

Kames Capital Investment Company (Ireland) Plc

**(An open-ended umbrella investment company with variable capital and
segregated liability between sub-funds)**

(Registered Number 442106)

**Annual Report and Audited Financial Statements for
the year ended 31 October 2013**

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Table of Contents

	Page
Directory	2
General Information	3-4
Directors' Report	5-9
Investment Manager's Report	10-15
Custodian's Report	16
Independent Auditors' Report	17-18
Profit and Loss Account	19-22
Balance Sheet	23-29
Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders	30-31
Notes to the Financial Statements	32-123
Portfolio of Investments	124-148
Portfolio Changes	149-157
Global Derivative Exposure (Unaudited)	158-159
On-Going Charges (Unaudited)	160-161
Portfolio Turnover Ratios (Unaudited)	162
Performance Figures (Unaudited)	163-166

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Directory

<i>Board of Directors</i>	Mr. Mike Kirby* (Irish) Mr. Andrew Bell* (British) Ms. Bronwyn Wright** (Irish)
<i>Investment Manager, Promoter and Distributor</i>	Kames Capital Plc Kames House 3 Lochside Crescent Edinburgh EH12 9SA United Kingdom
<i>Custodian</i>	Citibank International plc, Ireland Branch 1 North Wall Quay Dublin 1 Ireland
<i>Administrator</i>	Citibank Europe Plc 1 North Wall Quay Dublin 1 Ireland
<i>Independent Auditors</i>	PricewaterhouseCoopers^ Chartered Accountants and Registered Auditors 1 Spencer Dock North Wall Quay Dublin 1 Ireland
<i>Irish Legal Advisers</i>	A&L Goodbody Solicitors International Financial Services Centre North Wall Quay Dublin 1 Ireland
<i>Sponsoring Brokers</i>	A&L Listing Limited International Financial Services Centre North Wall Quay Dublin 1 Ireland
<i>Secretary</i>	Goodbody Secretarial Limited International Financial Services Centre North Wall Quay Dublin 1 Ireland

* Denotes non-executive director

** Denotes independent non-executive director

^ On 12 August 2013, PricewaterhouseCoopers replaced Ernst & Young as statutory auditors.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

General Information

Structure

Kames Capital Investment Company (Ireland) Plc (the “Company”) is structured as an umbrella type open-ended investment company with variable capital consisting of a number of different sub-funds (“Funds”), incorporated on 25 June 2007 and is authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”), supplemented or consolidated from time to time. Accordingly, the Company is supervised by the Central Bank of Ireland (the “Central Bank”).

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund.

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

All share classes are listed on the Irish Stock Exchange.

As at 31 October 2013, the Company has seven Funds in existence however, only 6 of these Funds are open to new subscriptions: Kames Strategic Global Bond Fund, Kames Investment Grade Global Bond Fund, Kames High Yield Global Bond Fund, Kames Absolute Return Bond Fund, Kames Global Equity Income Fund and Kames Active Long Dated Bond Fund. The Kames Global Opportunities Fund closed for subscription on 26 April 2013. It is intended that applications will be made to the Central Bank to withdraw its approval, following preparation of this set of audited accounts, disclosing a zero Net Asset Value in respect of the Fund.

Investment Objectives and Policies of the Funds

Kames Strategic Global Bond Fund

The investment objective of the Kames Strategic Global Bond Fund is to maximise total return (income plus capital).

The Fund will seek to achieve its investment objective by investing at least two thirds of its net assets in global debt instruments in any currency, ranging from AAA government bonds through to high yield and emerging market bonds. The investment grade and government bond sector includes all fixed income securities available globally.

The Fund may invest in government and corporate bonds which may be at a fixed or floating rate, rated or unrated.

Kames Investment Grade Global Bond Fund

The investment objective of the Kames Investment Grade Global Bond Fund is to maximise total return (income plus capital).

The Fund will seek to achieve its investment objective by investing primarily in investment grade government and corporate bonds in any currency which may be at a fixed or floating rate, rated or unrated (deemed to have an equivalent rating by the Investment Manager). The Fund may also hold selected high yield bonds and cash.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

General Information (continued)

Kames High Yield Global Bond Fund

The investment objective of the Kames High Yield Global Bond Fund is to maximise total return (income plus capital).

The Fund will seek to achieve its investment objective by investing at least two thirds of its net assets in high yield bonds (i.e. securities having a rating of Ba1 by Moody's or below or BB+ by Standard and Poor's or below, or other debt instruments deemed by the Investment Manager to be of similar credit quality) in any currency, which may be government or corporate, and which may be at a fixed or floating rate, rated or unrated. The fund may also hold selected investment grade bonds and cash.

The Fund will invest primarily in high yield bonds whose credit rating is rated below investment grade.

Kames Global Opportunities Fund

The Kames Global Opportunities Fund is currently closed to new subscriptions and it is intended that applications will be made to the Central Bank to terminate the sub-fund following a zero Net Asset Value disclosed in the next year end audit.

On 26 April 2013, all shareholders fully redeemed from the Global Opportunities Fund on a compulsory basis. The anticipated costs of the liquidation and de-registration of the Global Opportunities Fund had been accounted for by the Fund prior to the shareholder redemptions.

Kames Absolute Return Bond Fund

The investment objective of the Kames Absolute Return Fund is to generate positive total returns for investors over a rolling 3-5 year period irrespective of market conditions.

The Fund will seek to achieve its investment objective by investing in global debt instruments in any currency, ranging from AAA Government Bonds through to high yield and emerging market bonds. The Fund may invest in all types of fixed and floating rate fixed income securities.

Kames Global Equity Income Fund

The investment objective of the Kames Global Equity Income Fund is to provide income and capital growth over the longer term by investing in the global equities market. The Fund will aim to deliver a yield higher than that generally available from investment in global equities.

In seeking to achieve its investment objective the Fund intends to invest primarily in a portfolio of global equity securities providing an above average yield (i.e. a higher yield than the yield of the overall global equity market). The Fund may also invest to a limited extent in other securities and instruments.

Kames Active Long Dated Bond Fund

The investment objective of the Kames Active Long Dated Bond Fund is to maximise total return (income plus capital) whilst aiming to better manage exposure to interest rate and inflation risk.

The Fund will seek to achieve its investment objective by investing in a portfolio of government and corporate bonds, including index-linked bonds. The Financial Derivative Instrument ("FDI") will be utilised to tailor the Fund's interest rate, inflation and broad credit exposure to the Investment Manager's outlook for interest rates, inflation and broad credit risk.

The Fund will invest in a variety of global debt instruments in any currency, ranging from AAA government bonds through to sub-investment grade bonds which are also known as high yield bonds.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 October 2013.

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of Kames Capital Investment Company (Ireland) plc (the "Company") and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Acts 1963 to 2013 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance Code

General Principles

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I. 83 of 2010) (the "Regulations") requires the inclusion of a corporate governance statement in the Directors' Report.

The Company is subject to corporate governance practices imposed by:

- (i) The Irish Companies Acts 1963-2013 which are available for inspection at the registered office of the Company; and may also be obtained at <http://www.irishstatutebook.ie/home.html>
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at 25/28 North Wall Quay, IFSC, Dublin 1 and at the Companies Registration Office in Ireland; and
- (iii) The Central Bank of Ireland ("Central Bank") in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank's website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and are available for inspection at the registered office of the Company; and
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at: http://www.ise.ie/Investment-Funds/Listing_Requirements_and_Procedures_for_Investment_Funds.pdf.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Directors' Report (continued)

The Board of Directors voluntarily complies with the Corporate Governance Code for Collective Investment Schemes and Management Companies as published by the Irish Funds Industry Association (the "IFIA Code") in December 2011, as the Company's corporate governance code. The Board of Directors has assessed the measures included in the IFIA Code as being consistent with its corporate governance practices and procedures for the financial year.

The Board of Directors is responsible for overseeing the operations of the Company. To assist the Board of Directors in the performance of its duties, the Company has appointed Clifton Fund Consulting Limited trading as KB Associates as a consultant which has seconded Geraldine Brehony and Cormac Byrne on a part-time basis to the Company to carry out specific management functions assigned to them, as set out in the Company's Business Plan. Ms. Brehony and Mr. Byrne are located in Ireland.

Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has procedures in place to ensure all relevant books of account are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Board of Directors of the Company, the annual and half-yearly financial statements of the Company are required to be filed with the Central Bank and the annual financial statements of the Company are required to be filed with the ISE. The annual statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings.

The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises. The Board of Directors has appointed Citibank Europe Plc as its Administrator. The Administrator maintains the books and records of the Company. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. From time to time the Board of Directors also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence.

Dealings with Shareholders

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Acts. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous annual general meeting. Shareholders representing not less than one tenth of the paid up share capital of the Company may also request the Directors to convene a shareholders' meeting. Not less than twenty one days notice of every annual general meeting and any extraordinary general meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other extraordinary general meeting unless the auditors of the Company and all the shareholders of the Company entitled to attend and vote agree to shorter notice.

Two members present either in person or by proxy constitute a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two shareholders holding or representing by proxy at least one third of the issued shares of the relevant Fund or class.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Directors' Report (continued)

Every holder of participating shares present in person or by proxy who votes on a show of hands is entitled to one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him and every holder of a subscriber share present in person or by proxy is entitled to one vote in respect of his holding of subscriber shares.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company or the shareholders of a particular fund requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

Board composition and activities

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than three. Currently the Board of Directors of the Company is composed of three Directors, being those listed in the directory in these financial statements.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not by the Companies Acts or by the Articles of Association of the Company required to be exercised by the Company in general meeting.

A Director may, and the company secretary of the Company on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

There are no sub-committees of the Board of Directors.

Principal Activities

Please refer to page 3, General Information, for a summary of the Company's principal activities.

Review of the Development of the Business and Future Developments

The Directors have entrusted the management of the Funds to the Investment Manager. The investment management activities, the details of the development of the Funds over the last year and the future plans for the Funds are reviewed in detail in the Investment Manager's Report on pages 10 to 15.

Risk management objectives and policies

The Company has been approved by the Central Bank as an Undertakings for Collective Investments in Transferable Securities ("UCITS") fund. It is an umbrella fund which at the date of this report consisted of seven Funds. The seven Funds were operational during the period under review. One of the funds, the Global Opportunities Fund, closed for subscription on 26 April 2013.

A detailed review of the principal risks and the management of those risks are included in Note 12 on pages 51 to 112.

Results

The financial position and results for the year are set out on pages 19 to 31.

Detailed distributions are disclosed on note 9 of the notes to the financial statements on pages 45 to 46.

The gain for the year amounted to USD 149,658,538.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Directors' Report (continued)

Events during the year

The Board of Directors notes the issuance by the IFIA of the Corporate Governance Code for Collective Investment Schemes and management companies in December 2011 (the "new code"). The new code became effective from 1 January 2012 with a twelve month transitional period. The Directors adopted the new code with effect from close of business on 31 December 2012.

