

Instrument of Incorporation

of

Legg Mason Funds ICVC

(an investment company with variable capital)

Registered in England and Wales

11 February 2020

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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 used but not defined in this Instrument 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”	shares (of whatever Class) in the Funds 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;
“ACD”	the Director from time to time holding office as the authorised corporate director in accordance with the FCA Rules;
“Act”	the Financial Services and Markets Act 2000;
“base currency”	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 Fund or the price of a share relating to a 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 Fund;
“Class”	all the shares relating to a single Fund or a particular class of shares relating to a single Fund as described in clause 11;
“Company”	Legg Mason Funds ICVC;
“Depositary”	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”	subject to clause 24.2 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;
“the FCA Rules”	the rules contained in the Collective Investment Schemes Sourcebook (COLL) published by the FCA (or any successor regulatory authority) 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;
“Fund”	a sub-fund of the Company;
“gross accumulation shares”	accumulation shares which are gross paying shares;
“gross income shares”	income shares which are gross paying shares;
“gross paying shares”	shares (if any and of whatever Class) in 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;
“Legg Mason Group Company”	any company whose ultimate holding company is Legg Mason, Inc., which is incorporated and registered in Maryland in the United States of America;
“income shares”	shares (of whatever Class) in Funds of 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;

“this Instrument”	this instrument of incorporation, including the Schedule, as amended from time to time;
“net accumulation shares”	accumulation shares which are net paying shares;
“Net Asset Value”	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 Fund or a particular class of shares of a Fund) less all the liabilities of the Company (or such liabilities as are attributable to that Fund or class of a Fund as the case may be) determined in each case in accordance with this Instrument;
“net income shares”	income shares which are net paying shares;
“net paying shares”	shares (if any and of whatever Class) in 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 net of any tax deducted or accounted for by the Company;
“OEIC Regulations”	The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228);
“ordinary resolution”	a resolution of the Company in general meeting or of a Class meeting or Fund 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;
“participating issuer”	a participating issuer as defined in the Uncertificated Securities Regulations 1995;
“participating security”	a participating security as defined in the Uncertificated Securities Regulations 1995;

“Prospectus”	the prospectus relating to the Company which is published from time to time;
“the Regulations”	the OEIC Regulations and the FCA Rules;
“Seal”	any common seal of the Company in such form as may be adopted by the Directors from time to time;
“UCITS Scheme”	a UCITS scheme which complies with COLL 5 of the FCA Rules.

- 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 Any reference in this Instrument to “in writing” shall include printed, lithographic, photographic, telex, facsimile, electronic mail and any other form of communication (or partly in one such form and partly in another) except where the context specifically requires otherwise. The word “signed” shall be construed so as to include signed by way of a signature or representation of a signature affixed by photographic, electronic or mechanical means or any other electronic evidence it was sent except where the context specifically otherwise requires.
- 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 Fund shall be construed as a reference to shares issued by the Company which give the holder thereof rights for the time being to participate in that part of the scheme property comprising the Fund in question.
- 1.7 The headings 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.

2. Constitution

- 2.1 The head office of the Company is situated in England and Wales.
- 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.
- 2.4 The scheme property of the Company is entrusted to a Depositary for safekeeping (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.
- 2.6 The assets of a Fund belong exclusively to that 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 Fund, and shall not be available for any such purpose.

3. Name

- 3.1 The name of the Company is Legg Mason Funds ICVC.
- 3.2 In the event of an appointment of an ACD which is not a Legg Mason Group Company, the name of the Company shall be changed by the Directors to remove the word “Legg Mason” from the name of the Company.

4. 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.

5. Object

The object of the Company is to invest the scheme property, or the part attributable to a Fund, in transferable securities, money market instruments, deposits, units in collective investment schemes, derivative instruments and forward transactions in accordance with the FCA Rules for UCITS Schemes 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 Company

The Company is a UCITS Scheme for the purposes of the FCA Rules and is an umbrella scheme for the purposes of the OEIC Regulations and shareholders are entitled to

exchange rights in one Fund for rights in another Fund in accordance with this Instrument. The Company is a scheme which is an umbrella and will, for the purposes of the FCA Rules, be categorised as a UCITS Scheme.

7. The Funds

- 7.1 The Company comprises the Funds specified in Part 1 of the Schedule. Each Fund is of the type stated in respect of it in Part 1 of the Schedule and would, if it were itself the subject of a separate authorisation by an order under Regulation 14 of the OEIC Regulations, qualify for separate authorisation by such an order. The investment objectives of (and the restrictions applicable to) each Fund are set out in Part 1 of the Schedule. Subject to any specific provisions set out against a particular Fund in Part 1 of the Schedule, the investment and borrowing powers of each Fund are all those contained in COLL 5 of the FCA Rules and permitted for the relevant type of company.
- 7.2 The Directors may, by resolution, from time to time, create an additional Fund of such type and with such investment objectives and restrictions as the Directors shall, from time to time, determine. On creation of any new Fund the provisions of Part 1 of the Schedule shall be amended accordingly by substitution of an amended version of Part 1 of the Schedule for the previous version of Part 1 of the Schedule.
- 7.3 Subject to the FCA Rules, all consideration received for the account of the Company for the issue of shares in respect of a 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 Fund:
- (a) for each Fund the Company shall keep books in which all transactions relating to the relevant Fund shall be separately recorded and the assets and the liabilities, income and expenditure attributable to that Fund shall be applied or charged to such Fund subject to the provisions of this clause;
 - (b) any asset derived from any other asset (whether cash or otherwise) comprised in any Fund shall be applied in the books of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to the relevant Fund;
 - (c) each Fund shall be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to that Fund;

