exchange subject to such charge, as it shall determine.

16.3 Where an exchange notice relates to a desired exchange of shares between classes issued in respect of different sub-funds, the ACD shall not impose restrictions as to the classes of new shares for which exchange may be effected unless the provisions of the Prospectus limit the issue of units or impose a minimum size of holding or dealing in such other share classes. Classes in respect of such different sub-funds or otherwise there are reasonable grounds relating to the circumstances of the Shareholder concerned for refusing to issue or sell shares of a particular Class to him.

- 16.4 Exchange pursuant to this clause of the original shares specified in an exchange notice shall take place at the first valuation point after the time upon which the exchange notice is received or deemed to have been received by the Company or at such other valuation point as the ACD at the request of the Shareholder giving the relevant exchange notice may determine. Where the exchange is between shares of sub-funds that have different valuation points the cancellation or redemption of the original shares shall take place at the next valuation point of the relevant sub-fund following receipt (or deemed receipt) of exchange notice by the Company and the issue or sale of new shares shall take place at the next subsequent valuation point of the different sub-fund.
- 16.5 For the purposes of this clause and for the avoidance of doubt, the ACD shall be construed as the Shareholder of all shares in the Company which are in issue and in respect of which no other person's name is entered on the register.
- 16.6 The ACD shall determine the number of new shares to be issued or sold to the Shareholder on an exchange in accordance with the following formula:

$$N = O \times \frac{(CP \times ER)}{(1-SC) \times SP}$$

where:

- N is the number of new shares to be issued or sold (rounded down to the nearest whole number of smaller denomination shares);
- O is the number of original shares specified (or deemed to be specified) in the exchange notice which the holder has requested to exchange;
- CP is the price at which a single original share may be cancelled or redeemed as at the valuation point applicable to the cancellation or redemption as the case may be;
- ER is 1, where the original shares and the new shares are designated in the same currency and, in any other case, is the exchange rate determined by the ACD in its absolute discretion (subject to the FCA Rules as representing the effective rate of exchange between the two relevant currencies as at the date the exchange notice is received (or deemed to have been received) by the Company having adjusted such rate as may be necessary to reflect any costs incurred by the Company in making any transfer of assets as may be required as a consequence of such an exchange being effected;
- SC is a charge (if any) made by the ACD when switching between different sub-funds or different share classes within the same sub-fund. This charge may be waived at the discretion of the ACD; and
- SP is the price at which a single new share may be issued or sold as at the valuation point applicable to the cancellation or redemption as the case may be.

- 16.7 The ACD may adjust the number of new shares to be issued or sold in accordance with clause 16.6 to reflect the imposition of the exchange charge referred to in clause 16.2 together with any other charges or levies in respect of the issue or sale of the new shares or cancellation or redemption of the original shares as may be made without infringement of the Regulations.
- 16.8 Where an exchange of shares would, if effected in accordance with the terms of any exchange notice, result in a Shareholder holding less than the permitted minimum holding (by number or value) of either original shares or new shares as set out in the Prospectus, then the ACD may (at its discretion) decide either to:
- 16.8.1 treat the Shareholder in question as having served an exchange notice in respect of their entire holding of original shares; or
  - 16.8.2 refuse to give effect to the exchange notice in question.
- 16.9 For the avoidance of doubt:
- 16.9.1 each exchange notice shall relate only to the exchange of shares of a single Class; and
  - 16.9.2 an exchange notice may be given as much in respect of a desired exchange of shares between Classes issued in respect of different sub-funds as an exchange of shares between different classes issued in respect of the same sub-fund.
- 16.10 The ACD may, on providing appropriate notice to affected Shareholders, compulsorily convert Shares from one Class to another within the same Sub-fund where to do so is considered by the ACD to be in the best interests of Shareholders.

## 17. **QUALIFICATIONS AND RESTRICTIONS ON HOLDING SHARES**

- 17.1 The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no shares in the Company are acquired or held by any person in circumstances (**relevant circumstances**):
- 17.1.1 which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
  - 17.1.2 which would require the Company, the ACD or any investment adviser to be registered under any law or regulation of any country or territory or cause the Company to apply for registration or comply with any registration requirements in respect of any of its shares whether in the US or any other jurisdiction in which it is not currently registered; or
  - 17.1.3 which would (or would if other shares were acquired or held in like circumstances), in the opinion of the ACD, result in the Company, its Shareholders, the ACD and/or any investment adviser appointed from time to time incurring any liability to taxation or

suffering any legal, regulatory, pecuniary or any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

- 17.1.4 where such person is a US Person or is holding the shares for the account of benefit of a US Person; and, in this connection, the ACD may, inter alia, reject at its discretion any subscription for, sale or transfer of, shares or any exchange notice given pursuant to clause 16.1.

For the purposes of the "relevant circumstances" above, "investment adviser" shall include any person appointed by the ACD and/or the Company to provide investment management and/or investment advisory services in respect of the Scheme Property of the Company .

- 17.2 If it comes to the notice of the ACD that any shares (**affected shares**) have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to in clause 17.1 or if it reasonably believes this to be the case the ACD may give notice to the holder of the affected shares requiring the holder to transfer such shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption or cancellation of such shares in accordance with the FCA Rules. If any person upon whom such a notice is served pursuant to this clause does not within thirty days after the date of such notice transfer his shares to a person qualified to hold the same, or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected shares are qualified and entitled to hold the shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of the affected shares pursuant to the FCA Rules.
- 17.3 A person who becomes aware that he has acquired or holds shares whether beneficially or otherwise (**affected shares**) in any of the relevant circumstances referred to in clause 17.1 shall forthwith, unless he has already received a notice pursuant to clause 17.2 either transfer or procure the transfer of all the affected shares to a person qualified to own the same or, where possible, exchange the affected shares for other shares in the Company, the holding of which would not fall within any of the relevant circumstances referred to above, or give a request in writing or procure that a request is so given for the redemption or cancellation of all the affected shares pursuant to the FCA Rules.
- 17.4 When the holder of any shares in any Class fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of shares in a manner, in terms of the Company making or not making any deduction of United Kingdom tax prior to the distribution or allocation to the holder, as is envisaged for such Class, he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such notice, treat the Shareholder concerned as if he had served on the Company an exchange notice or

notices pursuant to clause 16.1 requesting exchange of all of the relevant shares owned by such holder for shares of the Class or Classes of shares in the Company which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Class or Classes of shares being exchanged by that Shareholder and the provisions of clauses 16.1 to 16.9 inclusive shall be applied accordingly.