The High Yield Global Bond Fund launched Share Class A US Dollar Accumulating on 14 November 2012.

The Investment Grade Global Bond Fund launched Share Class B EUR Accumulating on 5 December 2012, Share Class A EUR Accumulating on 19 February 2013 and Share Class A US Dollar Accumulating on 19 February 2013.

The Active Long Dated Bond Fund launched on 15 January 2013.

The Strategic Global Bond Fund launched Share Class B SGD Accumulating on 12 February 2013.

An updated Supplement to the Prospectus for all sub-funds was issued as of 18 February 2013. There were no material changes made to the updated Supplements.

The Absolute Return Bond Fund launched Share Class A EUR Accumulating on 19 February 2013 and Share Class A US Dollar Accumulating on 19 February 2013.

The Global Equity Income Fund launched Share Class A US Dollar Accumulating on 19 February 2013.

On 26 April 2013, the Global Opportunities Fund closed to new subscriptions. During the coming months a nil valuation audit will be prepared and approved by the Board of Directors. Thereafter the Fund will de-register with the Central Bank.

The Absolute Return Bond Fund launched Share Class C EUR Accumulating on 25 June 2013.

On 12 August 2013, PricewaterhouseCoopers replaced Ernst & Young as statutory auditors.

The Global Equity Income Fund launched Share Class C GBP Income on 30 September 2013.

On 7 October 2013, the Global Equity Income Fund launched Share Class A EUR Accumulating, Share Class A EUR Income, Share Class B EUR Accumulating, Share Class B GBP Accumulating, Share Class B GBP Income and Share Class B EUR Income.

On 29 October 2013, the Absolute Return Bond Fund launched Share Class C USD Accumulating.

Events after the Balance Sheet date

On 1 November 2013, the Directors declared the following dividends for the Income Share Classes on the following sub-funds:

Strategic Global Bond Fund	USD 2,028,752
Investment Grade Global Bond Fund	USD 140,102
High Yield Global Bond Fund	USD 3,644,121
Global Equity Income Fund	USD 18,790

On 1 February 2014, the Directors declared the following dividends for the Income Share Classes on the following sub-funds:

Strategic Global Bond Fund:	USD 2,075,567
Investment Grade Global Bond Fund	USD 136,514
High Yield Global Bond Fund	USD 3,788,304

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Directors' Report (continued)

Events after the Balance Sheet date (continued)

On 1 November 2013, the measurement of the VaR confidence levels of the Funds changed from 99% to 95% with immediate effect.

Directors

The names of the persons who were Directors at any time during the year are set out on page 2.

Directors' and Secretary's Interests

None of the Directors and Secretary held any interests in the Company as at 31 October 2013 or at any point during the year. Mike Kirby is a director and majority shareholder of KB Associates, a firm which provides consultancy and money laundering reporting officer services to the Company.

Please refer to the "Related Parties" note 13 on pages 112 to 113 for details of transactions to the Director's respective entities during the year.

Books of Account

To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990, the Directors of the Company have employed a service organisation, Citibank Europe Plc (Formerly Citi Fund Services (Ireland) Limited) (the "Administrator"). The books of account are located at the offices of the Administrator at 1 North Wall Quay, Dublin 1, Ireland.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Director:



Date:

13 February 2014

Director:



Date:

13 Feb 2014

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Investment Manager's Report

Kames Strategic Global Bond Fund

The Kames Strategic Global Bond Fund returned 2.84%* against its Lipper peer group median return of 0.62%.

Throughout the period we retained a cautious stance on risk and, in particular, term interest rate risk (duration). This stance was based on our view that markets were still being manipulated by aggressive policy action by central banks. As a result of this action, core government bond yields remained at very low levels and valuations within corporate bonds, particularly high yield, were also elevated as demand from yield-hungry investors remained strong. At the same time, fixed income markets came under pressure from increasing signs of economic recovery. This led to a significant amount of turbulence, particularly at the start of the summer period when the US Federal Reserve intimated that it may consider reducing the level of support it is providing to the economy and markets. Fixed income markets subsequently sold-off aggressively as investors fretted over the potential removal of the biggest buyer of bonds from the market. As it transpired, the Fed chose not to taper its support during the period, allowing markets to recover as the year came to a close.

Given this volatile backdrop, we looked to add value through individual bond, sector and cross-market opportunities rather than relying on the natural "beta" of the market to help the Fund perform well. This enabled the Fund to deliver a reasonable positive return despite a challenging background for fixed income assets.

Although the Fund retained a reasonable weighting within government bonds this was in order to exploit cross market relative value opportunities and take advantage of curve positions; as well as avoiding taking excessive credit weightings. We limited our exposure to interest rate sensitivity within the Fund by using government bond futures. Within Europe the Fund preferred core markets over the peripheral regions of the eurozone, which was an opportunity cost as many of these markets tended to outperform. However we did benefit from taking tactical positions within and across global government bond markets; For example, at the start of 2013 we successfully rotated between German bunds and UK gilts. We also made money by adding to our Australian government bond exposure after the market sold-off aggressively.

During the sell-off in June we successfully rotated interest rate risk within the Fund. We initially reduced duration from the May month-end levels then increased exposure again as rates sold-off aggressively following the FOMC statement. We added half a year to the Australian market and took profits after it rallied. We also rotated Japanese exposure into higher beta western markets and reduced the size of our relative underweight French versus German position.

The Fund benefited from its exposure to corporate bonds; investment grade corporate bonds were at the core of the Fund for the period. We focused on adding higher quality names, preferably through the new issue channel. The Fund's average holding was skewed towards the better-quality end of the spectrum; we were not willing to invest in riskier bonds simply to chase yield. For much of the period the Fund's exposure to financial names was beneficial; our long-held stance of investing down the capital structure (mainly lower tier-2) in banks we like, served us well. However, we also implemented a derivatives overlay where we removed some of the risk from our financials exposure and increased our non-financial exposure. This had the effect of reducing the Fund's risk exposure overall and benefited performance at times when market volatility was elevated.

We carefully managed our exposure to the high yield sector to ensure its risk did not dominate the Fund. For example, we were able to increase our exposure after the sell-off in May and early June, which proved to be beneficial. Our preference for US high yield and for B-rated bonds was detrimental relative to the better performance of euro-denominated and lower-rated debt, but the risk/return on offer favoured the Fund's investments.

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Investment Manager's Report (continued)

Kames Strategic Global Bond Fund (continued)

Finally, the Fund's exposure to the US residential mortgage-backed securities sector continued to rally as the US housing market showed signs of recovery. We invested in super-senior tranches from our preferred mortgage originators and with good subordination below us. The performance of these holdings was encouraging as they benefited from the improved US economic outlook and general rise in house prices.

*USD Income Share Class B

Kames Investment Grade Global Bond Fund

The Kames Investment Grade Global Bond Fund returned 2.43%* over the twelve-month period, outperforming the Lipper peer group median return of 1.73%.

At the start of the period we held an elevated cash position in the Fund, which reflected our view that credit valuations looked somewhat stretched in the short term. However, as we approached the end of 2012 the market backdrop improved, as fears over events in the eurozone continued to subside. Moreover, demand for corporate bonds continued to be very strong, easily outstripping supply. This led us to reduce our cash weighting and ensure the Fund was fully invested in credit as we approached the end of 2012.

The Fund was therefore well positioned to benefit from the strong performance of corporate bonds during the first few months of 2013. Our decision to rebuild the portfolio's cash balance in June insulated the portfolio to a degree after the sell-off we saw during the month in the wake of Fed chairman Bernanke's comments around tapering. In both June and July risk markets exhibited a considerable degree of volatility as the seemingly hawkish commentary around the prospective withdrawal of monetary stimulus was further digested. We thought it appropriate against such a backdrop to maintain a reasonably high weighting to cash and Treasuries (around 8%) in the Fund. For the remainder of the period under review we sought to reduce this defensive stance by investing in attractively priced new issues, as well as taking advantage of opportunities in the secondary market to increase the Fund's exposure to credit risk. The Fund therefore re-assumed its fully invested status as we approached the end of the period under review. Actively managing the Fund's overall credit risk was one of the main factors that helped it achieve a strong relative outperformance over the period as a whole.

Within the Fund's risk-free exposure, we were able to add value by implementing small tactical duration positions, which sought to exploit some well-defined yield ranges in the market. We also implemented cross-market relative value trades which added value. For example, in April we took profits on a position between German bunds and Treasuries, where we reinstated exposure to bund interest rate risk after a period of relative underperformance.

Issue selection was a further key source of performance, with the Fund's global remit allowing it to capture cross-market opportunities. We actively managed our weightings to the financial and non-financial sectors, tailoring the Fund's positioning to suit the prevailing market conditions. Among the standout performers within the banks sector were euro-denominated debt from Dutch bank ABN AMRO, dollar-denominated bonds from Citigroup and Goldman Sachs, and high yield sterling debt from Lloyds. In the insurance sector, the holding in sterling bonds from Direct Line also performed well.

Active participation in the corporate new issue market (across currencies) also added to performance, with perhaps the best example being the dollar denominated deal from the US telecoms giant Verizon which came to the market in September. With around \$49 billion of debt to place, the concessions offered in the new deals relative to the secondary market were extremely attractive and the 30-year deal that the Fund bought was one of the strongest new investment grade issues to come to the market in the second half of the year.

*USD Income Share Class A

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Investment Manager's Report (continued)

Kames High Yield Global Bond Fund

The Kames High Yield Global Bond Fund returned 8.05%* over the twelve month period compared to 7.41% for the Lipper peer group median.

It was a positive but volatile period for high yield bonds. The sector continued to attract strong demand with many investors increasingly willing to ignore quality in their search for higher yielding assets. Throughout the year, we retained a cautious strategy. In particular, we managed the Fund with a rigorous attention to issue selection, a keen review discipline and a defensive tilt. At the same time we looked to capture profitable opportunities whenever we identified them. Our defensive stance was manifested in our preference for companies with less cyclical business models, stable revenues and the levels of earnings and cash flows to support the debt on their balance sheets. In terms of quality, we generally favoured the BB and, latterly, B rated area of the asset class and avoided CCC rated bonds. Our cautious stance was also manifested in our preference for the more defensive qualities of US high yield than the higher risk European equivalent. In particular, we positioned the Fund with less exposure to peripheral European high yield than many of our peers.

Limiting the Fund's weighting to lower-rated high yield bonds detracted during those periods when yield hungry investors were willing to accept more risk. This was particularly the case at the turn of the year when the European Central Bank promised to support the eurozone. However in May 2013, the US Federal Reserve began to hint that it might taper its support for markets, which caused a substantial amount of volatility. At this point, the Fund's cautious positioning helped to protect it from the worst of the turbulence.