- (d) any assets, liabilities, expenses, costs or charges not attributable to one Fund only, and allocated in accordance with the FCA Rules, may be reallocated by the Directors provided that such reallocation shall be done in a manner which is fair to the shareholders of the Company generally; and
- (e) notwithstanding the above provisions, each Fund may be a Participating Fund as defined in clause 7.4.

7.4 Subject to clause 2.6, if the Directors determine that it is appropriate to do so, having regard to the investment objectives of two or more Funds, all or any part of the Scheme Property attributable to those Funds (“Participating Funds”) may be invested and managed on a pooled basis in accordance with this clause, provided that no new Fund or separate collective investment scheme shall be or be deemed for any purpose to be created thereby, and provided further that any Scheme Property allocated to a Pool (as hereinafter defined) from a Participating Fund shall continue at all times to be attributed to such Participating Fund in accordance with its proportional entitlement to share in the Pool.

A common pool of assets (“Pool”) shall consist initially of cash and (if the Directors consider it appropriate) other property allocated from each Participating Fund, and the Directors may thereafter from time to time make further allocations from a Participating Fund to the Pool. The Directors may also from time to time withdraw cash or other property from a Pool and re-allocate it to a Participating Fund, subject to the Participating Fund’s entitlement to share in the Pool.

The entitlement of a Participating Fund to share in a Pool shall be determined according to the allocations and withdrawals of cash or other property made in respect of the Participating Fund.

All dividends, interest and other distributions of an income nature received in respect of Scheme Property allocated to a Pool will be credited to the Participating Funds in proportion to their respective entitlements to share in the Pool.

7.5 Any Fund shall be terminated subject to and in accordance with the Regulations, by the Directors in their absolute discretion if the Directors resolve that it is desirable to terminate the Fund.

8. Eligible Markets

8.1 Subject to any restrictions contained in the FCA Rules or this Instrument, the Company has the power to invest in any eligible securities market or deal on any eligible derivatives market to the extent that the power to do so is conferred by the FCA Rules.

- 8.2 The ACD may, in accordance with the FCA Rules, choose a market as one which is appropriate for the purpose of investment of, or dealing in, the scheme property beyond, where appropriate, any limit which under the FCA Rules would otherwise apply.

9. Base Currency

The accounts of the Company shall be prepared in pounds sterling or such other currency or currencies as may be the lawful currency of the United Kingdom from time to time. The currency of denomination of each Fund (in which the scheme property allocated to it would be valued and the prices of shares calculated and payments made) is stated in Part 1 of the Schedule.

10. Share Capital

- 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 £1,000 and the maximum capital shall be £100,000,000,000.

11. Classes of Share

- 11.1 The Company may from time to time issue shares of different Classes in respect of a Fund. The rights attaching to each Class of shares shall be as set out in this Instrument and in accordance with the Regulations. The rights attached to a Class of shares or shares of a Fund shall not be varied except with the sanction of an extraordinary resolution passed at a Class or Fund meeting of the holders concerned.
- 11.2 The Classes of shares which may presently be issued are those between class “A” and “Z” shares (inclusive), between “1” and “30” inclusive, “Retail” or “Hedged” or “Institutional” or “Platform”, classes denominated in United States Dollars (USD), Euros (EUR), Sterling (GBP), Japanese Yen (JPY) any combination of the above designations (A1, G1 or RT for example) or such other designation as the Directors may from time to time decide, including hedged or unhedged versions of these classes and which are set out in the Prospectus effective at any relevant date. Every such class may be issued in the form of:
- (a) net accumulation shares;
 - (b) gross accumulation shares;