- 17.5 If at any time the Company or the ACD become aware that the holder of any shares, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Company, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such shares without deduction of United Kingdom tax, then the Company shall, without delay, treat the Shareholder concerned as if he had served on the Company an exchange notice or notices pursuant to clause 16.1 requesting exchange of all of the relevant shares owned by such holder for shares of the Class or Classes which, in the opinion of the ACD, such holder is entitled to hold and most nearly equate to the Class or Classes of shares held by that Shareholder and the provisions of clauses 16.1 to 16.9 inclusive shall be applied accordingly.
- 17.6 An amount equal to any tax charge incurred by the Company or for which the Company may be held liable as a result of an exchange pursuant to clause 16.1 shall be recoverable from the Shareholder concerned and may be accounted for in any adjustment made of the number of new shares to be issued pursuant to clause 16.6.
- 17.7 If at any time the ACD is not entitled to receive distributions or have income allocations made in respect of shares held by it without deduction of United Kingdom tax and has redeemed, pursuant to the FCA Rules, any shares that make distributions or allocations without any tax being deducted or accounted for by the Company, the ACD shall forthwith following such redemption arrange for the Company to cancel any such shares or (at its discretion) the ACD shall forthwith sell such shares to a person who is (or appears to the ACD to be) entitled to hold the same.

## 18. EVIDENCE OF TITLE TO SHARES

- 18.1 Title to shares shall be evidenced by an entry in the register of Shareholders (**registered shares**), and the Company shall not issue certificates to Shareholders. A statement of shareholding (**statement**) in respect of shares shall be sent to a holder at least once a year in such form as the ACD may decide. A statement shall not constitute a document of title to the shares to which it refers. The ACD (whether or not the registrar) or the registrar on the ACD's behalf may impose a charge for the account of the ACD on the person requesting its issue for issuing any document relating to (including any document evidencing title to shares), or for recording an entry on, the register (otherwise than on the purchase, sale, issue or cancellation of shares).



- 18.2 The Company may issue bearer shares evidenced by a share certificate (**bearer share certificate**) in respect of any Class of share. The Company may further provide by coupons or otherwise for the payment of distributions in respect of bearer shares.
- 18.3 Certificates in respect of bearer shares shall be issued in respect of such number of bearer shares and subject to such conditions as the Directors from time to time decide. In particular, the Directors shall prescribe:
- 18.3.1 the form of bearer share certificate to be used and the method of authentication thereof;
  - 18.3.2 the conditions on which the bearer share certificate or any coupon or similar document which has been lost, worn out or destroyed will be renewed or replaced; and
  - 18.3.3 the manner in which the holder of a bearer share shall be entitled to receive notice of and vote at any general meeting of the Company or Class or sub-fund meeting, and such terms shall be printed on the reverse of the bearer share certificate.
- 18.4 Where a holder of registered shares of a Class which may be issued in bearer form requests in writing to the Company that his name be removed from the register in respect of some or all of those shares then the ACD may at its discretion:
- 18.4.1 issue to him one or more bearer share certificates in exchange for such evidence of identity as the ACD may require to be produced; and
  - 18.4.2 remove the name of the holder from the register in respect of the relevant shares.
- 18.5 Where a holder of bearer shares requests in writing to the Company that his name be entered in the register of Shareholders in respect of some or all of those shares the Company shall, upon surrender to the Company of the bearer share certificate(s) representing title to those shares together with all outstanding coupons, if any, relating thereto for cancellation, enter the name of that holder in the register of Shareholders in respect of those shares. The Company shall not be responsible for any loss incurred by any person upon the surrender of a bearer share certificate by reason of the Company entering in the register of Shareholders the name of any person who is not the true and lawful owner of the bearer share(s) represented thereby.
- 18.6 The ACD may, at its discretion, decline to give effect to a request for the redemption or switching of bearer shares unless it is accompanied by the bearer share certificate(s) representing title to such shares, together with all outstanding coupons, if any, relating thereto and may, at its discretion, impose a charge payable for the account of the ACD to cover the costs of complying with any such request as is mentioned in the two preceding clauses, the amount of such charge to be determined by the ACD in any event.
- 18.7 The Company shall not be responsible for any loss incurred by any person by reason of the Company giving effect to a request for the redemption or switching of bearer shares and (in the

case of redemption) paying the proceeds of such redemption to the person so requesting or (in the case of switching) issuing new shares to the person so requesting.

## 19. **DENOMINATION OF SHARES**

The rights attaching to the shares of all Classes may be expressed in two denominations and, in each of those Classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one ten-thousandth of the larger denomination share.

## 20. **TRANSFER AND TRANSMISSION OF SHARES**

- 20.1 All transfers of shares shall be effected by transfer in writing in any usual or common form or in any other form as may be approved by the ACD. The signature on the instrument of transfer may be affixed manually or electronically and may be an actual signature or facsimile signature. The Directors shall not be bound to enquire as to the genuineness of any signature. The transferor shall remain the holder of the shares concerned until such time as the name of the transferee is entered in the register in respect thereof.
- 20.2 No instrument of transfer may be given in respect of more than one Class of shares.
- 20.3 In the case of a transfer to joint holders, the number of joint holders to whom a share is to be transferred may not exceed four.
- 20.4 Unless the ACD in its discretion decides otherwise, no transfer may result in either the transferor or the transferee holding fewer shares of the Class concerned or shares of such Class having a lesser aggregate value than any number or value as is stated in the Prospectus as the minimum number or value of shares of that Class which may be held.
- 20.5 The Company may refuse to register a transfer of shares unless there has been paid for the account of the Company, an amount determined by the ACD not exceeding the amount that would be derived by applying the rate of stamp duty reserve tax to the market value of the shares being transferred. This Clause shall not apply to transfers excluded by law from a charge to stamp duty reserve tax.
- 20.6 Any person becoming entitled to a share or shares in consequence of the death or bankruptcy of a Shareholder or otherwise by operation of law may, subject as provided below and upon such evidence being produced as may from time to time be lawfully required by the ACD as to his entitlement, either be registered himself as the holder of the share or shares, or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing and delivering or sending to the Company an instrument of transfer of such share or shares in favour of his nominee.

- 20.7 All the limitations, restrictions and provisions of this Instrument relating to the right to transfer and the registration of transfers of shares shall be applicable to any notice or instrument of transfer given or made pursuant to clause 20.6 as if the death or bankruptcy of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer were an instrument of transfer signed by that Shareholder.
- 20.8 A person becoming entitled to a share in consequence of the death or bankruptcy of a Shareholder or otherwise by operation of law shall (upon such evidence being produced as may from time to time be lawfully required by the ACD as to his entitlement) be entitled to receive and may give a discharge for any income distributions or other monies payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as stated above, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The ACD may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share in question and if the notice is not complied with within sixty days the ACD may then withhold payment of any income distributions and other monies payable in respect of the share until the requirements of the notice have been complied with.
- 20.9 No transfer shall be registered if it would give rise to a breach of any restrictions referred to in clause 17.1.

## 21. **GENERAL MEETINGS**

All general meetings (other than Annual General Meetings) shall be called Extraordinary General Meetings.