For the period as a whole, the main source of the Fund's relative outperformance was disciplined issue selection and taking advantage of the Fund's global remit. Although the Fund had half of its assets in dollar bonds, expressing our preference for that market, the outperformance of other markets relative to dollars was additive to the Fund's total return. We tended to target good opportunities through the new issue pipeline; strong supply throughout the period was met by even stronger demand. In periods of turbulence the Fund participated in some of the better new investments over the period. In June, food manufacturer and supermarket supplier Bakkavor issued a deal in sterling that represented great value, having increased the yield on offer significantly from its initial indications. In September, euro denominated bonds in Nokia Siemens Networks benefited from its parent selling its devices business to Microsoft. In October, the Fund's holding in Catalyst Healthcare performed very well after it was upgraded to investment grade. Other holdings that performed well included bonds issued in euros from Sunrise Communications, the number two telecommunications provider in Switzerland.

Given the sell-off in high yield at the start of the summer, following the US Fed's comments on tapering, we took the opportunity to add some risk back into the Fund, particularly in the B-rated area of the market. This benefited performance as the market recovered somewhat when it became clear that the Fed would not immediately cut its asset purchase programme after all. However, despite adding some risk to the Fund we still retained our overall defensive stance as the period came to an end.

*USD Income Share Class A

Kames Global Opportunities Fund

The Kames Global Opportunities Fund closed on 26 April 2013 and the final months' performance was covered in the Semi-Annual Report for the six months ended 30 April 2013.

Kames Absolute Return Bond Fund

The Kames Absolute Return Bond Fund returned 1.46%*, outperforming the LIBOR three-month index return of 0.51%. Within the Credit module a variety of low risk sources of alpha contributed to performance, which in the volatile environment helped to create a steady return profile for the Fund. We implemented a number of single name credit default swap (CDS) pair trades that worked well. Among the highlights was a long Enel versus short Endesa position, which moved in our favour in April as Enel saw renewed demand on the relative attractiveness of Italy versus Spain.

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Investment Manager's Report (continued)

Kames Absolute Return Bond Fund (continued)

In June we initiated a long Virgin Media/short Jaguar Land Rover position. Virgin Media had lagged on the news that Liberty Media was taking over the company, but we believed the underperformance had gone too far. The Fund benefited from Virgin Media's recovery and Jaguar's failure to keep pace with the rally. Other successful positions included a long Glencore/short Anglo American trade. Glencore had underperformed Anglo as investors fretted over the impact of slower Chinese growth on Glencore while ignoring the risks Anglo faced from its exposure to South Africa. The differential between the names corrected which added value.

We also implemented index level pair trades, which included a long non-financials versus short senior financial positions. This worked well as financials underperformed into the end of January after having overshot in the new year rally. Subsequent setbacks such as the Cypriot banking crisis led us to take profits on the position. We also implemented a long US high yield/short European high yield trade, which reflected our preference for higher quality US-based issuers. Initially this worked against us as the market's strong appetite for risk supported European high yield. However, into May and June there was a relatively weaker tone to European assets and we closed the position.

Strong individual holdings in the Credit module included Catalyst Healthcare, an index-linked securitised asset which the Fund has owned almost since launch. This benefited in January from the Office for National Statistics' decision not to change its methodology for calculating UK inflation. Subsequently in October the bonds were upgraded to investment grade, helping them to comfortably outperform the market-based hedge held against them. Juneau was another good performer, supported by the strong demand for higher yielding assets, alongside THPA.

The Carry module continued to perform in line with expectations with its diversified range of high quality, short-dated assets delivering a positive return with little volatility. A number of holdings added value. In the financials sector, standouts included Deutsche Bank, Goldman Sachs, NatWest and Royal Sun Alliance. In non-financials Telecom Italia, Imperial Tobacco, Rentokil and Rexam performed well.

In the Rates module we implemented short-term tactical trades within and across government bond markets. A good example of this was playing the volatility in US and German government bond markets. Initially, being long 10-year bunds and short 10-year Treasuries worked well as US economic data improved and we closed the position in March. However, we believed Treasuries became oversold and we implemented the reverse trade, taking profits in April following weaker-than-expected US data prints. In May we switched the position again and benefited from weakness in US Treasuries as investors worried about central bank policy; we closed the position before the end of May.

We also successfully exploited volatility in Australian rates markets. We began with a long Australian government bond versus short US Treasury position. We closed this at a profit in April as the outlook for the Australian economy deteriorated and under expectations for an easing of policy by the RBA. When rates were cut in May we opened the opposite trade. After the FOMC meeting in June, when US tapering concerns sparked a sell-off in markets, Australian government bonds widened sharply compared to Treasuries and we closed the position at an attractive level. Taking yield curve positions was another strategy we used in the Rates module.

*GBP Accumulation Share Class B

Kames Global Equity Income Fund

The Kames Global Equity Income Fund returned 24.02% compared to the MSCI All Country World index return of 23.95%.* Global equities posted strong gains but the year was not without volatility. Over the second half in particular, speculation that the US Federal Reserve would start reducing its asset purchases caused investors to see-saw between fear of less support and optimism about growth. Optimism triumphed overall as the general economic outlook continued to improve. Of course the structural issues of high debt levels and low nominal growth remained.

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Investment Manager's Report (continued)

Kames Global Equity Income Fund (continued)

In this environment we retained our fundamental focus on high quality companies at reasonable valuations. We backed management teams that we believed could manage a downturn but also exploit any upturn when it appeared. We focused on identifying companies with defensible market positions and the ability to sustain high levels of return and cash conversion for shareholders.

At a regional level we maintained our bias to Europe and as confidence continued to rebuild in the region this benefited performance. We funded this through underweight positions in North America, Latin America and Japan. These latter two positions broadly cancelled each other out.

Stock selection was mixed over the period. As investors increasingly sought out exposure to quality cyclicals our German holdings in Deutsche Post, ProSiebenSat.1 Media, BASF and BMW performed well. However, this trend hurt some of the Fund's consumer staples stocks, which were used as a source of funds. In tobacco, Philip Morris and Swedish Match detracted, while global consumer champions like Nestle and McDonald's Corp. were out of favour in this more risk tolerant environment.

A number of the Fund's financial holdings performed well thanks to some encouraging dividend announcements. In the UK, Prudential contributed well as it announced a 16% dividend increase, which was well ahead of expectations. Australia & New Zealand Banking Group also delivered a forecast-beating dividend increase, while Swedbank added value after announcing a substantial increase in its dividend payout ratio.

Other stock highlights included Swiss drug giant Roche and global reinsurer Swiss Re. In the US, healthcare giants AbbVie, Johnson & Johnson and Pfizer performed well on positive sector cashflow dynamics with increasingly valuable research and development pipelines. Good second-quarter earnings updates from Harris Corp, Emerson Electric and Lockheed Martin also helped the Fund. In addition not holding Apple was beneficial as its share price fell on growth momentum concerns.

Areas of note to the downside included our sole Japanese holding, Daito Trust Construction, which given its more defensive label lagged a rampant domestic market. Chevron had the unfortunate accolade of being the largest relative detractor as investors consistently shunned 'big oil'. Selections in the telecoms sector struggled as our favoured plays in China Mobile and Malaysia's Axiata Group suffered under the weight of substantial emerging market underperformance twinned with a lack of exposure to M&A favourite Vodafone. Finally, Moneysupermarket.com disappointed late in the period with a revenue update.

Trading activity was limited over the year which is consistent with our low turnover, 'buy and hold' approach. We added Mattel, Maxim Integrated and Metso to the Fund as these offered the potential for value-creating de-equitisation activity. We also added to existing positions in Pfizer and Canadian wealth managers IGM Financial and CI Financial, and introduced Moneysupermarket.com given its structural growth characteristics and strong track record of returning cash to shareholders. On the flip side we sold UPS due to deteriorating balance sheet metrics and Coca-Cola Co. on poor earnings momentum. In the summer we also sold out of P&G following strong performance, cut positions in the tobacco sector and split the Zurich Insurance Group proceeds between fellow European insurers Allianz and Ageas, where the probabilities of positive dividend surprises are much greater.

*Fund return is USD B Accumulation share class, noon prices. Benchmark is USD, closing prices.

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Investment Manager's Report (continued)

Kames Active Long Dated Bond Fund

The Kames Active Long Dated Bond Fund was launched on 15 January 2013. It is not appropriate to show performance figures for funds under one year old.

The Fund is managed against a benchmark of index-linked gilts and UK corporate bonds. The exposure to these assets was positive on an absolute basis over the period under review. Long-dated index-linked debt in the UK performed well, while credit spreads continued to tighten. Along with these assets the Fund held a long-term inflation swap overlay which added value. This aims to manage the Fund's interest rate risk and inflation risk.

Within the Fund's credit exposure we held a preference for financials over non-financials. The Fund was positioned overweight banks, and in particular was overweight lower tier-2 bonds at the expense of an underweight in senior paper. We also maintained underweight positions in supranationals and utilities. At the individual level, financials such as Citigroup, HSBC and Standard Life were among the best names. This was offset to an extent by holding Fifth Third Bank, which fell on the back of tapering concerns and the prospect of rising rates, which would affect the bank given its proximity to mortgage origination. Exposure to the collateralised sector also added value, with Mitchells & Butlers, Center Parcs and The Great Rolling Stock among the highlights. Elsewhere industrial stock Associated British Ports performed well, while in utilities the Fund benefited from long-dated bonds in names such as GDF Suez. However, Time Warner Cable had a negative impact on performance due to speculation that the company would be subject to a leveraged takeover from Liberty Global.

Duration and curve positioning had a mixed impact on performance. We pared back a substantial short duration position in the Fund given the volatile conditions. Following this adjustment we used the 'no taper' rally in September to move shorter again, to express our strategic view that yields are on the increase. Towards the end of the period the Fund was short around half a year of duration relative to the benchmark. We also adjusted curve positioning in an effort to insulate the Fund from extreme moves. In this regard we markedly reduced the Fund's underweight at the long-end of the curve.

In terms of the Fund's index-linked component, we lost some performance from holdings in the 5 to 15-year part of the market, although this was mitigated by holdings in the long end. Taking part in the 2068-dated index-linked syndication, which saw strong demand, was among the performance highlights. However, holding US Treasury Inflation-Protected Securities was detrimental. In the second quarter of 2013 in particular, the rise in nominal yields provoked waves of duration shedding, which hit the US TIPS market. As investors exited these positions there was limited liquidity which exaggerated the scale of the move.

Kames Capital Investment Company (Ireland) plc

Report of the Custodian to the Shareholders

We have enquired into the conduct of Kames Capital Investment Company (Ireland) Plc ('the Company') for the year ended 31 October 2013, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

Citibank International plc, Ireland Branch
1 North Wall Quay
Dublin

Date: 13th February 2014



Citibank International plc, Ireland Branch

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAMES CAPITAL INVESTMENT COMPANY (IRELAND) PLC

We have audited the financial statements of Kames Capital Investment Company (Ireland) Plc for the year ended 31 October 2013, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, the Accounting Policies and the related notes for the company and for each of its funds and the Portfolio of Investments for each of the funds. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Report set out on page 5, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent, with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's and funds' affairs as at 31 October 2013 and of their results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).



Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

A handwritten signature in black ink, reading 'Kenneth Owens'.