- (c) net income shares;
 - (d) gross income shares;
 - (e) limited issue accumulation shares;
 - (f) limited issue income shares.
- 11.3 In addition, each of the above may be denominated in currencies other than the base currency to form further classes of shares as the Directors shall from time to time decide. Further requirements including as to the availability, minimum investment and holding levels may also be set out in the Prospectus from time to time.
- 11.4 The Classes of shares (in respect of such Funds) available for issue are those set out in the Prospectus.
- 11.5 The Directors may by resolution from time to time create Classes of share in respect of a Fund additional to those set out in the Prospectus (whether or not falling within one of the Classes described above).
- 11.6 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 thousandth of the larger denomination share.
- 11.7 If and for so long as the Company is a participating issuer, the Directors may by resolution from time to time determine that any Class of share is a participating security.
- 11.8 The special rights attaching to a Class of shares shall (unless otherwise expressly provided by the condition of issue of such shares) be deemed not to be varied by:
- (a) the creation, allotment or issue of further shares of any Class ranking *pari passu* therewith;
 - (b) the switching of shares of any Class into shares of another Class (whether or not the Classes are in different Funds);
 - (c) the creation, allotment, issue or redemption of shares of another Class within the same Fund, provided that the interests of that other Class in the Fund represent fairly the financial contributions and benefits of shareholders of that Class;
 - (d) the creation, allotment, issue or redemption of shares of another Fund; or

- (e) the exercise by the Directors of their powers under clause 26;
 - (f) the passing of any resolution at a meeting of holders of shares in another Fund which does not relate to the Fund in which the Class is interested.
- 11.9 Where a Class is denominated in a currency which is not the base currency, distributions paid on shares of that Class shall, in accordance with the FCA Rules, be in the currency of that Class.
- 11.10 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.
- 11.11 Votes at meetings of the Fund of which the Class forms part shall be determined in accordance with the proportionate interests in the Fund ascertained in accordance with Part 3 of the Schedule and the FCA Rules.
- 11.12 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.

12. Valuation and Pricing

- 12.1 The Net Asset Value of the Company the scheme property attributable to each Fund and Share Classes of a Fund shall be determined in accordance with the FCA Rules, and, subject thereto, in accordance with Part 2 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.
- 12.2 The basis for the pricing of any Shares issued by the Company shall be forward pricing only in accordance with the FCA Rules.

13. Issue and Cancellation

- 13.1 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.

- 13.2 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 Scheme Property concerned would not be likely to result in any material prejudice to the interests of shareholders of the Company.
- 13.3 In accordance with the FCA Rules, the arrangements for the sale and redemption of Shares are as set out in the Prospectus.
- 13.4 The ACD may determine to permit deferral of redemptions at a valuation point for a Fund to the next valuation point for that Fund where the requested redemptions exceed a percentage of the Fund's value which is disclosed in the Prospectus, on such basis as is consistent with the requirements of the FCA Rules, with a view to reducing the impact of dilution for the Fund.
- 13.5 A Shareholder is not liable to make any further payment after he has paid the price of his Shares. No further liability can be imposed upon him in respect of the Shares which he holds.

14. Switching of Shares etc

- 14.1 Subject to the provisions of this Instrument any shareholder may give notice to the Company in such form as the Directors may from time to time determine ("a switch notice") of his desire to exchange all or some of his shares of one Class issued in respect of any Fund (the "original shares") for shares of another Class issued in respect of the same Fund or for shares issued in respect of a different Fund, (the "new shares").
- 14.2 Upon receipt by the Company of a switch 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 14.6 provided that, so far as the Regulations allow and subject to clause 14.7, 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.
- 14.3 Where a switch notice relates to a desired exchange of shares between Classes issued in respect of different Funds, the ACD shall not impose restrictions as to the Classes of new shares for which exchange may be effected unless 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.
- 14.4 Exchange pursuant to clause 14.1 of the original shares specified in a switch

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 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 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 Fund.

- 14.5 For the purposes of this clause and for the avoidance of doubt, the ACD shall be construed as the shareholder of all shares (other than bearer shares) in the Company which are in issue and in respect of which no other person's name is entered on the register.
- 14.6 Subject to clauses 14.7 and 14.11 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:

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

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 Directors in their 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; 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.
- 14.7 The ACD may adjust the number of new shares to be issued or sold in accordance with clause 14.6 to reflect the imposition of the exchange charge referred to in clause 14.6 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.
- 14.8 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 from time to time, then the ACD may (at its discretion) decide either to:
- (a) treat the shareholder in question as having served a switch notice in respect of their entire holding of original shares; or
 - (b) refuse to give effect to the exchange notice in question.
- 14.9 Where permitted by, and subject to the conditions set out in the Prospectus, the ACD may compulsorily exchange a shareholder's original shares in a Fund for such number of new shares in the same Fund as is arrived at by reference to clause 14.6.
- 14.10 For the avoidance of doubt:
- (a) each exchange notice shall relate only to the exchange of shares of a single Class; and
 - (b) a switch notice may be given as much in respect of a desired exchange of shares between Classes issued in respect of different Funds as an exchange of shares between different Classes issued in respect of the same Fund.
- 14.11 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 14.1 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 14.6.

- 14.12 If at any time a shareholder 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 any gross paying shares pursuant to the FCA Rules, the ACD shall forthwith following such redemption arrange for the Company to cancel any such gross paying shares or (at its discretion) the ACD shall forthwith sell such gross paying shares to a person who is (or appears to the ACD to be) entitled to hold the same.