## 22. **PROCEEDINGS AT GENERAL MEETINGS**

- 22.1 The provisions of this Instrument which relate to proceedings at meetings shall apply mutatis mutandis to Class meetings and sub-fund meetings as they apply to general meetings.
- 22.2 Prior to each general meeting, the Depositary shall nominate an individual to act as chairman, and if that individual is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting or is not willing and able to act, the Shareholders present must choose one of their number to be chairman of the meeting.
- 22.3 No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with this Instrument, which shall not be treated as part of the business of the meeting. The quorum required to conduct business at a general meeting is two Shareholders, present in person or by proxy.
- 22.4 If a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting or if there is no longer a quorum present at

any time during the meeting, the meeting, if convened on the requisition of Shareholders, is dissolved. In any other case it stands adjourned to such other day and time (being not less than seven days after the day and time for the meeting) and place as the chairman decides. If at an adjourned meeting under this clause 22.4 a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting, one person entitled to be counted in a quorum shall constitute a quorum and if there is no such person the meeting is dissolved.

- 22.5 The chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or for an indefinite period) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned without agreement as to the date, time and place for the adjourned meeting, the date, time and place for the adjourned meeting shall be fixed by the ACD. When a meeting is adjourned for thirty days or more or for an indefinite period, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 22.6 Subject to clause 22.5 above, in the case of an adjournment of a meeting at which a quorum is present, it shall not be necessary to give any notice of such an adjournment or of the business to be transacted at the adjourned meeting.
- 22.7 A meeting of Shareholders or a sub-fund meeting or a Class meeting (as the case may be) duly convened and held shall have the power by the passing of the appropriate resolution to decide any matter (including, without limitation, the suspension or curtailment of the powers of the ACD), subject to the Regulations and (in the case of sub-fund meetings and Class meetings) subject also to any rights in relation to that matter which Shareholders of other sub-funds or Classes may have.
- 22.8 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- 22.8.1 the chairman of the meeting;
  - 22.8.2 not less than two Shareholders; or
  - 22.8.3 the depositary.
- A demand by a proxy is deemed to be a demand by the member appointing the proxy. The chairman must exercise his power to demand a poll if requested to do so by the ACD.
- 22.9 A demand for a poll may be withdrawn only with the approval of the chairman of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that

effect in the minute book or other record of proceedings, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such a manner (including the use of ballot papers or electronic or computer voting systems) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

- 22.10 A poll demanded on the choice of the chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place and in such manner (including by post) as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
- 22.11 The chairman of a general meeting may take any action (including, without prejudice to the foregoing generality, adjourning the meeting to another time or place without the consent of the meeting) he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority. He may, for example, require any people to prove who they are, carry out security searches, and stop certain things being taken into the meeting. The chairman may refuse to allow any person into a meeting, or may arrange for any person who refuses to comply with any requirements imposed under this clause to be removed from a meeting. The Directors may arrange for any people whom they consider cannot be seated in the main meeting room (where the chairman will be) to attend and take part in a general meeting in an overflow room or rooms. Any overflow room will have a live video link from the main room, and a two-way sound link. The notice of the meeting need not give details of any arrangements under this clause. The Directors may decide how to divide people between the main room and any overflow room. If any overflow room is used, the meeting will be treated as being held, and taking place, in the main room.

## 23. **VOTING RIGHTS**

- 23.1 The entitlement to vote at any general meeting of Shareholders or Class meeting attaching to each share is in accordance with the FCA Rules. On a show of hands every Shareholder who is present in person has one vote. On a poll, votes may be given either personally or by proxy or in any other manner permitted herein.

23.2 Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that regard to exercise powers with respect to the property or affairs of any Shareholder on the ground (however formulated) of mental disorder, the ACD may in its absolute discretion upon or subject to production of such evidence of the appointment as the ACD may require, permit such receiver or other person on behalf of such Shareholder to vote on a poll in person or by proxy at any general meeting of Shareholders or Class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of shares in relation to such a meeting.

23.3 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

## 24. **PROXIES**

24.1 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the ACD may approve and:

24.1.1 in the case of an individual shall be signed by the appointor or his attorney; and

24.1.2 in the case of a corporation shall be either given under its common seal or signed on its behalf by a person duly authorised for the purpose by the corporation.

24.2 The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the proxy pursuant to the next following clause, failing which the instrument may be treated as invalid.

24.3 An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to or at the head office) by the time which is forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

24.4 A vote cast by proxy shall not be invalidated by the previous death, bankruptcy or insanity of the principal or by other transmission by operation of law of the title to the shares concerned or by the revocation of the appointment of the proxy or of the authority under which the

appointment of the proxy was made provided that no intimation in writing of such death, bankruptcy, insanity, transmission or revocation shall have been received by the Company at the head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

## **25. CORPORATIONS ACTING BY REPRESENTATIVES**

- 25.1 Any corporation which is a Shareholder of the Company may by resolution of the directors or other governing body of such corporation and in respect of any share or shares in the Company of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such share or shares if it were an individual Shareholder of the Company and such corporation shall for the purposes of this Instrument be deemed to be present in person at any such meeting if an individual so authorised is so present. A corporation which holds shares as nominee for more than one person may appoint more than one such representative, each in respect of a specified number of the shares which the corporation holds and each such representative shall be entitled to exercise such powers as aforesaid only in respect of the shares concerned.
- 25.2 Any corporation which is a Director of the Company or which is the Depositary may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the Company, sub-fund meeting or Class meeting or (but only in the case of a corporation which is a director of the company) at any meeting of the Directors. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such corporation as the corporation could exercise if it were an individual and such corporation shall be deemed for the purposes of this Instrument to be present in person at any such meeting if a person so authorised is so present.

## **26. DIRECTORS**

- 26.1 Except as otherwise prescribed by the Regulations, the business of the Company shall be managed by the Directors. They may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not required by the Regulations or this Instrument to be exercised by any other person or by the Company in general meeting. The general powers given by this clause shall not be limited or restricted by any special authority or power given to the Directors by any other clause in this Instrument or by any resolution of the

