

## KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

**KAMES**  
CAPITAL

# Kames UK Equity Absolute Return Fund

a sub-fund of Kames Capital ICVC

**Sterling Class A - Accumulation shares (ISIN: GB00B504CH73)**

This fund is managed by Kames Capital plc.

## Objectives and investment policy

**Objective:** to provide capital growth over a rolling 12 month period, regardless of market conditions.

**Policy:** invests principally in Company shares and derivatives (financial contracts whose value is linked to an underlying asset), in each case of UK companies.

The Fund may hold substantial amounts of cash to implement investment techniques or meet its objective.

The fund may also invest in deposits and money market instruments (a form of debt security).

Within the limits set out above, the Fund is not restricted by country or market sector. It may also hold a limited range of other investments and it is not constrained by any benchmark or index.

The Fund may use investment techniques to manage risks or costs and to take 'short' and 'long' positions. This means it may use derivatives to benefit from changes in the price of an underlying asset without actually owning it.

### Other information

You can buy, sell or switch the Fund's shares on any business day (see 'Dealing Day' in the Prospectus Definitions for more information).

Income the Fund receives will be reinvested and automatically reflected in the value of your shares.

Recommendation: the Fund may not be appropriate for investors who plan to withdraw their money within 3 years.

## Risk and reward profile

1	2	3	4	5	6	7
Lower risk / potentially lower rewards			Higher risk / potentially higher rewards			

The risk/reward profile shows the risk of investing in the Fund, based on the rate at which its value has changed in the past. This Fund has the above risk/reward rating because of its investment strategy: the value of 'absolute return' funds may not change in line with share or bond prices.

The Fund's category is not guaranteed and may change over time. It is calculated using historical data, which may not be a reliable indication for the future. Category 1 does not mean 'risk free'. Positive returns are not guaranteed and no form of capital protection applies.

Note: as there is less than 5 years performance data available (see Past Performance section), the risk/reward profile is calculated using the Fund's risk limits.

The following risks, which are not, or are not fully, reflected in the risk/reward profile are also relevant to the Fund:

**Counterparty:** Investments such as derivatives are made using financial contracts with third parties. Those third parties may fail to meet their obligations to the Fund due to events beyond our control. The Fund's value could fall because of: (i) loss of monies owed by the counterparty; and/or (ii) the cost of replacement financial contracts.

**Derivatives:** The value of derivatives depends on the performance of an underlying asset. Small changes in the price of that asset can cause larger changes in the value of the derivative. This increases potential gain but also potential loss.

Full details of risks are disclosed in the section 'Risk Factors' in the Prospectus.

## Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

### One-off charges taken before or after you invest:

Entry charge: 5.50%

Exit charge: 0.00%

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

### Charges taken from the Fund over a year:

Ongoing charges: 1.58%

### Charges taken from the Fund under certain specific conditions:

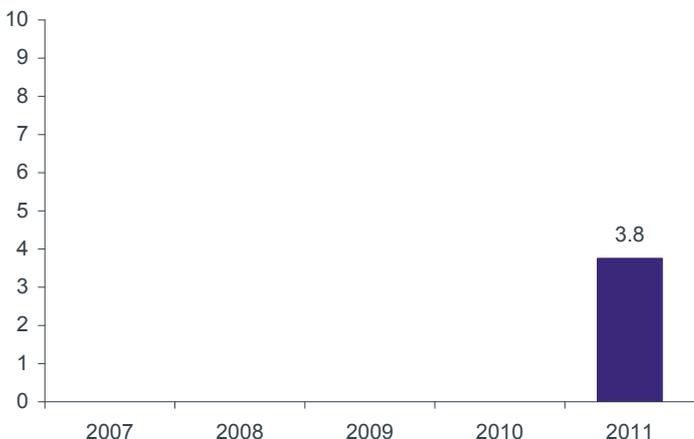
**Performance Fee:** While the performance fee is currently waived, a performance fee of 10% is chargeable on any returns the Fund achieves above the Bank of England Base Rate and when the Fund's value has increased. The performance fee will be reintroduced on 1 January 2013.

The entry and exit charges shown are the maximum figures, and in some cases you may pay less. You can find out specific charges which apply to your investment by contacting your financial adviser, distributor, or by contacting us using the details given in the Practical Information section.

The ongoing charge is based on expenses for the year ending April 2012. This figure may vary from year to year. It excludes any performance fees and portfolio transaction costs (except in the case of an entry/exit charge paid by the Fund when buying and selling shares in another fund).

The performance fee is calculated daily. More information on the performance fee calculation can be found in the 'Fees and Expenses' section of the Prospectus. The rate at which the performance fee is chargeable reduced from 20% to 10% in April 2012. Note: the performance fee charged for the year ending April 2012 was 0.33%.

## Past performance



Source: Lipper

Past performance is not a guide to future performance.

The Fund launched on 22nd February 2010 and the share class launched on the same date.

Performance is calculated in Sterling.

The past performance calculation does not take into account the entry and exit charges but does take into account the ongoing charge, as shown in the 'Charges' section.

## Practical Information

Kames Capital ICVC is a UCITS scheme structured as an umbrella company with various sub-funds. This document describes one sub-fund of the UCITS; the Prospectus and the Report and Accounts are prepared for the entire UCITS.

You can switch your holdings into another shareclass of the Fund, or another sub-fund of the UCITS, at any time. More detailed information on switching can be found in the 'Buying, Redeeming and Switching of Shares' section of the Prospectus.

The assets and liabilities of the sub-funds of Kames Capital ICVC are not segregated by law. This means that, if one sub-fund is unable to pay its liabilities, the assets of other sub-funds could be used to meet those liabilities. This may have the effect of reducing the value of your investment.

The depositary is the The National Westminster Bank plc.

The prices of shares will be published daily on our website ([www.kamescapital.com](http://www.kamescapital.com)).

Further information about the Fund and copies of the Prospectus and the latest Annual and Semi-Annual Report and Accounts, can be obtained, free of charge, on our website ([www.kamescapital.com](http://www.kamescapital.com)) or by calling 0800 45 44 22. These documents are available in English.

You should be aware that tax legislation in the UK (where the Fund is authorised) may have an impact on your personal tax position.

Kames Capital plc may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus.

Kames Capital ICVC is authorised in the United Kingdom and regulated by the Financial Services Authority (FSA).

This Key Investor Information is accurate as at 15 June 2012.