15. Restrictions on Holding Shares

- 15.1 The ACD may from time to time 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”):
- (a) 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;
 - (b) which would (or would if other shares were acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
 - (c) which constitutes a breach of this Instrument or the Prospectus as to eligibility or entitlement to hold such shares;

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 14.1.

- 15.2 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 15.1 or if they reasonably believe this to be the case the ACD may give notice to the holder of the affected shares requiring the transfer of 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.

- 15.3 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 15.1 shall forthwith, unless he has already received a notice pursuant to clause 15.2 either transfer or procure the transfer of all the affected shares to a person qualified to own the same 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.

16. The Register

- 16.1 Title to shares shall be evidenced by an entry in the register of shareholders (“registered shares”). The Company shall not issue certificates to shareholders but, in such case, a statement of shareholding (“periodic statement”) in respect of shares for which no certificates are to be issued shall be sent to each holder of such shares at least once a year in such form as the ACD may decide. A periodic statement shall not constitute a document of title to the shares to which it refers.

- 16.2 The Company shall not issue bearer shares.

17. Transfer and Transmission of Shares

- 17.1 All transfers of registered shares (not being participating securities) 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.
- 17.2 No instrument of transfer may be given in respect of more than one Class of shares.
- 17.3 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.
- 17.4 Unless otherwise determined by the ACD, 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.
- 17.5 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 Schedule 19 of the Finance Act 1999 from a charge to stamp duty reserve tax.

- 17.6 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.
- 17.7 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 17.6 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.
- 17.8 A person becoming entitled to a share or shares 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 or shares, but he shall not be entitled in respect of the same 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 or shares 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 or shares 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 same until the requirements of the notice have been complied with.

18. General Meetings

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

19. Class Meetings

The provisions of this Instrument which relate to proceedings at a general meeting shall apply equally to a meeting of holders of shares of a Fund and to a meeting of holders of shares of a particular Class of Shares of a Fund or of a particular Class of Shares of the Company as they apply to a general meeting of the Company. References in the following clause 20 to a “general meeting” shall mean, according to the context, the appropriate type of meeting of shareholders.

20. Proceedings at General Meetings

- 20.1 A meeting of shareholders duly convened and held shall, subject to the Regulations, have the power by the passing of an appropriate resolution to decide any matter subject to the Regulations and, in the case of a meeting of the holders of shares of a Class or in a Fund, subject to any rights in relation to that matter which shareholders of other classes of Funds may have.
- 20.2 A person nominated by the Depositary shall preside as chairman at a general meeting. If no such chairman has been nominated or there is no such chairman present within fifteen minutes after the time appointed for holding the meeting and willing to act, the shareholders present shall choose one of their number to be chairman of the meeting.
- 20.3 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 without date) 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 date, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or without date, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 20.4 Subject to clause 20.3 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.
- 20.5 The Depositary shall be entitled to appoint a representative to attend and speak on its behalf at each meeting, and shall be entitled to convene such a meeting.
- 20.6 In addition to the rights of shareholders to demand a poll in accordance with the Regulations, a poll may be demanded by the chairman of the meeting or the

ACD on any resolution put to the vote at a meeting.

- 20.7 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 computer 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.
- 20.8 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.

21. Voting Rights

- 21.1 The entitlement to vote at any meeting of shareholders attaching to each share is in accordance with the FCA Rules. On a show of hands, every shareholder who is present in person shall have one vote. On a poll, votes may be given either personally or by proxy or in any other manner permitted under this Instrument. On a poll, the voting rights attached to each share shall be such proportion of the voting rights attached to all the shares in issue in the Company or Fund or of any Class (as the case may be) as the price of the share bears to the aggregate price(s) of all the shares in issue in the Company or such Fund or of such Class.
- 21.2 Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any shareholder on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such shareholder to vote on a

poll in person or by proxy at any meeting, 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.

- 21.3 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. Once a meeting has been closed, votes accepted at that meeting shall be valid for all purposes.

22. Proxies

- 22.1 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (a) in the case of an individual shall be signed by the appointor or his attorney; and
 - (b) 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.
- 22.2 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.
- 22.3 In order to be valid, an instrument appointing a proxy must be left at 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, 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. 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.
- 22.4 A vote cast by proxy shall not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of 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, insanity 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.

23. Corporations Acting by Representatives

- 23.1 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 or Fund 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.
- 23.2 Any corporation which is a Director of the Company 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, Class meeting, Fund meeting or 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 director and such corporation shall be deemed for the purposes of this Instrument to be present in person at any such meeting if an individual so authorised is so present.

24. Directors

- 24.1 Subject to the responsibility of the ACD for the functions conferred or imposed on it under the Regulations, the business of the Company shall be managed by the Directors subject to the allocation between the Directors of the responsibilities for the management of the Company and the role of the ACD under the Regulations. Subject to the provisions of the OEIC Regulations, the Regulations and this Instrument and, if not inconsistent with these provisions, any conditions prescribed by the Company in general meeting (provided that no such condition shall invalidate any prior act of the Directors which would have been valid if such conditions had not been made), the Directors may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not required to be exercised by the Company in general meeting by the Regulations.