Company and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

- 26.2 Unless otherwise determined by an ordinary resolution of Shareholders the number of Directors shall not at any time exceed twelve.
- 26.3 If, and for so long as the ACD is the sole Director of the Company, the ACD shall have authority to exercise all the powers, authorities and discretions expressed in the Regulations to be vested in the directors of an investment company with variable capital generally.
- 26.4 If, and for so long as, there is no ACD acting in respect of the Company, the Directors shall (subject to COLL) have authority to exercise all the powers, authorities and discretions expressed in this Instrument to be vested in the ACD.
- 26.5 A Director is not required to hold any shares in the Company by way of qualification.
- 26.6 A Director is entitled by one or more duly authorised representatives to attend and speak at any general meeting, any sub-fund meeting and at any Class meeting.
- 26.7 The Directors may from time to time appoint one or more of their number to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
- 26.8 The appointment of any Director to any executive office (including that of Chairman and Deputy Chairman) shall automatically end if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 26.9 No resolution made by the Company in general meeting or by the holders of the shares of any sub-fund at a sub-fund meeting, or by the holders of the shares of any Class at a Class meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.
- 26.10 Subject to the FCA Rules, the Directors may appoint agents and delegate any of the powers, authorities and discretions vested in or exercisable by it, with or without power to sub-delegate. Any such appointment or delegation made in accordance with the FCA Rules may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any such appointee, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected by it doing so.
- 26.11 Subject to the FCA Rules, the Directors may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such



powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Instrument) and for such period and subject to such conditions as the Directors may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

**27. REMUNERATION AND REIMBURSEMENT OF EXPENSES OF ACD**

- 27.1 The ACD shall be entitled to remuneration for its services as ACD. Such remuneration shall (unless otherwise determined by the ACD) be deemed to accrue from day to day and the amount of such remuneration shall (subject to the FCA Rules) be determined by the ACD.
- 27.2 Any Director who holds any executive office including that of ACD (and including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may (subject to the FCA Rules) be paid such extra remuneration by way of fees, salary, commission or otherwise as the Directors may determine.
- 27.3 The Directors may (subject to the FCA Rules) be paid by the Company all travelling, hotel and other expenses properly incurred by them (or by their duly authorised representative in the case of Directors who are corporations) in connection with their attendance at and return from meetings of the Directors, committees of such meetings, general meetings of the Company, sub-fund meetings or Class meetings or otherwise in connection with the business of the Company.

**28. MEETINGS AND PROCEEDINGS OF DIRECTORS**

- 28.1 Clauses 28.2 to 28.12 shall not apply at any time when the ACD is the sole Director of the Company. Any decision or action which is authorised or required by the Regulations to be taken by the directors of an investment company with variable capital shall, if and for so long as the ACD is the sole director, be valid and effective if made or taken by the ACD.
- 28.2 Subject to the provisions of this Instrument, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may summon a meeting of the Directors by at least five working days' notice in writing. Any Director may waive notice of any meeting (and any such waiver may be retroactive) and any Director who is present at a meeting of the Directors shall be deemed to have waived notice of such meeting.
- 28.3 The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and, unless so fixed at any other number, shall be two.

- 28.4 Any or all of the Directors, or members of a committee, can take part in, and be counted in the quorum for, a meeting of the Directors or of a committee by way of a conference telephone or similar equipment designed to allow everybody to take part in the meeting. The meeting shall be treated as being held at the place where the chairman is calling from even if no two Directors are in the same place.
- 28.5 Questions arising at any meeting of the Directors shall be determined by a majority of votes cast. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 28.6 The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number but if and so long as the number of Directors is reduced below the minimum number fixed as the quorum, the continuing Directors or Director may (notwithstanding the provisions of clause 28.3) act for the purpose of filling such vacancies or of calling a general meeting but not for any other purpose. If there are no Directors able and willing to act, then any two Shareholders may summon a general meeting for the purpose of appointing one or more Directors subject to any maximum number provided for in this Instrument.
- 28.7 The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and may at any time remove them from such office. Unless he is unwilling to do so, the Director (if any) appointed as Chairman shall preside at every meeting at which he is present or, failing which, the Deputy Chairman (if any) shall so preside. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.
- 28.8 If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.
- 28.9 A resolution in writing signed by all the Directors or by all members of a committee of Directors who would be entitled to vote on such a resolution at a meeting of Directors or all members of a committee of Directors shall be as valid and effective as a resolution duly passed at a meeting of the Directors or (as the case may be) committee of Directors and may consist of several documents in the like form each signed by one or more Directors.
- 28.10 The Directors may delegate all or any of their powers, authorities or discretions (including, for the avoidance of doubt, any powers, authorities or discretions to sub- delegate or relating to the remuneration of Directors) to a committee or committees consisting of one or more of the Directors. Insofar as any such power, authority or discretion is so delegated any reference to this Instrument to the exercise by the Directors of such power, authority or discretion shall be

read and construed as if it were a reference to the exercise by such committee. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may from time to time be imposed by the Directors. The Directors may at any time dissolve, or revoke any delegation made to, any committee established under this clause 28.10, but no person dealing in good faith and without notice of any such dissolution or revocation shall be affected thereby.

- 28.11 The meetings and proceedings of any such committee consisting of two or more persons shall be governed by the provisions of this Instrument regulating the meetings and proceedings of the Directors insofar as the same are applicable and are not superseded by any regulations made by the Directors under clause 28.10, save that the chairman of the meeting shall not have a second or casting vote at any meeting where only two members of such committee are present or at which only two members of such committee are competent to vote on the issue in question.
- 28.12 Subject to the FCA Rules, all acts done by the Directors or by any committee or by any person acting as a Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or such committee or that any Director was disqualified or had vacated office, be as valid as if every such person or committee had been duly appointed and that every person so acting was qualified and had continued to be a Director and had been entitled to vote.

29. **INTERESTS OF ACD**

- 29.1 Subject to the Regulations and to clause 29.4 a Director may be party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested. A Director may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company) under the Company or any other company in which the Company is in any way interested (or any firm of which he is a member) and may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. No such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit. The ACD may deal as principal in the Company's shares.
- 29.2 Subject to clause 29.3, any interest of a kind referred to in the last preceding clause of this Instrument must be declared by the Director who is so interested at the meeting of the Directors at which the question of entering into the contract or arrangement or transaction is first taken into consideration. A general notice in writing given to the Directors by any Director to the effect that he is a Shareholder, director, employee of, or might for any other reason be regarded as

having an interest in relation to, any specified company or firm, and is to be regarded as interested in any contract or arrangement or transaction which may thereafter be made with that company or firm, shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract or arrangement or transaction made or entered into.

29.3 If and for so long as the ACD is the sole Director of the Company the last preceding clause of this Instrument shall have no effect and, in such event, any interest of a kind referred to in clause 29.1 must be properly recorded and minuted by the ACD as soon as practicable after it becomes so interested. Nothing in this clause shall absolve the ACD from its fiduciary duty to act in the best interests of the Company as a whole.

29.4 Notwithstanding the provisions of clause 29.1, but subject to clause 29.5, a Director shall not vote at a meeting of the Directors (or of a committee of the Directors) on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following sub-clauses:

29.4.1 any proposal concerning the terms of the appointment or re-appointment of a Director as the ACD, (or of a Director who is an associate of the ACD) or any ratification of the terms of such appointment or re-appointment;

29.4.2 any proposal concerning the terms of the appointment or re-appointment of a Director who is an associate of the ACD, or any ratification of the terms of such appointment or re-appointment;

29.4.3 any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or Shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in 1% or more of the issued shares of any Class of such company (or of any third company of which such company is a subsidiary) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this clause to be a material interest in all circumstances); or

29.4.4 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of and against any liability incurred by any Director(s) or persons who include or may include Directors.