Kenneth Owens
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin, Ireland

February 13, 2014

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Profit and Loss Account

For the year ended 31 October 2013

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Opportunities Fund EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund* GBP	Total 31 October 2013 USD
Income :									
Bond Interest Income		21,457,911	4,443,049	24,303,296	162,816	2,614,837	-	3,064,254	59,282,440
Dividend Income		-	-	-	4,442	-	18,869,319	-	18,875,183
Rebate Income		-	-	-	-	-	-	-	-
Swap Income	1h	1,368,359	-	734,250	-	479,950	-	-	2,851,657
Other Income		271,664	853	51,608	7,609	30,384	-	-	381,590
Net Profit/(Loss) on Financial Assets and Liabilities at Fair Value through profit or loss	2	9,096,033	504,581	13,966,141	523,480	(821,184)	97,096,252	(1,875,883)	117,144,815
Total Income		32,193,967	4,948,483	39,055,295	698,347	2,303,987	115,965,571	1,188,371	198,535,685
Expenses :									
Administration Fee	11	(116,146)	(41,421)	(117,032)	(27,720)	(28,510)	(58,869)	(11,431)	(432,397)
Investment Management Fee	11	(4,289,779)	(881,144)	(3,027,038)	(24,052)	(496,801)	(3,985,206)	(705,056)	(14,090,633)
Custodian Fee	11	(52,379)	(11,051)	(37,416)	(381)	(9,465)	(48,493)	(4,299)	(171,323)
Trustee Fee		(115,136)	(55,167)	(99,385)	(23,297)	(42,043)	(111,045)	(42,649)	(543,665)
Audit Fee	11	(14,761)	(9,841)	(14,761)	(9,578)	(10,274)	(14,761)	(7,918)	(95,160)
Distributor Fee	11	(991,159)	(98,604)	(708,239)	-	(3,317)	(193)	-	(1,803,372)
Transaction Costs	1m	(4,492)	(907)	(3,593)	(4,215)	(1,000)	(466,198)	(1,674)	(484,927)
Miscellaneous Expenses		(203,547)	(62,548)	(91,554)	(49,961)	(48,431)	(151,938)	(33,169)	(702,894)
Swap Expense	1h	(4,629,362)	-	(828,787)	-	(640,597)	-	-	(6,457,916)
Industry Funding Levy		(1,405)	(1,405)	(3,409)	(927)	(3,259)	(1,405)	(396)	(14,552)
Total Expenses		(10,418,166)	(1,162,088)	(4,931,214)	(140,131)	(1,283,697)	(4,838,108)	(806,592)	(24,796,839)

The accompanying notes form an integral part of these financial statements

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Profit and Loss Account (continued)

For the year ended 31 October 2013

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Opportunities Fund EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund* GBP	Total 31 October 2013 USD
Operating Profit for the Year		21,775,801	3,786,395	34,124,081	558,216	1,020,290	111,127,463	381,779	173,738,846
Finance Costs:									
Distribution to holders of redeemable participating shareholders	9	(9,529,474)	(655,804)	(13,858,523)	-	-	(36,507)	-	(24,080,308)
Total Finance Costs		(9,529,474)	(655,804)	(13,858,523)	-	-	(36,507)	-	(24,080,308)
Increase in Net Assets Attributable to Redeemable Participating Shareholders		12,246,327	3,130,591	20,265,558	558,216	1,020,290	111,090,956	381,779	149,658,538


* The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.


All profits were generated from continuing activities except for the Global Opportunities Fund which ceased to trade on 26 April 2013.

There were no gains/losses other than the Increase/Decrease from operating activities.

The accompanying notes form an integral part of these financial statements.

On behalf of the Board:

Director 
Date: 13 February 2014

Director 
Date: 13 Feb 2014

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Profit and Loss Account

For the year ended 31 October 2012

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Euro Bond Fund** EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund** EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund* USD	Total 31 October 2012 USD
Income :										
Bond Interest Income		19,613,979	2,696,111	14,764,071	24,583	381,896	243,429	2,654,724	-	42,121,136
Dividend Income		-	-	-	-	51,064	-	-	232,210	298,279
Rebate Income		240	33,326	-	-	-	-	-	-	33,566
Swap Income	1h	619,539	-	253,000	-	-	-	96,460	-	1,025,368
Other Income		584,617	(155,853)	(208,539)	8,613	1,721,481	-	(505,261)	81	1,658,263
Net Profit/(Loss) on Financial Assets and Liabilities at Fair Value through profit or loss	2	27,898,505	7,558,817	21,805,629	94,088	(4,356,837)	186,835	234,659	(2,387,749)	49,973,370
Total Income		48,716,880	10,132,401	36,614,161	127,284	(2,202,396)	430,264	2,480,582	(2,155,458)	95,109,982
Expenses :										
Administration Fee	11	(230,628)	(72,260)	(154,525)	(8,382)	(73,782)	(10,634)	(46,374)	(1,027)	(651,981)
Investment Management Fee	11	(3,273,210)	(411,051)	(1,517,310)	(2,986)	(122,355)	3,159	(351,809)	(173,496)	(6,090,551)
Custodian Fee	11	(41,762)	(5,520)	(19,983)	(135)	(1,999)	(1,220)	(7,205)	(2,140)	(85,160)
Trustee Fee		(104,454)	(53,371)	(76,662)	(3,460)	(35,469)	(7,515)	(36,299)	(7,597)	(359,687)
Audit Fee	11	(15,347)	(12,228)	(15,347)	-	(12,524)	(2,622)	(9,207)	(1,270)	(78,376)
Distributor Fee	11	(491,495)	(89,612)	(159,106)	-	(47)	-	-	-	(740,274)
Transaction Costs	1m	(8,325)	(2,807)	(6,525)	(607)	(9,514)	(305)	(1,055)	(2,936)	(35,755)
Miscellaneous Expenses		(186,430)	(41,151)	(106,207)	(5,125)	(59,971)	(4,305)	(32,064)	(2,940)	(477,324)
Swap Expense	1h	(2,995,413)	(1,328)	(519,880)	-	-	-	(275,661)	-	(3,953,373)
Industry Funding Levy		(1,284)	(834)	(1,284)	-	(967)	(156)	(617)	(119)	(5,952)
Total Expenses		(7,348,348)	(690,162)	(2,576,829)	(20,695)	(316,628)	(23,598)	(760,291)	(191,525)	(12,478,433)

The accompanying notes form an integral part of these financial statements

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Profit and Loss Account (continued)

For the year ended 31 October 2012

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Euro Bond Fund** EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund** EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund* USD	Total 31 October 2012 USD
Operating Profit/(Loss) for the Year		41,368,532	9,442,239	34,037,332	106,589	(2,519,024)	406,666	1,720,291	(2,346,983)	82,631,549
Finance Costs:										
Distribution to holders of redeemable participating shareholders	9	(12,871,993)	(494,227)	(10,452,749)	-	-	-	-	-	(23,818,969)
Total Finance Costs		(12,871,993)	(494,227)	(10,452,749)	-	-	-	-	-	(23,818,969)
Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Shareholders		28,496,539	8,948,012	23,584,583	106,589	(2,519,024)	406,666	1,720,291	(2,346,983)	58,812,580

* The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to year end 31 October 2012.

** All profits were generated from continuing activities except for the Euro Bond Fund and the Euro Enhanced Reserve Fund which ceased to trade on 2 December 2011 and 12 January 2012 respectively.

There were no gains/losses other than the Increase/Decrease from operating activities.

The accompanying notes form an integral part of these financial statements.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet

As at 31 October 2013

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Opportunities Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund** GBP	Total 31 October 2013 USD
Current Assets									
Financial Assets at Fair Value Through Profit or Loss	1d, 2	570,157,390	130,143,799	413,264,114	-	111,124,678	670,900,421	111,697,123	2,142,451,229
Accrued Interest Receivable	1g	6,614,695	1,453,013	7,264,971	-	2,685,273	-	1,507,352	22,068,550
Unrealised Gains on Spot Currency Contracts		3,791	-	-	-	1,043	-	-	5,467
Receivable from Sale of Securities		7,318,833	1,236,565	2,757,378	-	152,510	-	-	11,557,799
Due from Shareholders		1,213,967	33,803	788,755	-	83,767	-	-	2,171,105
Other Assets		224,888	168,801	188,705	5,701	57,046	716,457	16,063	1,424,059
Cash and Cash Equivalents	1e, 10	82,844,098	9,418,092	65,062,982	2,995,597	10,610,845	30,506,383	3,920,308	215,249,819
		668,377,662	142,454,073	489,326,905	3,001,298	124,715,162	702,123,261	117,140,846	2,394,928,028
Current Liabilities									
Financial Liabilities at Fair Value Through Profit or Loss	1d, 2	18,045,293	2,832,033	9,575,811	-	1,824,696	178,195	34,812	33,618,818
Unrealised Losses on Spot Currency Contracts		-	1,139	934	-	-	-	-	2,073
Administration Fee Payable	11	410	484	135	-	741	1,802	-	4,588
Investment Management Fee Payable	11	1,122,024	289,947	782,898	-	193,448	1,274,553	221,080	4,134,836
Trustee Fee Payable		21,999	9,758	14,769	-	11,360	20,176	11,121	102,820
Custody Fee Payable	11	20,586	3,097	9,342	-	7,471	-	-	45,028
Audit Fee Payable	11	4,851	8,850	4,851	8,184	5,545	16,030	7,918	67,338
Payable for Purchase of Securities		7,782,028	1,353,469	11,082,670	-	259,122	-	-	20,634,472
Due to Shareholders		1,002,987	741,755	322,795	-	6,487	-	-	2,077,959
Other Liabilities		188,143	154,101	116,957	8,569	26,742	22,145	13,027	556,889
Distributor Fees Payable	11	489,166	38,852	319,923	-	2,359	160	-	851,891
Bank Overdraft	1e, 10	21,947,970	5,605,445	15,119,867	2,984,545	2,704,130	16,324,567	3,179,408	72,507,830
		50,625,457	11,038,930	37,350,952	3,001,298	5,042,101	17,837,628	3,467,366	134,604,542
Net Assets Attributable to Redeemable Participating Shareholders									
		617,752,205	131,415,143	451,975,953	-	119,673,061	684,285,633	113,673,480	2,260,323,486

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet (continued)