- 24.2 Unless otherwise determined by an extraordinary resolution of shareholders the Company shall only have one Director.
- 24.3 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 this Instrument to be vested in the Directors generally. Any decision which is required by the Regulations or this Instrument to be taken by the Directors shall, if and for so long as the ACD is the sole director, be valid and effective if made by the ACD.
- 24.4 If, and for so long as, there is no ACD acting in respect of the Company, the Directors shall (subject to the FCA Rules) have authority to exercise all the powers, authorities and discretions expressed in this Instrument to be vested in the ACD.
- 24.5 A Director shall not be required to hold any shares in the Company by way of qualification.
- 24.6 A Director is entitled to attend (by one or more persons authorised under Clause 23.2, where applicable) and speak at any general meeting, at any Fund meeting and at any Class meeting.
- 24.7 The Directors may from time to time appoint one or more of their number to be the holder of any 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.
- 24.8 The appointment of any Director to any office (including that of chairman and deputy chairman) shall automatically determine 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.
- 24.9 No resolution made by the Company in general meeting or by the holders of the shares of any Fund or any Class at a Fund or Class meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

- 24.10 Subject to the FCA Rules, the Directors may appoint agents and delegate any of the powers, authorities and discretions vested in or exercisable by them, with or without power to sub-delegate. Any such appointment or delegation made by the Directors in accordance with 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 their doing so.
- 24.11 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 they 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.

25. Remuneration and Expenses of Directors

- 25.1 The Directors shall be entitled to remuneration for their services as Directors. Such remuneration shall (unless otherwise determined by the Directors) be deemed to accrue from day to day and the amount of such remuneration shall (subject to the FCA Rules) be determined by the Directors.
- 25.2 Any Director who holds any office including that of ACD (and including for this purpose the office of chairman or deputy chairman), 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 fees and charges as are specified from time to time in the Prospectus and any extra remuneration by way of salary, commission or otherwise as the Directors may determine. The ACD shall be entitled to reimbursement of expenses of any type disclosed in the Prospectus and for which it may be reimbursed in accordance with the FCA Rules.
- 25.3 The Directors may (subject to the FCA Rules) be paid by the Company all travelling, hotel and other expenses properly incurred by them (or, being a corporation, by their duly authorised representative(s)) in connection with their attendance at and return from meetings of the Directors, committees of such meetings, general meetings of the Company, Fund meetings, Class meetings or

otherwise in connection with the business of the Company.

26. Meetings and Proceedings of Directors

- 26.1 This Clause 26 shall only apply at any time if, pursuant to Clause 24.2, the Company may have more than one director and there are other Directors in addition to the ACD.
- 26.2 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 seven 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.
- 26.3 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.
- 26.4 A resolution made by Directors who would (if attending a meeting) comprise a quorum and who are able to communicate (by means of a telephone or otherwise) simultaneously with one another shall be as valid and effectual as if passed at a meeting of the board of Directors duly convened and held. Any or all of the Directors, or members of a committee, can take part in 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 whether or not two or more Directors are in the same place. All Directors participating in that way shall be counted in the quorum of the meeting and be entitled to vote.
- 26.5 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.
- 26.6 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 26.3) 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 or 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.

- 26.7 The Directors may elect from their number a Chairman or a Deputy Chairman (or two or more Deputy Chairmen) and may, at any time, remove them from 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.
- 26.8 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.
- 26.9 A resolution in writing signed by all the Directors entitled to vote at a meeting of Directors or of all members of a committee of Directors similarly entitled 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.
- 26.10 Each and every power, authority or discretion invested in the Directors by or pursuant to this instrument may be delegated by the Directors to a Committee of two or more Directors. The proceedings of such a Committee shall be governed by the provisions of this Instrument regulating the proceedings of Directors so far as they are capable of applying.
- 26.11 Subject to the FCA Rules, any act 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.

27. Interests of Directors

- 27.1 Subject to the Regulations and to clauses 27.2, 27.3 and 27.4 of this Instrument, 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, and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor or Depositary 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. Subject to the Regulations no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit. In this Clause 27 an “interest” shall mean any interest in such contract arrangement or transaction or holding of such a position. An interest or duty of a person who is an associate of the Director shall be treated as an interest of the Director.

- 27.2 Subject to clause 27.3, 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 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 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 that next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract or arrangement made.
- 27.3 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 27.1 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.
- 27.4 Notwithstanding the provisions of clause 27.1 but subject to clause 27.5, 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:

- (a) any proposal concerning the terms of the appointment or re-appointment of a Director as the ACD, or any ratification of the terms of such appointment or re-appointment;
- (b) 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;
- (c) 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 one per cent. 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
- (d) 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.

27.5 If, and for so long as, the ACD is the sole Director of the Company, or at any meeting of the Directors at which the terms of the appointment or re-appointment of the ACD are considered, 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, 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.