29.5 If, and for so long as, the ACD is the sole Director of the Company or at any meeting of the Directors called for the purpose of determining the terms of the appointment or re- appointment of the ACD there is no quorum of Directors present and entitled to vote, the last preceding clause shall have no effect and (for the avoidance of doubt), the ACD shall, subject to the

Regulations and to its fiduciary duty to act in the best interests of the Company as a whole, be entitled at its own discretion to determine the terms of its appointment or re-appointment as such with the Company notwithstanding its interest therein, which terms shall be set out in writing, in a contract between the ACD and the Company.

- 29.6 A Director may be counted in the quorum at a meeting of the Directors or committee of the Directors in relation to any resolution on which he is debarred from voting.
- 29.7 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under clause 29.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 29.8 If any question shall arise at any time as to the materiality of a Director's interest (other than the chairman's interest) or as to the entitlement of any Director to vote (other than the chairman) and such question is not resolved by his voluntarily agreeing to abstain from voting such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fully and fairly disclosed. If any question shall arise at any time as to the materiality of the chairman's interest or as to the entitlement of the chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors or a committee of the Directors (excluding the chairman) whose majority vote shall be final and conclusive.
- 29.9 For the purposes of clause 29.4, an interest or duty of a person who is an associate of a Director shall be treated as an interest of the Director.
- 29.10 The Company may by ordinary resolution suspend or relax any provision of this Instrument prohibiting a Director from voting at a meeting of Directors (or of a committee of Directors) or ratify any transaction not duly authorised by reason of a contravention of this Instrument.

### 30. **MINUTES OF ACD'S MEETINGS**

- 30.1 The ACD shall cause records to be made and kept in permanent form of:
  - 30.1.1 all proceedings at meetings of the Company or of the holders of any Class of shares in the Company;
  - 30.1.2 of all resolutions made by the ACD in respect of the Company otherwise than at a meeting and all other matters required by this Instrument to be formally recorded by the ACD; and

30.1.3 of all appointments of officers made by the ACD.

### 31. **APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS**

- 31.1 The Directors shall have power, at any time and from time to time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or pursuant to this Instrument. Any such appointment shall take effect only upon the satisfaction of either of the conditions appearing in Regulation 21(3) of the OEIC Regulations and shall have no effect unless and until either of such conditions shall have been satisfied. Any Director so appointed must retire from office at the next following annual general meeting, at which time he shall then be eligible for re-election.
- 31.2 No person (other than the ACD or a person nominated by the Directors) shall be eligible for election to the office of Director at any general meeting unless not less than seven and not more than forty-two days before the date appointed for the meeting, notice in writing has been left at the head office, signed by a member duly qualified to attend and vote at such meeting, of his intention to propose such person for election, together with notice in writing signed by that person of his willingness to be elected.
- 31.3 A single resolution for the appointment of two or more persons as Director shall not be put at any general meeting, unless a resolution that it shall be so put has first been agreed to by the meeting without any vote being given against it.
- 31.4 Subject to the provisions of the FCA Rules and Regulation 21 of the OEIC Regulations and notwithstanding any other provision of this Instrument, the office of Director shall be vacated in any of the following events, namely:
- 31.4.1 if, not being a Director who is employed under a contract which precludes resignation, he resigns his office by notice in writing signed by him and left at the head office of the Company or if he offers in writing to resign and the Directors shall resolve to accept such offer; or
  - 31.4.2 if he becomes prohibited by law or regulation (including any provision of the Regulations) from acting as a Director, (or, being the ACD, as ACD); or
  - 31.4.3 if he becomes bankrupt, has an interim receiving order made against him or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act or if, being a body corporate, a receiver or liquidator is appointed other than for the purpose of reconstruction or amalgamation in respect of the Director or a resolution is passed to wind up the Director or if an administrator or administrative receiver is appointed over all or any part of the Director's assets; or

- 31.4.4 if an order is made anywhere in the world by any court claiming jurisdiction in that behalf on the ground (howsoever formulated) of mental disorder, for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
  - 31.4.5 if he is absent from meetings of the Directors (or of committees of Directors) continuously for six months without sanction of the Directors and the other Directors resolve that his office be vacated; or
  - 31.4.6 upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms.
- 31.5 The Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in this Instrument or in any agreement between the Company and such Director. Such removal shall take effect only upon the satisfaction of either of the conditions appearing in Regulation 21(3) of the OEIC Regulations and shall be without prejudice to any claim such Director may have for damages for breach of any such agreement.
- 31.6 Notice of the intention to move a resolution under clause 31.5 must be given to the Company at least 28 days before the meeting at which it is moved.
- 31.7 The Company shall give notice to Shareholders of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice by advertisement in a newspaper having an appropriate circulation at least 14 days before the meeting.
- 31.8 If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date 28 days or less after the notice has been given, the notice is deemed properly given, though not given within the time required.
- 31.9 A vacancy created by the removal of a Director under this section, if not filled at the meeting at which he is removed, may be filled as a casual vacancy.

## 32. **AMENDMENTS**

Amendments may be made to this Instrument by resolution of the ACD to the extent permitted by the FCA Rules.

## 33. **INCOME EQUALISATION**

- 33.1 The following clauses shall apply in respect of shares in issue in respect of the sub-funds listed in Part 2 of the Schedule to this Instrument.
- 33.2 An allocation of income (whether annual or interim) to be made in respect of each share to which this clause applies issued by the Company or sold by the ACD during the accounting

period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other shares of the same Class issued in respect of the same sub-fund but shall include a capital sum (**income equalisation**) representing the ACD's best estimate of the amount of income included in the price of that share and calculated in accordance with the following clause.

33.3 The amount of income equalisation in respect of any share shall be either:

33.3.1 the actual amount of income included in the issue price of that share; or

33.3.2 an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of shares of that Class issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such shares and applying the resultant average to each of the shares in question.

#### 34. **RIGHTS IN SCHEME PROPERTY AND ALLOCATION OF INCOME**

34.1 The proportionate interests of different share Classes and of holders of shares in each share Class in the property of the Scheme shall be calculated on the basis of Part 4 of the Schedule.

34.2 The provisions of Part 4 of the Schedule to this Instrument shall also apply to each allocation of income made in respect of any sub-fund at a time when more than one Class of shares is in issue in respect of that sub-fund provided that the Company may adopt a method of calculating the amount of income to be allocated between the shares in issue (or the shares in issue in respect of any sub-fund) which is different to that which appears in Part 4 of the Schedule to this Instrument if the ACD is satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.