As at 31 October 2013

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Fund USD	Global Opportunities Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund** GBP
Shares In Issue	4							
Class A EUR (Income)		-	-	-	-	-	1,000.00	-
Class A EUR (Income) Hedged		2,288,990.51	243,161.91	1,016,735.74	-	-	-	-
Class A GBP (Income) Hedged		1,263,761.02	1,589,969.92	2,464,673.58	-	-	-	-
Class A US Dollar (Income)		-	184,257.83	1,294,658.61	-	-	-	-
Class B EUR (Income)		-	-	-	-	-	1,000.00	-
Class B EUR (Income) Hedged		10,614,016.94	-	777,762.77	-	-	-	-
Class B GBP (Income)		-	-	-	-	-	1,000.00	-
Class B GBP (Income) Hedged		16,525,432.49	-	8,120,080.42	-	-	-	-
Class B US Dollar (Income)		5,144,835.35	472,955.40	7,329,969.07	-	-	31,267.46	-
Class C GBP (Income)		-	-	-	-	-	3,524,814.07	-
Class C US Dollar (Income)		-	-	-	-	-	101,565.34	-
Class A CHF (Accumulating) Hedged		4,310,224.58	-	8,642,984.13	-	-	-	-
Class A EUR (Accumulating)		-	1,000.00	-	-	-	1,000.00	-
Class A EUR (Accumulating) Hedged		2,177,092.80	-	285,057.25	-	141,799.47	-	-
Class A GBP (Accumulating) Hedged		375,177.82	-	-	-	-	-	-
Class A US Dollar (Accumulating)		10,286,460.98	1,000.00	30,366.28	-	1,000.00	5,774.91	-
Class B EUR (Accumulating)		-	-	-	-	-	1,000.00	-
Class B EUR (Accumulating) Hedged		-	1,496,910.31	1,073,570.94	-	30,566.87	2,259,348.91	-
Class B GBP (Accumulating)		-	-	-	-	9,983,132.02	1,000.00	11,329,867.40
Class B GBP (Accumulating) Hedged		858,997.04	9,581,388.08	1,793,229.86	-	-	-	-
Class B SGD (Accumulating) Hedged		31,314.86	-	-	-	-	-	-
Class B US Dollar (Accumulating) Hedged		-	-	-	-	1,500.00	47,738,464.90	-
Class C EUR (Accumulating) Hedged		-	-	-	-	2,746.96	-	-
Class C GBP (Accumulating)		-	-	-	-	1,331,606.77	-	-
Class C US Dollar (Accumulating)		-	-	-	-	1,042.53	99,740.00	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet (continued)								
	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Fund USD	Global Opportunities Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund** GBP
Net Asset Value Per Share at 31 October 2013	4, 16							
Class A EUR (Income)		-	-	-	-	-	EUR 10.4593	-
Class A EUR (Income) Hedged		EUR 8.5397	EUR 7.6224	EUR 7.5586	-	-	-	-
Class A GBP (Income) Hedged		GBP 10.6721	GBP 5.3935	GBP 5.3436	-	-	-	-
Class A US Dollar (Income)		-	USD 11.1075	USD 11.0817	-	-	-	-
Class B EUR (Income)		-	-	-	-	-	EUR 10.4630	-
Class B EUR (Income) Hedged		EUR 8.5197	-	EUR 11.4295	-	-	-	-
Class B GBP (Income)		-	-	-	-	-	GBP 10.4798	-
Class B GBP (Income) Hedged		GBP 6.0527	-	GBP 11.1114	-	-	-	-
Class B US Dollar (Income)		USD 12.4202	USD 11.1572	USD 11.1246	-	-	USD 12.0563	-
Class C GBP (Income)		-	-	-	-	-	GBP 10.4880	-
Class C US Dollar (Income)		-	-	-	-	-	USD 12.0728	-
Class A CHF (Accumulating) Hedged		CHF 10.8692	-	CHF 11.3907	-	-	-	-
Class A EUR (Accumulating)		-	EUR 10.1014	-	-	-	EUR 10.4593	-
Class A EUR (Accumulating) Hedged		EUR 11.1433	-	EUR 11.5034	-	EUR 10.4760	-	-
Class A GBP (Accumulating) Hedged		GBP 11.1902	-	-	-	-	-	-
Class A US Dollar (Accumulating)		USD 11.2048	USD 10.1025	USD 10.7057	-	USD 10.0451	USD 11.3450	-
Class B EUR (Accumulating)		-	-	-	-	-	EUR 10.4630	-
Class B EUR (Accumulating) Hedged		-	EUR 10.1837	EUR 11.5237	-	EUR 10.7968	EUR 12.0142	-
Class B GBP (Accumulating)		-	-	-	-	GBP 10.4586	GBP 10.4798	GBP 10.0331
Class B GBP (Accumulating) Hedged		GBP 10.8688	GBP 5.6548	GBP 12.8822	-	-	-	-
Class B SGD (Accumulating) Hedged		SGD 10.1228	-	-	-	-	-	-
Class B US Dollar (Accumulating) Hedged		-	-	-	-	USD 10.3934	USD 12.2544	-
Class C EUR (Accumulating) Hedged		-	-	-	-	EUR 6.8997	-	-
Class C GBP (Accumulating)		-	-	-	-	GBP 10.3225	-	-
Class C US Dollar (Accumulating)		-	-	-	-	USD 9.9714	USD 12.2812	-

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Balance Sheet (continued)


The accompanying notes form an integral part of these financial statements.

* The period under review for the Global Opportunities Fund is from 01 November 2012 to 26 April 2013.

** The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.

On behalf of the Board:

Director



13 February 2014

Date:

Director



Date:

13/2/2014

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet

As at 31 October 2012

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Euro Bond Fund* EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund** USD	Total 31 October 2012 USD
Current Assets										
Financial Assets at Fair Value Through Profit or Loss	1d, 2	503,010,934	106,205,758	349,982,497	-	11,115,485	-	57,108,841	239,640,369	1,305,248,201
Accrued Interest Receivable	1g	6,428,426	1,356,526	6,904,622	-	80,381	-	1,346,882	-	16,963,626
Unrealised Gains on Spot Currency Contracts		43,547	-	12,986	-	-	-	-	2,972	59,505
Receivable from Sale of Securities		35,457,246	-	811,315	-	47,924	-	-	1,067,528	37,398,189
Due from Shareholders		502,625	-	1,151,648	-	-	-	998,167	-	3,262,370
Other Assets		-	-	-	-	19,444	-	-	180,586	205,782
Cash and Cash Equivalents	1e, 10	33,069,337	9,476,393	32,212,497	2,198,888	3,691,611	759,732	17,564,559	1,506,505	113,179,484
		578,512,115	117,038,677	391,075,565	2,198,888	14,954,845	759,732	77,018,449	242,397,960	1,476,317,157
Current Liabilities										
Financial Liabilities at Fair Value Through Profit or Loss	1d, 2	7,643,100	297,961	1,879,578	-	334,728	-	468,476	276	11,009,394
Unrealised Losses on Spot Currency Contracts		-	-	-	-	-	-	4,874	-	7,852
Administration Fee Payable	11	15,911	6,048	14,234	475	6,447	475	3,638	1,027	52,666
Investment Management Fee Payable	11	2,201,081	402,241	1,108,185	(2,108)	63,292	(27)	217,594	173,495	4,314,804
Trustee Fee Payable		21,182	9,196	13,972	-	2,156	-	5,544	7,597	63,673
Custody Fee Payable	11	10,089	2,375	4,707	185	753	197	3,808	2,140	26,917
Audit Fee Payable	11	11,253	14,814	11,253	1,630	12,314	1,684	6,089	1,270	68,651
Other Fees Payable		-	-	-	19,273	-	14,920	-	-	44,307
Payable for Purchase of Securities		32,073,266	-	3,336,874	-	32,514	-	10,290,662	2,084,126	54,115,169
Due to Shareholders		105,374	-	3,819,854	-	-	-	-	-	3,925,228
Other Liabilities		16,365	12,445	38,940	2,275	4,129	3,651	1,184	2,868	85,554
Distributor Fees Payable	11	405,294	57,355	121,176	-	41	-	-	-	583,878
Bank Overdraft	1e, 10	12,028,064	2,280,886	8,731,802	2,177,158	2,305,488	738,832	1,130,131	48	31,627,489
		54,530,979	3,083,321	19,080,575	2,198,888	2,761,862	759,732	12,132,000	2,272,847	105,925,582
Net Assets Attributable to Redeemable Participating Shareholders										
		523,981,136	113,955,356	371,994,990	-	12,192,983	-	64,886,449	240,125,113	1,370,391,575

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet (continued)

As at 31 October 2012

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Fund USD	Euro Bond Fund* EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund** USD
Shares In Issue	4								
Class A EUR (Income) Hedged		3,701,384.29	226,666.33	999,974.99	-	-	-	-	-
Class A GBP (Income) Hedged		1,098,484.30	1,895,847.68	2,207,268.11	-	-	-	-	-
Class A US Dollar (Income)		-	459,660.62	2,630,852.05	-	-	-	-	-
Class B EUR (Income) Hedged		9,881,295.20	-	342,942.04	-	-	-	-	25,000.00
Class B GBP (Income) Hedged		18,844,169.86	-	7,996,976.24	-	-	-	-	25,000.00
Class B US Dollar (Income)		4,312,864.81	241,259.61	7,531,209.79	-	-	-	-	24,935.00
Class C US Dollar (Income)		-	-	-	-	-	-	-	99,740.00
Class A CHF (Accumulating) Hedged		1,762,009.09	-	4,679,232.82	-	-	-	-	-
Class A EUR (Accumulating) Hedged		191,929.45	-	70,548.93	-	-	-	-	-
Class A GBP (Accumulating) Hedged		90,629.13	-	-	-	1,000.00	-	-	-
Class A US Dollar (Accumulating)		8,532,763.07	-	-	-	-	-	-	-
Class B EUR (Accumulating) Hedged		-	-	193,056.39	-	1,565,914.59	-	3,957.50	25,000.00
Class B GBP (Accumulating)		-	-	-	-	-	-	6,047,406.70	25,000.00
Class B GBP (Accumulating) Hedged		29,247.48	9,916,262.64	1,744,930.43	-	9,981.45	-	-	-
Class B US Dollar (Accumulating)		-	-	-	-	-	-	2,500.00	23,877,237.00
Class C GBP (Accumulating)		-	-	-	-	-	-	243,038.48	-
Class C US Dollar (Accumulating)		-	-	-	-	-	-	-	99,740.00

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Balance Sheet (continued)

	Notes	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Fund USD	Euro Bond Fund* EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund** USD
Net Asset Value Per Share at 31 October 2012	4, 16								
Class A EUR (Income) Hedged		EUR 8.5436	EUR 7.6444	EUR 7.3731	-	-	-	-	-
Class A GBP (Income) Hedged		GBP 10.6508	GBP 5.3856	GBP 5.1975	-	-	-	-	-
Class A US Dollar (Income)		-	USD 11.0608	USD 10.7459	-	-	-	-	-
Class B EUR (Income) Hedged		EUR 8.5253	-	EUR 11.1443	-	-	-	-	EUR 16.6769
Class B GBP (Income) Hedged		GBP 6.0409	-	GBP 10.8069	-	-	-	-	GBP 15.9600
Class B US Dollar (Income)		USD 12.3590	USD 11.0873	USD 10.7837	-	-	-	-	USD 9.9000
Class C US Dollar (Income)		-	-	-	-	-	-	-	USD 9.9000
Class A CHF (Accumulating) Hedged		CHF 10.6846	-	CHF 10.3433	-	-	-	-	-
Class A EUR (Accumulating) Hedged		EUR 10.9367	-	EUR 10.6796	-	-	-	-	-
Class A GBP (Accumulating) Hedged		GBP 10.9389	-	-	-	GBP 7.4918	-	-	-
Class A US Dollar (Accumulating)		USD 10.9303	-	-	-	-	-	-	-
Class B EUR (Accumulating) Hedged		-	-	EUR 10.6462	-	EUR 7.7198	-	EUR 10.3100	EUR 16.0011
Class B GBP (Accumulating)		-	-	-	-	-	-	GBP 10.2820	GBP 15.9600
Class B GBP (Accumulating) Hedged		GBP 10.5693	GBP 5.4772	GBP 11.8555	-	GBP 7.6658	-	-	-
Class B US Dollar (Accumulating)		-	-	-	-	-	-	USD 10.2785	USD 15.9494
Class C GBP (Accumulating)		-	-	-	-	-	-	GBP 10.1600	-
Class C US Dollar (Accumulating)		-	-	-	-	-	-	-	USD 9.9000

* The period under review for the Euro Bond Fund and the Euro Enhanced Reserve Fund is from date 01 November 2011 to year end 31 October 2012.