27.6 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.

27.7 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 27.1) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

27.8 If any question shall arise at any time as to the materiality of any interest of a

Director (other than the chairman of the meeting in question) or as to the entitlement of any such Director to vote 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.

- 27.9 If any question shall arise at any time as to the materiality of the interest of the chairman of the meeting or as to the entitlement of such person 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.
- 27.10 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.

28. Minutes of Directors' Meetings

- 28.1 The Directors shall cause minutes to be made and kept in permanent form:
- (a) of all appointments of officers made by the Directors;
 - (b) of all proceedings at meetings of the Company, Class meetings and Fund meetings and at meetings of the Directors and committees of Directors, including the names of the Directors present at each such meeting; and
 - (c) 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.
- 28.2 Any such minutes, if purported to be signed by the Chairman (or executed by the ACD where the ACD is the sole director of the Company), shall be prima facie evidence of the matters stated in such minutes without any further proof.

29. Appointment, Removal and Retirement of Directors

- 29.1 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 clause 24.2 of 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.

- 29.2 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.
- 29.3 A single resolution for the appointment of two or more persons as Directors 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.
- 29.4 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:
- (a) 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
 - (b) 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
 - (c) 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 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
 - (d) 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

- (e) 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
 - (f) 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.
- 29.5 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.
- 29.6 Notice of the intention to move a resolution under clause 29.5 must be given to the Company at least 28 days before the meeting at which it is moved.
- 29.7 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.
- 29.8 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.
- 29.9 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.

30. Amendments

Amendment may be made to this Instrument by resolution of the Directors to the extent permitted by the FCA Rules.

31. The Seal

If the Company has a seal the Directors shall provide for the safe custody of the same. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors or of a committee of the Directors authorised by the Directors in that behalf. The Directors may from time to time determine whether or not any instrument to which the Seal is affixed shall be signed and the person(s) and/or the number of such

persons (if any) who are to sign such instrument. Until otherwise so determined, if at any time the Company shall have only one Director the Seal shall be affixed in the presence of that Director or, if that Director is a body corporate, in the presence of a duly authorised representative of the Director) and, in any other event, the Seal shall be affixed in the presence of two Directors or of one Director and another person duly authorised by the Directors. Any documents or securities sealed with an official seal in use by the Company pursuant to the OEIC Regulations from time to time need not also be signed.

32. Income Equalisation

- 32.1 Except where the ACD determines otherwise, the following clause shall apply to the shares in issue in respect of the Funds.
- 32.2 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:
- (a) in the case of net paying shares, 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 Fund but shall include a capital sum (“income equalisation”) representing the ACD's best estimate of the amount of net income included in the price of that share and calculated in accordance with the following clause; or
 - (b) in the case of gross paying shares, may be of a lower amount than that allocated in respect of the other shares of the same Class issued in respect of the same Fund as the proportion of the allocation attributable to income equalisation will have no associated tax amount that may be included in the allocation.
- 32.3 The amount of income equalisation in respect of any share to which clause 32.2 applies shall be either:
- (a) the actual amount of income included in the issue price of that share; or
 - (b) 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 in respect of that Fund 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.

33. Rights in Scheme Property

- 33.1 Subject to clause 32.2 and 33.2, the interests of the holders of a share shall consist of an undivided unit of entitlement in that part of the scheme property as is comprised in the Fund in question and each smaller denomination share, if any, shall represent such proportion of a unit of entitlement as a smaller denomination share bears to a larger denomination share in accordance with clause 11.3 of this Instrument.
- 33.2 Subject to clause 33.3, the provisions of Part 3 of the Schedule to this Instrument shall apply to each allocation of income made in respect of any Fund and to calculate the entitlement of each shareholder to participate in the scheme property of the Fund at a time when more than one Class of shares is in issue in respect of that Fund.
- 33.3 The Company may adopt a method of calculating the amount of income to be allocated between the shares in issue in respect of any Fund which is different to that which appears in Part 3 of the Schedule to this Instrument provided that the Directors are satisfied that such method is fair to shareholders and that it is reasonable to adopt such method in the given circumstances.

34. Income and Distributions

- 34.1 Any distribution or other monies payable on or in respect of a registered share may be paid by bank transfer to 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, if the ACD so agrees, to such person and to such address as the shareholder or other such person or persons may direct in writing.
- 34.2 If the ACD so agrees, any distribution or other monies may also be paid by any other usual or common banking method (including, without limitation, crossed cheque, warrant, money order, direct credit and electronic funds transfer or, in the case of shares which are uncertificated units of a security, payment through the facilities of a relevant system as defined by the Uncertificated Securities Regulations 1995 and to or through such person or such persons as the relevant person may request in writing.
- 34.3 Every such cheque, warrant or order shall be made payable to the person to whom it is sent or to such person as the holder or the joint holders or relevant person 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 debit 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.

- 34.4 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.
- 34.5 No distribution or other monies payable on or in respect of a share shall bear interest against the Company.
- 34.6 All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to 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.