#### 35. **INCOME AND DISTRIBUTIONS**

35.1 Part 1 of the Schedule to this Instrument shall set out the basis for the distribution or re-investment of income in respect of any Class of shares in issue for any sub-fund.

35.2 Any distribution or other monies payable on or in respect of a share may be paid by crossed cheque, warrant or money order and may be remitted by post to the registered address of the Shareholder or person entitled to such monies (or, if two or more persons are registered as joint holders of the share or are entitled by virtue of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of any one of such persons) or to such person and to such address as the Shareholder or other such person or persons may direct in writing.

35.3 Any distribution or other monies may also be paid by any other usual or common banking method (including, without limitation, direct credit, bank transfer and electronic funds transfer (a **bank transfer**) and to or through such person or such persons as the relevant person may direct in writing.



- 35.4 Every such cheque, warrant or order shall be made payable to the person entitled to the monies represented by it or to such person as the relevant holder or joint holders may direct in writing and the payment of such cheque, warrant or order or the transfer by way of direct credit or bank transfer by the bank so instructed by the Company shall be a good discharge to the Company. The Company shall not be responsible for any loss of any cheque, warrant or order or for any error in any transfer by direct credit or bank transfer which in each case shall be sent or transferred at the risk of the person or persons entitled to the money thereby.
- 35.5 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give an effectual receipt for any distribution or other monies payable or property distributable on or in respect of the share.
- 35.6 No distribution or other monies payable on or in respect of a share shall bear interest against the Company.
- 35.7 All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the relevant sub-fund of the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

36. **CHEQUES ETC.**

All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the ACD shall from time to time by resolution determine.

37. **CHARGES AND EXPENSES**

- 37.1 Subject to the FCA Rules, the expenses of the incorporation and authorisation of the Company, any offer of shares, the preparation and printing of any prospectus issued in connection with any such offer, the fees for professional services provided to the Company in connection with any such offer and the costs and expenses of the Depositary in connection with any such matters, including any agreement between the Company and the Depositary will be borne by the Company (unless borne by some other person) and, subject to the FCA Rules, if borne by the Company will be amortised over such accounting periods of the Company (not exceeding five years) as the Directors may determine and be charged to the assets of each sub-fund (both in existence at the relevant time and coming into existence later) in such proportions as the Directors may determine in accordance with the FCA Rules.
- 37.2 Expenses, costs, charges and liabilities which are payable out of or chargeable to the scheme property of a sub-fund shall be payable out of or chargeable to the capital property or the

income property as directed in terms of the Regulations. Where, in terms of the Regulations, any expense, cost, charge or liability may be paid out of or charged to either the capital property or the income property, then the Directors shall determine which part of the scheme property it shall be paid out of or charged to, subject always to the further provisions of the Regulations.

- 37.3 Subject always to the Regulations, in the event that any expense, cost, charge or liability which would ordinarily be payable out of income property cannot be so paid because there is insufficient income property available for that purpose, such expense, cost, charge or liability may be paid out of the capital property of the relevant sub-fund or sub-funds. In the event that the Directors consider such an insufficiency of income property to be temporary, a temporary loan may be made from the capital property to the income property for the purpose of enabling the relevant expense, cost, charge or liability to be discharged, on the basis that such temporary loan shall be repaid to the capital property as soon as practicable.
- 37.4 In the event that any expense, cost, charge or liability which is paid out of the capital property of a sub-fund is properly attributable to one or more (but not all) Classes of shares in such sub-fund or is attributable to shares of different Classes other than pro rata to the proportions of the value of the scheme property of such sub-fund respectively represented by the different Classes of shares, the proportions of the value of the scheme property represented by shares of different Classes shall be adjusted in such manner as the Directors shall determine to be equitable to reflect the proper incidence of such expense, cost, charge or liability.
- 37.5 Each Class of shares in a sub-fund shall be charged with the expenses, costs, charges and liabilities in respect of or attributable to that Class of shares in that sub-fund and for this purpose, each Class of shares in a sub-fund shall bear the remuneration of the ACD in respect of that sub-fund at the rates thereof as stated in the Prospectus to be attributable to that Class of shares.
- 37.6 The ACD may make a charge (**redemption charge**) upon:

37.6.1 a redemption of shares by the ACD as principal; or

37.6.2 a cancellation of shares by the ACD acting for the Company; or

37.6.3 a cancellation of shares by the Company at the request of a Shareholder.

In the case of clause 37.6.2 and 37.6.3 above, the Company shall deduct the amount of the redemption charge from the payment otherwise due to the Shareholder and pay the redemption charge to the ACD.

### 38. **DESTRUCTION OF DOCUMENTS**

- 38.1 Subject to maintaining records in accordance with the Regulations and any other applicable law, rule or regulation, the ACD or Depositary or the Company may at any time destroy any records or other documentation relating to the Company including, without limitation, any

payment mandate (including any variation or cancellation of it) which ceases to have effect, any notification of change of name or address which has been recorded, any instrument of transfer of shares which has been registered and any other document on the basis of which any entry in the register of Shareholders has been made or cancelled.

38.2 It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under clause 38.1 was a valid and effective document in accordance with the recorded particulars of it in the books or records of the Company, provided always that the document was destroyed in good faith and without express notice to the Company that the preservation of the document was relevant to a claim.

38.3 Nothing contained in this clause shall be construed as imposing upon the Company any liability in respect of the destruction of any document in any case where the conditions of this clause are not fulfilled. References to this clause to the destruction of any document include references to its disposal in any manner.

### 39. **NOTICES**

39.1 The provisions within the FCA Rules shall be treated as applying to any notice or document to be given to the Company pursuant to this Instrument.

39.2 A Shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address. If he has not given such an address the Company shall give notices to him at his address outside the United Kingdom unless its doing so would contravene any applicable laws or regulations.

39.3 A person entitled to a share in consequence of the death or bankruptcy of a Shareholder or other operation of law shall, upon such evidence being produced as may from time to time be lawfully required by the ACD as to his entitlement and upon supplying also an address for the service of notices, be entitled to have served upon or delivered to him at such address any notice or document to which the Shareholder but for his death, bankruptcy or other event giving rise to the transmission would have been entitled, and service or delivery of such notice or document in such way shall be deemed good service on all persons interested (whether jointly with or claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Shareholder in accordance with the FCA Rules shall, notwithstanding the death or bankruptcy of such Shareholder or other operation of law and whether or not the Company has notice of such state of affairs, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder.

39.4 In the case of joint Shareholders, service of a notice or document on the holder whose name stands first in the register is effective service on the other joint Shareholders.

39.5 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or any other country or territory, the Company is unable effectively to convene a general meeting, sub-fund meeting or Class meeting by notices sent through the post, such a meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all Shareholders entitled to receive the same at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom or such other country or territory again becomes practicable.