** The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to year end 31 October 2012.

The accompanying notes form an integral part of these financial statements.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

As at 31 October 2013		Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Opportunities Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund** GBP	Total 31 October 2013 USD
Notes									
Net Assets Attributable to Redeemable Participating Shareholders as at 31 October 2012		523,981,136	113,955,356	371,994,990	12,192,983	64,886,449	240,125,113	-	1,370,391,575
Issuance of Shares	4	254,699,480	28,038,840	227,239,198	-	58,538,517	432,062,091	114,888,687	1,213,015,624
Redemption of Shares	4	(173,882,304)	(13,829,596)	(168,350,111)	(12,753,763)	(4,979,721)	(100,767,006)	(1,588,198)	(484,227,836)
Equalisation	4	231,507	74,943	429,298	-	129,363	906,841	(3,159)	1,839,553
Dilution Adjustments	11	476,059	45,009	397,020	2,564	78,163	867,638	(5,629)	1,902,313
Foreign Exchange Consolidation Adjustments		-	-	-	-	-	-	-	7,743,719
Increase in Net Assets Attributable to Redeemable Participating Shareholders		12,246,327	3,130,591	20,265,558	558,216	1,020,290	111,090,956	381,779	149,658,538
Net Assets Attributable to Redeemable Participating Shareholders as at 31 October 2013		617,752,205	131,415,143	451,975,953	-	119,673,061	684,285,633	113,673,480	2,260,323,486

* The period under review for the Global Opportunities Fund is from date 01 November 2012 to 26 April 2013.

** The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.

The accompanying notes form an integral part of these financial statements.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

As at 31 October 2012		Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Euro Bond Fund* EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund** USD	Total 31 October 2012 USD
Notes										
Net Assets Attributable to Redeemable Participating Shareholders as at 31 October 2011		322,843,446	15,014,101	107,159,658	14,908,458	44,048,605	50,773,327	60,206,549	-	697,768,456
Issuance of Shares	4	273,657,729	90,045,557	287,178,384	-	63,949	-	3,085,827	242,472,096	898,325,629
Redemption of Shares	4	(103,024,596)	(1,730,889)	(49,051,906)	(15,002,371)	(29,399,508)	(50,946,478)	(142,485)	-	(277,399,613)
Equalisation	4	1,025,261	771,452	1,644,372	(12,676)	(6,144)	(233,515)	10,646	-	3,131,468
Dilution Adjustments	11	982,757	907,123	1,479,899	-	5,105	-	5,621	-	3,385,290
Foreign Exchange Consolidation Adjustments		-	-	-	-	-	-	-	-	(13,632,235)
Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Shareholders		28,496,539	8,948,012	23,584,583	106,589	(2,519,024)	406,666	1,720,291	(2,346,983)	58,812,580
Net Assets Attributable to Redeemable Participating Shareholders as at 31 October 2012		523,981,136	113,955,356	371,994,990	-	12,192,983	-	64,886,449	240,125,113	1,370,391,575

* The period under review for the Euro Bond Fund and the Euro Enhanced Reserve Fund is from date 01 November 2011 to year end 31 October 2012.

** The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to year end 31 October 2012.

The accompanying notes form an integral part of these financial statements.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements

1. Significant Accounting Policies

a) Statement of compliance

The financial statements are prepared in accordance with Accounting Standards issued by the Financial Reporting Council (FRC) and promulgated by the Institute of Chartered Accountants in Ireland ("Generally Accepted Accounting Practice in Ireland") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

The format and certain wordings of the financial statements have been adapted from those contained in the FRS 3 "Reporting Financial Performance" and the Companies (Amendment) Act, 1986 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The Company has availed of the exemption available to open-ended investment funds under Financial Reporting Standard 1 (Revised) not to prepare a cash flow statement.

b) Basis of Accounting and Presentation of Financial Statements

The financial statements are measured and presented in the currency of the primary economic environment in which each Fund operates. These are the United States Dollar ("USD"), Euro ("EUR") and Pound Sterling ("GBP") reflecting the fact that the Funds' operations are conducted in USD, Euro and GBP.

The financial statements are prepared on a fair value basis for the financial assets and financial liabilities through profit and loss.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the periods of revision and future periods if the revision affects both current and future periods. Actual results could differ from estimates.

c) Foreign Currency Translation

While the Funds' operations are conducted in USD, EUR and GBP, the functional currency of the Company is USD, (as the directors have determined that this reflects the Company's primary economic currency). The presentation currency of the Company is also USD. Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to USD at the foreign currency exchange rate ruling at the Balance Sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Profit and Loss Account. Foreign exchange gains/losses relating to investments at fair value through profit or loss are included in gains and losses on investments in the Profit and Loss Account.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

d) Financial Instruments

(i) Classification

The Company designates all its investments into financial assets and liabilities at fair value through profit or loss in accordance with FRS 26. The category of financial assets and liabilities at fair value through profit or loss comprises:

- Financial instruments held for trading: These include all financial instruments, (as the Company does not designate any derivatives as financial hedges) including futures, options, swaps, forward contracts, bonds and equities.
- Financial instruments designated at fair value through profit or loss upon initial recognition: These include financial assets that are not held for trading purposes and which may be sold.

These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Company's offering document.

Gains and losses arising from changes in the fair value of the financial assets and liabilities at fair value through profit or loss category are included in the Profit and Loss Account in the period in which they arise.

(ii) Recognition and Derecognition

All regular way purchases and sales of financial instruments are recognised on the trade date, which is the date that the Company commits to purchase or sell an asset. Regular way purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place. Realised gains and losses on disposals of financial instruments, with the exception of futures and options, are calculated using the average cost method. Realised gains and losses on disposals of futures and options are calculated using the First In First Out (FIFO) method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or a financial asset is transferred and the transfer qualifies for derecognition in accordance with FRS 26.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in fair value recognised in the Profit and Loss Account.

Financial liabilities arising from redeemable shares issued by the Company are carried at redemption amount representing the investors right to a residual interest in the Company's assets.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

d) Financial Instruments (continued)

(iv) Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from reputable brokers/counterparties or independent market data providers, in the case of non-exchange traded instruments, at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

For all other financial instruments not traded in an active market or where no broker/counterparty quotes can be obtained, the fair value is determined by using appropriate valuation techniques, which include using arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

Subsequent changes in the fair value of financial assets and liabilities at fair value through profit or loss are recognised in the Profit and Loss Account.

There were no changes in the policy adopted by the Company for the measurement of financial instruments from the prior year.

e) Cash and Cash Equivalents

Cash comprises of current deposits with banks which are highly liquid and short term, highly liquid investments with maturities of 3 months or less. Margin deposits are included in cash at bank at 31 October 2013.

f) Operating Expenses

Operating expenses of the Company are expensed in the period to which they relate.

g) Interest income

Interest income is recognised in the Profit and Loss Account as it accrues. Deposit interest is recognised as income on an effective yield basis using the original effective interest rate of the instrument calculated at the acquisition or origination date. Bond Interest income includes amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

h) Swap Income and Expense

In 2012, the Company implemented a derivative accounting policy which splits gains on Swaps into income and capital for the purpose of calculating a more accurate distribution on the Funds. These amounts are shown in the Profit and Loss Account on page 19.

i) Net Asset Value Per Share

The net asset value per share for each Fund is calculated by dividing the total net asset value of each Fund by the total number of shares outstanding for that Fund.

j) Distributions

Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

k) Redeemable participating shares

All redeemable participating shares issued by the Funds provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Funds' net assets at the redemption date. In accordance with FRS 25 such instruments give rise to a financial liability for the present value of the redemption amount. The redemption price for each redeemable share is equal to the Net Asset Value per redeemable shares on the dealing day. The Net Asset Value per redeemable share is determined as of the close of business on each valuation day in accordance with the provisions set out in the Prospectus. Financial assets at fair value through profit or loss are reflected at bid-market prices. The Net Asset Value per share class in each Fund is outlined on the Balance Sheet.

l) Dilution Adjustment

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

The dilution adjustment may apply to redemptions or to subscriptions and if charged, the value of the dilution adjustment will be paid into the Fund and will become part of the property attributed to the relevant Fund.

m) Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss.

Transaction costs on the purchase and sale of bonds, forwards and swaps are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Transaction costs on purchases and sales of equities, futures and options are disclosed in the Profit and Loss Account on page 19.

n) Pricing Policy

The investments have been valued at bid market prices for long positions and ask market prices for short positions at 12 noon GMT on 31 October 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

2. Financial Instruments at Fair Value Through Profit or Loss

As at 31 October 2013, the financial assets at fair value through profit or loss comprised the following:

Strategic Global Bond Fund	31 October 2013 USD	31 October 2012 USD
Financial assets - held for trading		
Debt securities	570,116,847	499,457,854
Derivatives	40,543	3,553,080
Total held for trading	570,157,390	503,010,934
Financial liabilities - held for trading		
Derivatives	18,045,293	7,643,100
Total held for trading	18,045,293	7,643,100
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	23,679,114	2,461,577
- Unrealised	(14,583,081)	25,436,928
Total gain	9,096,033	27,898,505
 Investment Grade Global Bond Fund	 31 October 2013 USD	 31 October 2012 USD
Financial assets - held for trading		
Debt securities	130,127,759	106,167,382
Derivatives	16,040	38,376
Total held for trading	130,143,799	106,205,758
Financial liabilities - held for trading		
Derivatives	2,832,033	297,961
Total held for trading	2,832,033	297,961
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	4,182,625	1,492,459
- Unrealised	(3,678,044)	6,066,358
Total gain	504,581	7,558,817