35. 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 Directors shall from time to time by resolution determine.

36. Charges and Expenses

- 36.1 Without prejudice to the generality of Clause 2.6 and subject to the FCA Rules:
 - (a) the expenses of the incorporation and authorisation of the Company or any Fund, any offer of shares, the preparation and printing of any prospectus issued in connection with such offer and the fees for professional services provided to the Company in connection with such offer shall be borne by the Company (unless borne by some other person);
 - (b) the expenses attributable or deemed to be attributable to a Class or Fund in any accounting period may be taken from either the income or the capital property attributable or deemed to be attributable to that Class or Fund in accordance with the policy set out in the Prospectus; and
 - (c) any stamp duty or stamp duty reserve tax paid or to be paid by the ACD in

respect of the cancellation or redemption of a Share shall, at the request of the ACD, be reimbursed to the ACD by the Company.

37. Destruction of Documents

- 37.1 Subject to maintaining records in accordance with the Regulations and to any other applicable law, rule or regulation, the ACD or Depositary or the Company may:
- (a) destroy any share certificate which has been cancelled, at any time after the expiry of one year from the date of cancellation;
 - (b) 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 any effect or any notification of change of name or address which has been recorded;
 - (c) destroy any instrument of transfer of shares which has been registered; and
 - (d) destroy any other document on the basis of which any entry in the register of shareholders has been made or cancelled.
- 37.2 It shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and 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 37.1 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.
- 37.3 Nothing contained in this clause shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as provided in this clause or 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.

38. Notices

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

- 38.2 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.
- 38.3 A person entitled to a share or shares 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 Directors 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.
- 38.4 In the case of joint shareholders, service of a notice or document on any one is effective service on the other joint shareholders.
- 38.5 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, 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.

39. Winding Up

Subject to any special provisions in Part 1 of the Schedule to this Instrument, the rights of the holders of shares to participate in the property comprised in a Fund on a winding up of the Company or on termination of the Fund shall be proportionate to the

proportionate interests in the Fund represented by the shares which they hold, determined in accordance with Part 2 of the Schedule to this Instrument.

40. Indemnity

- 40.1 Every Director, including the ACD and any delegate of the ACD which is an affiliate of the ACD, in carrying out any of the duties or functions of the authorised corporate director of the Company or other officer, auditor or Depositary of the Company shall be indemnified by the Company against any liability incurred by him 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 his favour or he is acquitted or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to him by the Court; and the indemnity shall not apply to any liability to the extent that it is recovered from another person.
- 40.2 Subject to the Regulations, the Directors may exercise all the powers of the Company to purchase and maintain insurance:
- (a) 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
 - (b) 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.

41. Conflict with Regulations

The Regulations shall apply to the Company to the extent that they are relevant to the Company. 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 – The Funds

1.	<i>Name of the Fund</i>	<i>Objective of the Fund</i>
	Legg Mason IF Brandywine Global Income Optimiser Fund	To generate income in all market conditions over a rolling three to five year period. While the Fund's priority is to generate income, it will also seek to preserve capital.
	Legg Mason IF Western Asset Retirement Income Bond Fund	To provide a regular income stream, in excess of the prevailing level of interest rates in the U.K., with a focus on capital preservation.
	Legg Mason IF Western Asset Global Multi Strategy Bond Fund	To maximise total return through income and capital appreciation by diversifying across a range of fixed income securities, sectors and currencies.
	Legg Mason IF ClearBridge Global Equity Income Fund	To achieve income and capital growth through investment of at least 70% of the net asset value of the Fund in a range of equity and equity-related securities.
	Legg Mason IF ClearBridge US Equity Fund	To achieve capital growth, through investment of at least 80% of the net asset value of the Fund in securities of US issuers.
	Legg Mason IF ClearBridge US Equity Income Fund	<p>To provide total return by seeking to provide income as well as long-term capital growth over a rolling three to five year period.</p> <p>Although the Fund seeks to provide total return through income generation and capital growth over a rolling three to five year period, there is no guarantee that this will be achieved over such a time period, or any time period. The Fund's capital is at risk.</p>