#### 40. **WINDING UP**

Subject to any special provisions in Part 1 of the Schedule to this Instrument the rights of a holder of shares to participate in the property comprised in a sub-fund on a winding up of the Company or on termination of the sub-fund shall be proportionate to the number of units of entitlement in the sub-fund represented by the shares which he holds, determined in accordance with Part 4 of the Schedule to this Instrument.

#### 41. **INDEMNITY**

41.1 The ACD, auditor and Depositary of the Company shall each be indemnified by the Company against any liability incurred by them respectively in defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in each case in relation to the Company in which judgment is given in their favour respectively or they are respectively acquitted or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to them respectively by the Court but this indemnity shall not apply to any liability to the extent that it is recovered from another person.

41.2 Subject to the Regulations, the ACD may exercise all the powers of the Company to purchase and maintain insurance:

41.2.1 for the benefit of any person who is or was a director, other officer or auditor of the Company against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company; and

41.2.2 for the benefit of any person who is or was the Depositary against any liability for any failure to exercise due care and diligence in the discharge of his functions in respect of the Company.

**42. CONFLICT WITH REGULATIONS**

In the event of any conflict arising between any provision of this Instrument and the Regulations, the Regulations shall prevail and this Instrument shall be construed and shall take effect accordingly.

**THE SCHEDULE****PART 1****SHARE CLASSES**

Each sub-fund may issue the following Classes of share:

Class A net accumulation shares

Class A net income shares

Class A gross accumulation shares

Class A gross income shares

(together **Class A Share Classes**)

The Class A Share Classes shall have the following features:

- Designated in Sterling

Class B net accumulation shares

Class B net income shares

Class B gross accumulation shares

Class B gross income shares

(together **Class B Share Classes**)

The Class B Share Classes shall have the following features:

- Designated in Sterling

Class C net accumulation shares

Class C net income shares

Class C gross accumulation shares

Class C gross income shares

(together **Class C Share Classes**)

The Class C Share Classes shall have the following features:

- Designated in Sterling

Class D net accumulation shares

Class D net income shares

Class D gross accumulation shares

Class D gross income shares

(together **Class D Share Classes**)

The Class D Share Classes shall have the following features:

- Designated in Sterling

Class E net accumulation shares

Class E net income shares

Class E gross accumulation shares

Class E gross income shares

(together **Class E Share Classes**)

The Class E Share Classes shall have the following features:

- Designated in Euros
- Not available to UK investors

Class G net accumulation shares

Class G net income shares

Class G gross accumulation shares

Class G gross income shares

(together **Class G Share Classes**)

The Class G Share Classes shall have the following features:

- Designated in Sterling

Class S net accumulation shares

Class S net income shares

Class S gross accumulation shares

Class S gross income shares

(together **Class S Share Classes**)

The Class S Share Classes shall have the following features:

- Designated in Sterling

Class Z net accumulation shares

Class Z net income shares

Class Z gross accumulation shares

Class Z gross income shares

(together **Class Z Share Classes**)

The Class Z Share Classes shall have the following features:

- Designated in Sterling

In addition to the above each sub-fund may issue one or more other Classes of shares the currency of which is designated to be a currency other than sterling (and in respect of which the price shall be expressed and any distribution shall be paid in that currency) at such time and upon such terms as it considers appropriate. Such Classes may be net income shares, gross income shares, net accumulation shares and gross accumulation shares, to the extent that this would not be inconsistent with the Regulations or with any other law or regulation (including relevant tax laws).

Each of the Classes of share in respect of each sub-fund may bear different fees, charges and expenses and have different investment minima or other features as set out in the Prospectus. Shares of the same class relating to the same sub-fund rank pari passu.



## PART 2

### SUB-FUNDS

#### **Aegon Diversified Growth Fund**

##### *Investment Objective*

The investment objective is to deliver a total return (capital growth plus income) that exceeds the UK Retail Prices Index by at least 4% per annum over any 5 year period. By investing in the Fund, capital is at risk. There is no guarantee that the Fund will deliver positive returns over this, or any, time period.

##### *Government and Public Securities*

More than 35% of the Scheme Property of this sub-fund may be invested in Government and Public Securities:

- (a) issued by one issuer, provided that the issuer is among the following:
  - (i) the Government of the United Kingdom, or of the following member States: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Finland, Luxembourg, The Netherlands, Portugal, Spain, Sweden or of the following EEA states: Norway, Iceland and Lichtenstein;
  - (ii) the following local authorities in the United Kingdom or in any other member State: City of Coventry, Dudley Metropolitan Borough, Salford Corporation, Sheffield City Trust, NEC Finance;
  - (iii) the Government of any of the following countries: Australia, Canada, Hungary, Isle of Man, Israel, Japan, New Zealand, South Africa, Switzerland, USA;
  - (iv) the following international organisations of which the United Kingdom, or another member State is a member: Cades, Eurofima, European Investment Bank, International Finance, KFW International Finance, LCR Finance, World Bank; or
- (b) guaranteed by one guarantor, provided that that guarantor is among those specified in paragraph (i), (ii), or (iii) of sub-paragraph (a) above.

##### *Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may invest a maximum of 10% in other collective investment schemes.

#### **Aegon Diversified Monthly Income Fund**

##### *Investment Objective*

The investment objective is to generate income with a target yield of approximately 5% per annum, with the potential for capital growth over the medium term (being any 5 year period). By investing in the

Fund, capital is at risk. There is no guarantee that the Fund will generate this, or any other level of income or returns.

*Government and Public Securities*

More than 35% of the Scheme Property of this sub-fund may be invested in Government and

Public Securities:

- (a) issued by one issuer, provided that the issuer is among the following:
  - (i) the Government of the United Kingdom, or of the following member States: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Finland, Luxembourg, The Netherlands, Portugal, Spain, Sweden or of the following EEA states: Norway, Iceland and Lichtenstein;
  - (ii) the following local authorities in the United Kingdom or in any other member State: City of Coventry, Dudley Metropolitan Borough, Salford Corporation, Sheffield City Trust, NEC Finance;
  - (iii) the Government of any of the following countries: Australia, Canada, Hungary, Isle of Man, Israel, Japan, New Zealand, South Africa, Switzerland, USA;
  - (iv) the following international organisations of which the United Kingdom, or another member State is a member: Cades, Eurofima, European Investment Bank, International Finance, KFW International Finance, LCR Finance, World Bank; or
- (b) guaranteed by one guarantor, provided that that guarantor is among those specified in paragraph (i), (ii), or (iii) of sub-paragraph (a) above.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### **Aegon Ethical Cautious Managed Fund**

#### *Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

#### *Government and Public Securities*

Not applicable.

#### *Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes..

### **Aegon Ethical Corporate Bond Fund**

#### *Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

#### *Government and Public Securities*

Not applicable.

#### *Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### **Aegon Ethical Equity Fund**

#### *Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

#### *Government and Public Securities*

Not applicable.