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

2. Financial Instruments at Fair Value Through Profit or Loss (continued)

High Yield Global Bond Fund	31 October 2013 USD	31 October 2012 USD
Financial assets - held for trading		
Debt securities	413,212,793	349,385,864
Derivatives	51,321	596,633
Total held for trading	413,264,114	349,982,497
Financial liabilities - held for trading		
Derivatives	9,575,811	1,879,578
Total held for trading	9,575,811	1,879,578
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	16,897,396	9,213,561
- Unrealised	(2,931,255)	12,592,068
Total gain	13,966,141	21,805,629
Global Opportunities Fund*	31 October 2013 EUR	31 October 2012 EUR
Financial assets - held for trading		
Debt securities	-	10,907,986
Derivatives	-	207,499
Total held for trading	-	11,115,485
Financial liabilities - held for trading		
Derivatives	-	334,728
Total held for trading	-	334,728
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	389,033	(5,839,206)
- Unrealised	134,447	1,482,369
Total gain/(loss)	523,480	(4,356,837)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

2. Financial Instruments at Fair Value Through Profit or Loss (continued)

Absolute Return Bond Fund	31 October 2013 GBP	31 October 2012 GBP
Financial assets - held for trading		
Debt securities	110,157,516	56,752,416
Derivatives	967,162	356,425
Total held for trading	111,124,678	57,108,841
Financial liabilities - held for trading		
Derivatives	1,824,696	468,476
Total held for trading	1,824,696	468,476
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	(326,391)	(273,936)
- Unrealised	(494,793)	508,595
Total (loss)/gain	(821,184)	234,659
 Global Equity Income Fund**	 31 October 2013 GBP	 31 October 2012** GBP
Financial assets - held for trading		
Equity securities	670,893,254	239,638,137
Derivatives	7,167	2,232
Total held for trading	670,900,421	239,640,369
Financial liabilities - held for trading		
Derivatives	178,195	276
Total held for trading	178,195	276
Net changes in fair value on financial assets and liabilities through profit or loss		
- Realised	2,548,134	(482,214)
- Unrealised	94,548,118	(1,905,535)
Total gain/(loss)_	97,096,252	(2,387,749)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

2. Financial Instruments at Fair Value Through Profit or Loss (continued)

Active Long Dated Bond Fund***	31 October 2013 GBP
Financial assets - held for trading	
Debt securities	111,435,234
Derivatives	261,889
Total held for trading	<u>111,697,123</u>
Financial liabilities - held for trading	
Derivatives	34,812
Total held for trading	<u>34,812</u>
Net changes in fair value on financial assets and liabilities through profit or loss	
- Realised	(1,479,414)
- Unrealised	(396,469)
Total (loss)	<u>(1,875,883)</u>

* The period under review for the Global Opportunities Fund is from date 01 November 2012 to 26 April 2013

** The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to year end 31 October 2012.

*** The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.

3. Derivative Contracts

Typically, derivative contracts serve as components of the Company's investment strategy and are utilised primarily to structure and economically hedge investments to enhance performance and reduce risk to the Company (the Company does not designate any derivatives as hedges for hedge accounting purposes as described under FRS 26).

The derivative contracts that the Company holds are forward currency contracts, futures, options and swap contracts.

Forward Currency Contracts

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to a forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward contracts is calculated as the difference between the contract rate and this forward price and is taken to the Profit and Loss account.

Futures Contracts

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Funds each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Funds recognise a realised gain or loss when the contract is closed. Unrealised gains and losses on futures contracts are recognised in the Profit and Loss Account.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

3. Derivative Contracts (continued)

Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The daily changes in contract value are recorded as unrealised gains or losses and the Funds recognise a realised gain or loss when the contract is closed. Unrealised gains and losses on option contracts are recognised in the Profit and Loss Account.

Swaps

A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities.

Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value.

Unrealised gains & losses on Swap contracts are recognised in the Profit and Loss Account.

4. Share Capital

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

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll, every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares.

Redeemable Participating Shares

The net assets attributable to holders of redeemable participating shares are at all times equal to the net asset value of the Company. The participating shares which comprise the equity capital of the Company are in substance a liability of the Company to shareholders under the terms of FRS 25 as they can be redeemed at the option of the shareholder.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Notes to the Financial Statements (continued)

4. Share Capital (continued)

Participating shares may be redeemed on each dealing date or such other date or dates as the board of directors shall from time to time determine (Valuation Day) at the net asset value per share.

Equalisation

The Company will operate grouping for equalisation with respect to Income Shares (shares which are entitled to a portion of the Funds ordinary income). Each income class of each Fund will operate its own equalisation account. Shares purchased during a distribution period are called Group 2 Shares. Shares purchased during any previous distribution period are called Group 1 Shares. Group 2 Shares contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. The amount of equalisation is averaged across all the Shareholders of Group 2 Shares and is refunded to them as part of their first distribution.

The movement in the number of participating shares per share class during the year is as follows:

As at 31 October 2013	At beginning of year	Issued	Redeemed	At end of year
Strategic Global Bond Fund				
Class A EUR (Income) Hedged	3,701,384.29	1,715,097.82	(3,127,491.60)	2,288,990.51
Class A GBP (Income) Hedged	1,098,484.30	406,282.69	(241,005.97)	1,263,761.02
Class B EUR (Income) Hedged	9,881,295.20	5,018,080.21	(4,285,358.47)	10,614,016.94
Class B GBP (Income) Hedged	18,844,169.86	3,827,544.37	(6,146,281.74)	16,525,432.49
Class B US Dollar (Income)	4,312,864.81	1,607,794.11	(775,823.57)	5,144,835.35
Class A CHF (Accumulating) Hedged	1,762,009.09	2,646,209.80	(97,994.31)	4,310,224.58
Class A EUR (Accumulating) Hedged	191,929.45	2,648,731.57	(663,568.22)	2,177,092.80
Class A GBP (Accumulating) Hedged	90,629.13	407,452.83	(122,904.14)	375,177.82
Class A US Dollar (Accumulating)	8,532,763.07	2,282,732.64	(529,034.73)	10,286,460.98
Class B GBP (Accumulating) Hedged	29,247.48	866,320.12	(36,570.56)	858,997.04
Class B SGD (Accumulating) Hedged*	-	31,316.86	(2.00)	31,314.86
Investment Grade Global Bond Fund				
Class A EUR (Income) Hedged	226,666.33	73,266.57	(56,770.99)	243,161.91
Class A GBP (Income) Hedged	1,895,847.68	123,689.35	(429,567.11)	1,589,969.92
Class A US Dollar (Income)	459,660.62	28,714.35	(304,117.14)	184,257.83
Class B US Dollar (Income)	241,259.61	517,805.50	(286,109.71)	472,955.40
Class A EUR (Accumulating) Hedged**	-	1,002.00	(2.00)	1,000.00
Class A US Dollar (Accumulating)***	-	1,002.00	(2.00)	1,000.00
Class B EUR (Accumulating) Hedged****	-	1,496,912.31	(2.00)	1,496,910.31
Class B GBP (Accumulating) Hedged	9,916,262.64	26,230.03	(361,104.59)	9,581,388.08
High Yield Global Bond Fund				
Class A EUR (Income) Hedged	999,974.99	495,327.20	(478,566.45)	1,016,735.74
Class A GBP (Income) Hedged	2,207,268.11	1,070,060.84	(812,655.37)	2,464,673.58
Class A US Dollar (Income)	2,630,852.05	326,422.98	(1,662,616.42)	1,294,658.61
Class B EUR (Income) Hedged	342,942.04	747,762.41	(312,941.68)	777,762.77
Class B GBP (Income) Hedged	7,996,976.24	3,324,996.64	(3,201,892.46)	8,120,080.42
Class B US Dollar (Income)	7,531,209.79	4,408,116.59	(4,609,357.31)	7,329,969.07
Class A CHF (Accumulating) Hedged	4,679,232.82	4,829,221.00	(865,469.69)	8,642,984.13
Class A EUR (Accumulating) Hedged	70,548.93	274,907.21	(60,398.89)	285,057.25
Class A US Dollar (Accumulating)*^	-	32,908.38	(2,542.10)	30,366.28
Class B EUR (Accumulating) Hedged	193,056.39	1,845,515.94	(965,001.39)	1,073,570.94
Class B GBP (Accumulating) Hedged	1,744,930.43	298,617.87	(250,318.44)	1,793,229.86

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

4. Share Capital (continued)

Global Opportunities Fund***^

Class B EUR (Accumulating)	1,565,914.59	-	(1,565,914.59)	-
Class B GBP (Accumulating) Hedged	9,981.45	-	(9,981.45)	-
Class A GBP (Accumulating) Hedged	1,000.00	-	(1,000.00)	-

Absolute Return Bond Fund

Class A EUR (Accumulating) Hedged****^	-	150,671.41	(8,871.94)	141,799.47
Class A US Dollar (Accumulating) Hedged^^	-	1,002.00	(2.00)	1,000.00
Class B EUR (Accumulating) Hedged	3,957.50	43,468.87	(16,859.50)	30,566.87
Class B GBP (Accumulating)	6,047,406.70	4,333,082.45	(397,357.13)	9,983,132.02
Class B US Dollar (Accumulating) Hedged	2,500.00	2.00	(1,002.00)	1,500.00
Class C EUR (Accumulating) Hedged^***	-	2,747.96	(1.00)	2,746.96
Class C GBP (Accumulating)	243,038.48	1,150,080.18	(61,511.89)	1,331,606.77
Class C US Dollar (Accumulating) Hedged^^^	-	1,043.53	(1.00)	1,042.53

Global Equity Income Fund

Class A EUR (Income)^^^*	-	1,000.00	-	1,000.00
Class B EUR (Income)^^^	-	1,000.00	-	1,000.00
Class B EUR (Income) Hedged****^	25,000.00	4,893.69	(29,893.69)	-
Class B GBP (Income)^^^	-	1,000.00	-	1,000.00
Class B GBP (Income) Hedged^***	25,000.00	423.62	(25,423.62)	-
Class B US Dollar (Income)	24,935.00	6,332.46	-	31,267.46
Class C GBP (Income)^^^*	-	3,524,814.07	-	3,524,814.07
Class C GBP (Income) Hedged^^^	-	3,015,206.58	(3,015,206.58)	-
Class C US Dollar (Income)	99,740.00	4,285,805.90	(4,283,980.56)	101,565.34
Class A EUR (Accumulating)^^^	-	1,000.00	-	1,000.00
Class A EUR (Accumulating) Hedged^^*	-	11,134.96	(11,134.96)	-
Class A US Dollar (Accumulating)^^**	-	5,775.91	(1.00)	5,774.91
Class B EUR (Accumulating)^^^	-	1,000.00	-	1,000.00
Class B EUR (Accumulating) Hedged	25,000.00	2,259,349.91	(25,001.00)	2,259,348.91
Class B GBP (Accumulating)^^^*	-	1,000.00	-	1,000.00
Class B GBP (Accumulating) Hedged^^^*	25,000.00	978.29	(25,978.29)	-
Class B US Dollar (Accumulating)	23,877,237.00	23,861,228.90	(1.00)	47,738,464.90
Class C US Dollar (Accumulating)	99,740.00	1.00	(1.00)	99,740.00