Legg Mason IF Martin Currie Asia Pacific Fund	To achieve long-term (over five or more years) capital growth through investment in the Asia Pacific region, excluding Japan and seek to outperform the MSCI AC Asia Pacific ex Japan Net Dividends Index over rolling 3-year periods (net of fees).
Legg Mason IF Martin Currie Asia Unconstrained Fund	To provide long-term (over five or more years) growth through investment in Asian (excluding Japan) equities and equity-related securities.
Legg Mason IF Martin Currie China Fund ¹	To achieve long-term (over five or more years) capital growth through investment in China and seek to outperform the MSCI Zhong Hua Net Dividends Index over rolling 3-year periods (net of fees).
Legg Mason IF Martin Currie Emerging Markets Fund	To achieve long-term (over five or more years) capital growth through investment in emerging markets and seek to outperform the MSCI Emerging Markets Index over rolling 3-year periods (net of fees).
Legg Mason IF Martin Currie European Unconstrained Fund	To provide long-term (over five or more years) capital appreciation through investment in a concentrated portfolio comprised of at least 80% of its net asset value in European (excluding UK) equities.
Legg Mason IF Martin Currie Global Alpha Fund ²	To achieve capital growth through investment across all world markets.
Legg Mason IF Martin Currie Global Equity Income Fund	To achieve income, with the potential for capital growth over the long term (over five or more years), by investing in securities of companies listed globally.
Legg Mason IF Martin Currie Japan Alpha Fund ³	To achieve capital growth, through investment in Japan and seek to outperform the Japan TSE 1st Section (TOPIX) Index over rolling 3-year periods (net of fees).

¹ This Fund is in the course of being terminated and is therefore no longer available for investment.

² This Fund is in the course of being terminated and is therefore no longer available for investment.

³ This Fund is in the course of being terminated and is therefore no longer available for investment.

Legg Mason IF Martin Currie US Unconstrained Fund	To achieve capital growth over periods of five or more years, through investment of at least 80% of the net asset value of the Fund in a portfolio of US equities.
Legg Mason IF QS Emerging Markets Equity Fund ⁴	To achieve long-term capital growth through investment in emerging markets.
Legg Mason IF QS UK Equity Fund	To achieve capital growth through investment in quoted securities of UK companies.
Legg Mason IF Royce US Smaller Companies Fund	To achieve capital growth, through investment of at least 80% of the net asset value of the Fund in securities of smaller US companies.
Legg Mason IF Japan Equity Fund	To achieve capital growth through investment in securities of Japanese companies.
Legg Mason IF RARE Global Infrastructure Income Fund	To provide investors with an income comprised of dividends with a secondary investment objective of long-term (over five or more years) capital growth. The Fund seeks to outperform the OECD G7 Inflation Index by 5.5% over an investment time frame of five years (gross of fees).

2. Each Fund is a UCITS Scheme.
3. It is prohibited for the purposes of COLL 5.2.13(3) for more than 10% in value of the scheme property of a Fund to consist of units in collective investment schemes, and investment in collective investment schemes is subject to such further restrictions as are set out in Prospectus from time to time.
4. Pursuant to Clause 7.2 of the Instrument, the Directors may, by resolution from time to time, create an additional Fund which will be additional to those Funds named in paragraph 1 above. In the event of such resolution, this part of the Schedule shall be amended accordingly to include details of the new Fund's name, investment objectives and restriction and type.

⁴ This Fund is in the course of being terminated and is therefore no longer available for investment.

Part 2 - Determination of Net Asset Value

The value of the scheme property of the Company or a Fund or Class (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 paragraph 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

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

- (i) if a single price for buying and selling units or shares is quoted, at that price; or
- (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) any other transferable security:

- (i) if a single price for buying and selling the security is quoted, at that price; or
- (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

(c) property other than that described in (a) and (b) 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 and deposit accounts and in other time-related deposits shall be valued at their nominal values.
4. Property which is a contingent liability transaction shall be treated as follows:
 - (a) if a written option, (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and Depositary;
 - (b) if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
 - (c) if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, the method of valuation shall be agreed between the ACD and the Depositary.
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 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 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 3 - Allocation of rights to participate in the property of a Fund

1. If there is more than one Class in issue in a Fund, the proportionate interests of each Class in the assets and liabilities of the Fund shall be ascertained as follows:
 - 1.1 A notional account shall be maintained for each Class. 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 Fund at that time.
 - 1.3 There shall be credited to a Proportion Account:
 - 1.3.1 the subscription money (excluding any initial charges or dilution levy) 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 Fund exceeds the total subscription money for all shares in the Fund;
 - 1.3.3 that Class’s proportion of the 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;
 - 1.4.2 that Class’s proportion of any amount by which the Net Asset Value of the Fund falls short of the total subscription money for all shares in the Fund;
 - 1.4.3 all distributions of income (including equalisation if any) made to shareholders of that Class;
 - 1.4.4 all costs, charges and expenses incurred solely in respect of that Class;
 - 1.4.5 that Class’s proportion of the costs, charges and expenses incurred in respect of that Class and one or more other Classes in the Fund, but not in respect of the 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 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 Fund and any tax benefit received or receivable in respect of the Fund shall be allocated between Classes in order to achieve, so far as possible, the same result as would have been achieved if each Class were itself a Fund so as not materially to prejudice any Class. The allocation shall be carried out by the ACD after consultation with the auditors.
 - 1.6 Where a Class 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 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 Fund as each other share of the same denomination and Class then in issue in respect of that Fund.
 4. The Company shall allocate the amount available for income allocation (calculated in accordance with the FCA Rules) between the Classes in issue in respect of the relevant Fund according to their respective proportionate interests and equally between each share of the same Class in respect of the Fund in question.