#### *Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### **Aegon Global Equity Fund**

#### *Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may invest a maximum of 10% in units or shares of other collective investment schemes.

### **Aegon High Yield Bond Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### **Aegon Investment Grade Bond Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### **Aegon Sterling Corporate Bond Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over the long any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

**Aegon Strategic Bond Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

More than 35% of the Scheme Property of this sub-fund may be invested in Government and Public Securities:

- (a) issued by one issuer, provided that the issuer is among the following:
  - (i) the Government of the United Kingdom, or of the following member States: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Finland, Luxembourg, The Netherlands, Portugal, Spain, Sweden or of the following EEA states: Norway, Iceland and Lichtenstein;
  - (ii) the following local authorities in the United Kingdom or in any other member State: City of Coventry, Dudley Metropolitan Borough, Salford Corporation, Sheffield City Trust, NEC Finance;
  - (iii) the Government of any of the following countries: Australia, Canada, Hungary, Isle of Man, Israel, Japan, New Zealand, South Africa, Switzerland, USA;
  - (iv) the following international organisations of which the United Kingdom, or another member State is a member: Cades, Eurofima, European Investment Bank, International Finance, KFW International Finance, LCR Finance, World Bank; or
- (b) guaranteed by one guarantor, provided that that guarantor is among those specified in paragraph (i), (ii), or (iii) of sub-paragraph (a) above.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

**Aegon UK Equity Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

**Aegon UK Equity Absolute Return Fund**

*Investment Objective*

The investment objective is to achieve a positive absolute return over any 36 month period in all market conditions. By investing in the Fund, capital is at risk. There is no guarantee that the Fund will deliver positive returns over this, or any, time period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may invest a maximum of 10% in other collective investment schemes.

**Aegon UK Equity Income Fund**

*Investment Objective*

The investment objective is to achieve an income return along with the potential for some long-term (more than 7 years) capital growth.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

**Aegon UK Opportunities Fund**

*Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

**Aegon UK Smaller Companies Fund***Investment Objective*

The investment objective is to provide a combination of income and capital growth over any 7 year period.

*Government and Public Securities*

Not applicable.

*Restriction in Investment in Other Collective Investment Schemes*

This sub-fund may not invest more than 10% in other collective investment schemes.

### PART 3

#### DETERMINATION OF NET ASSET VALUE

The value of the scheme property of the Company or sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the scheme property (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraphs 3 to 4A below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - 2.1 units or shares in a collective investment scheme:
    - 2.1.1 if a single price for buying and selling units or shares is quoted, at that price; or
    - 2.1.2 if separate buying (offer) and selling (bid) prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - 2.1.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
  - 2.2 any other transferable security:
    - 2.2.1 if a single price for buying and selling the security is quoted, at that price; or
    - 2.2.2 if separate buying and selling prices are quoted, at the average of the two prices; or
    - 2.2.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
  - 2.3 property other than that described in 2.1 and 2.2 above:
 

at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
3. Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.
- 3A Approved money market instruments which have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk, shall be valued on an amortised basis.



4. Exchange-traded derivative contracts:
  - 4.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - 4.2 if separate buying and selling prices are quoted, at the average of the two prices.
- 4A Over-the-counter derivative contracts shall be valued on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable or if this is not available, on the basis of the pricing model which the ACD and the Depositary have agreed.
5. In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
10. Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
12. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
13. Add any other credits or amounts due to be paid into the scheme property.
14. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

15. Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a sub-fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

## PART 4

### ALLOCATION OF RIGHTS TO PARTICIPATE IN THE PROPERTY OF A SUB-FUND

1. If there is more than one Class of shares in issue in a sub-fund, the proportionate interests of each Class of shares in the assets and liabilities of the sub-fund shall be ascertained as follows:
  - 1.1 A notional account shall be maintained for each Class of shares. Each account shall be referred to as a **Proportion Account**.
  - 1.2 The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a sub-fund at that time. The proportionate interest of a Class of share in the assets and income of a Fund is its "proportion."
  - 1.3 There shall be credited to a Proportion Account:
    - 1.3.1 the subscription money (excluding any initial charges) for the issue of shares of the relevant Class;
    - 1.3.2 that Class's proportion of the amount by which the Net Asset Value of the sub-fund exceeds the total subscription money for all shares in the sub- fund;
    - 1.3.3 that Class's proportion of the sub-fund income received and receivable; and
    - 1.3.4 any notional tax benefit under paragraph 1.5 below.
  - 1.4 There shall be debited to a Proportion Account:
    - 1.4.1 the redemption payment for the cancellation of shares of the relevant Class of shares;
    - 1.4.2 that Class's proportion of any amount by which the Net Asset Value of the sub-fund falls short of the total subscription money for all shares in the sub-fund;
    - 1.4.3 all distributions of income (including equalisation if any) made to Shareholders of that Class of shares;
    - 1.4.4 all costs, charges and expenses incurred solely in respect of that Class of shares;
    - 1.4.5 that Class's proportion of the costs, charges and expenses incurred in respect of that Class of shares and one or more other Classes in the sub- fund, but not in respect of the sub-fund as a whole;
    - 1.4.6 that Class's proportion of the costs, charges and expenses incurred in respect of or attributable to the sub-fund as a whole; and
    - 1.4.7 any notional tax liability under paragraph 1.5.

- 1.5 Any tax liability in respect of the sub-fund and any tax benefit received or receivable in respect of the sub-fund shall be allocated between share Classes in order to achieve, so far as possible, the same result as would have been achieved if each Class of shares were itself a sub-fund so as not materially to prejudice any Class of shares. The allocation shall be carried out by the ACD after consultation with the auditors.
- 1.6 Where a Class of shares is denominated in a currency which is not the base currency, the balance on the Proportion Account shall be converted into the base currency in order to ascertain the proportions of all shares Classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 1.7 The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Company to Shareholders or the other way round.
2. Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.
3. When shares are issued thereafter each such share shall represent the same proportionate interest in the property of the relevant sub-fund as each other share of the same denomination and Class of shares then in issue in respect of that sub-fund and the respective proportion of income allocated to a particular Class shall be allocated equally between each share of the same Class.
4. The Company shall allocate the amount available for income allocation (calculated in accordance with the FCA Rules) between the shares in issue relating to the relevant sub-fund according to the respective proportionate interests in the property of the sub-fund represented by the shares at the valuation point in question.
5. The Company may adopt a different method of calculating the proportionate interests of each Class in the assets and income of a sub-fund from that set out in this Part of the Schedule provided that the ACD are satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.
6. For shares of each Class a smaller denomination share of that Class shall represent such proportion of a larger denomination share of that Class for the purposes of calculating the proportionate interests of such shares in the assets and income of a sub-fund as the proportion which a smaller denomination share bears to a larger denomination share in accordance with Clause 19.