Active Long Dated Bond Fund^^^**

Class B GBP (Accumulating)	-	11,489,135.77	(159,268.37)	11,329,867.40
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*	Launched 12 February 2013	****^	Liquidated 30 August 2013
**	Launched 19 February 2013	^^^	Launched 7 October 2013
***	Launched 19 February 2013	^^***	Liquidated 9 August 2013
****	Launched 5 December 2012	^^^*	Launched 30 September 2013
*^	Launched 14 November 2012	^^^	Liquidated 12 August 2013
**^	Liquidated 26 April 2013	^^^	Launched 7 October 2013
***^	Launched 19 February 2013	^^*	Liquidated 20 August 2013
^^	Launched 19 February 2013	^^**	Launched 19 February 2013
^^**	Launched 25 June 2013	^^***	Launched 7 October 2013
^^**	Launched 19 February 2013	^^^*	Launched 7 October 2013
^^^	Launched 29 October 2013	^^^*	Liquidated 6 September 2013
^^^*	Launched 7 October 2013	^^^**	Launched 15 January 2013
^^^^	Launched 7 October 2013		

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

4. Share Capital (continued)

The movement in the number of participating shares per share class as at 31 October 2012 is as follows:

As at 31 October 2012	At beginning of year	Issued	Redeemed	At end of year
Strategic Global Bond Fund				
Class A EUR (Income) Hedged	2,162,398.93	2,305,658.03	(766,672.67)	3,701,384.29
Class A GBP (Income) Hedged	1,034,814.76	279,103.59	(215,434.05)	1,098,484.30
Class B EUR (Income) Hedged	8,271,575.45	3,904,689.63	(2,294,969.88)	9,881,295.20
Class B GBP (Income) Hedged	13,391,914.43	7,421,174.86	(1,968,919.43)	18,844,169.86
Class B US Dollar (Income)	4,836,082.76	1,874,492.71	(2,397,710.66)	4,312,864.81
Class A CHF (Accumulating) Hedged	1,452.51	1,799,113.58	(38,557.00)	1,762,009.09
Class A EUR (Accumulating) Hedged	1,000.00	202,031.44	(11,101.99)	191,929.45
Class A GBP (Accumulating) Hedged	5,335.33	86,098.24	(804.44)	90,629.13
Class A US Dollar (Accumulating)	1,000.00	8,655,296.71	(123,533.64)	8,532,763.07
Class B GBP (Accumulating) Hedged*	-	29,247.48	-	29,247.48
Class B JPY (Accumulating) Hedged	1,336,067.97	-	(1,336,067.97)	-
Investment Grade Global Bond Fund				
Class A EUR (Income) Hedged	247,111.25	46,716.08	(67,161.00)	226,666.33
Class A GBP (Income) Hedged	1,254,050.22	653,920.26	(12,122.80)	1,895,847.68
Class A US Dollar (Income)	253,964.95	302,660.60	(96,964.93)	459,660.62
Class B US Dollar (Income)	1,136.03	240,123.58	-	241,259.61
Class B GBP (Accumulating) Hedged	42,412.08	9,873,850.56	-	9,916,262.64
High Yield Global Bond Fund				
Class A EUR (Income) Hedged	188,715.58	1,428,062.54	(616,803.13)	999,974.99
Class A GBP (Income) Hedged	657,087.23	1,858,193.38	(308,012.50)	2,207,268.11
Class A US Dollar (Income)	754,342.43	2,002,418.23	(125,908.61)	2,630,852.05
Class B EUR (Income) Hedged**	-	414,056.09	(71,114.05)	342,942.04
Class B GBP (Income) Hedged	4,737,135.08	4,246,059.57	(986,218.41)	7,996,976.24
Class B US Dollar (Income)	1,776,821.91	7,569,587.13	(1,815,199.25)	7,531,209.79
Class A CHF (Accumulating) Hedged*^	-	4,743,863.32	(64,630.50)	4,679,232.82
Class A EUR (Accumulating) Hedged*^^	-	192,923.03	(122,374.10)	70,548.93
Class B EUR (Accumulating) Hedged**^	-	193,056.39	-	193,056.39
Class B GBP (Accumulating) Hedged^^	-	1,818,210.90	(73,280.47)	1,744,930.43
Euro Bond Fund***				
Class B EUR (Accumulating)	1,274,126.67	-	(1,274,126.67)	-
Global Opportunities Fund				
Class A GBP (Accumulating) Hedged	1,000.00	-	-	1,000.00
Class B EUR (Accumulating)	5,101,438.45	7,818.62	(3,543,342.48)	1,565,914.59
Class B GBP (Accumulating) Hedged	35,776.06	35.08	(25,829.69)	9,981.45
Euro Enhanced Reserve Fund****				
Class B EUR (Accumulating)	5,000,000.00	-	(5,000,000.00)	-
Absolute Return Bond Fund				
Class B EUR (Accumulating) Hedged	1,000.00	2,957.50	-	3,957.50
Class B GBP (Accumulating)	6,000,000.00	61,386.70	(13,980.00)	6,047,406.70
Class C GBP (Accumulating)***^	-	262,957.35	(19,918.87)	243,038.48
Class B US Dollar (Accumulating) Hedged	1,000.00	1,500.00	-	2,500.00

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

4. Share Capital (continued)

Global Equity Income Fund****^

Class B EUR (Income) Hedged	-	25,000.00	-	25,000.00
Class B GBP (Income) Hedged	-	25,000.00	-	25,000.00
Class B US Dollar (Income)	-	24,935.00	-	24,935.00
Class C US Dollar (Income)	-	99,740.00	-	99,740.00
Class B EUR (Accumulating) Hedged	-	25,000.00	-	25,000.00
Class B GBP (Accumulating) Hedged	-	25,000.00	-	25,000.00
Class B US Dollar (Accumulating)	-	23,877,237.00	-	23,877,237.00
Class C US Dollar (Accumulating)	-	99,740.00	-	99,740.00

** Launched 12 December 2011

*^ Launched 28 November 2011

*^^ Launched 21 June 2012

**^ Launched 15 May 2012

^^ Launched 15 May 2012

* Launched 13 April 2012

*** Fully Redeemed 02 December 2011

**** Fully Redeemed 12 January 2012

***^ Launched 07 February 2012

****^ Launched 28 September 2012

5. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of Shares in the Company.

Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a Shareholder, the Fund may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to Shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of Shares every 8 years beginning from the date of acquisition of those Shares. Certain exemptions can apply. To the extent that Shareholders have appropriate tax declarations in place with the Company there may be no requirement to deduct tax.

Applicant share classes have been registered with the UK tax authorities under the Reporting Fund regime. The HMRC website (www.hmrc.gov.uk/collective/cis-centre.htm) has a list of the applicant share classes.

6. Commitments and Contingent Liabilities

The Strategic Global Bond Fund and Absolute Return Bond Fund hold Credit Default Swaps. For Credit Default Swaps in which the Company is selling protection the maximum credit risk exposure as at 31 October 2013 amounted to:

	31 October 2013	31 October 2012
Strategic Global Bond Fund	EUR 12,000,000	USD 87,000,000
High Yield Global Bond Fund	-	USD 20,000,000
Global Equity Income Fund	-	GBP 13,000,000
Absolute Return Bond Fund	EUR 23,000,000	-
Absolute Return Bond Fund	USD 4,000,000	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

7. Soft Commission Arrangements

There were no soft commission arrangements in place during the year.

8. Exchange Rates

The financial statements are prepared in USD, EUR and GBP. Exchange rates used to translate assets and liabilities in other currencies to USD, EUR or GBP at 31 October 2013 were as follows:

JPY/USD:	1	98.11001	USD/EUR:	1	1.35950	SEK/EUR:	1	8.79742
NZD/USD:	1	1.20809	BRL/EUR:	1	3.02264	THB/EUR:	1	42.31380
SEK/USD:	1	6.47107	CAD/EUR:	1	1.41775	TRY/EUR:	1	2.70846
AUD/USD:	1	1.05602	CHF/EUR:	1	1.22473	UYU/EUR:	1	29.195121
CAD/USD:	1	1.04285	CZK/EUR:	1	25.79181	ZAR/EUR:	1	13.60248
CHF/USD:	1	0.90555	HKD/EUR:	1	10.54031	AUD/GBP:	1	1.69661
GBP/USD:	1	0.62243	HUF/EUR:	1	295.084814	CAD/GBP:	1	1.67544
EUR/USD:	1	0.73557	IDR/EUR:	1	15325.21700	CHF/GBP:	1	1.45486
SGD/USD:	1	1.24035	MYR/EUR:	1	4.28997	EUR/GBP:	1	1.18176
HKD/USD:	1	7.75308	KRW/EUR:	1	1451.95040	USD/GBP:	1	1.60660
NOK/USD:	1	5.94774	MXN/EUR:	1	17.67237	NZD/GBP:	1	1.94092
AUD/EUR:	1	1.43566	NOK/EUR:	1	8.08596	SEK/GBP:	1	10.39642
GBP/EUR:	1	0.84708	NZD/EUR:	1	1.64240			
JPY/EUR:	1	133.38056	PLN/EUR:	1	4.16555			

The exchange rates disclosed above are calculated on a mid basis, while for reporting purposes, financial assets are disclosed in the Balance Sheet on a bid basis and financial liabilities are disclosed in the Balance Sheet on an ask basis, the difference is deemed to be insignificant.

Exchange rates used to translate assets and liabilities in other currencies to USD or EUR at 31 October 2012 were as follows:

JPY/USD:	1	79.929981	BRL/EUR:	1	2.630671	PLN/EUR:	1	4.139751
NZD/USD:	1	1.216397	CAD/EUR:	1	1.295152	SEK/EUR:	1	8.598141
SEK/USD:	1	6.635392	CHF/EUR:	1	1.206649	THB/EUR:	1	39.716790
AUD/USD:	1	0.964367	CLP/EUR:	1	624.120990	TRY/EUR:	1	2.325314
CAD/USD:	1	0.999500	CZK/EUR:	1	25.105592	UYU/EUR:	1	25.592005
CHF/USD:	1	0.931200	HKD/EUR:	1	10.042548	ZAR/EUR:	1	11.272433
GBP/USD:	1	0.620713	HUF/EUR:	1	283.275219	AUD/GBP:	1	1.553643
EUR/USD:	1	0.771724	IDR/EUR:	1	12,446.450869	CAD/GBP:	1	1.610245
MYR/USD:	1	3.046004	MYR/EUR:	1	3.947012	EUR/GBP:	1	1.243286
AUD/EUR:	1	1.249626	KRW/EUR:	1	1,413.194028	USD/GBP:	1	1.61105
GBP/EUR:	1	0.804320	MXN/EUR:	1	16.960511	NZD/GBP:	1	1.959676
JPY/EUR:	1	103.573270	NOK/EUR:	1	7.398188	SEK/GBP:	1	10.689948
USD/EUR:	1	1.295800	NZD/EUR:	1	1.576207			

9. Distribution Policy

It is the current intention of the Directors to declare dividends for the Income Share Classes on the Strategic Global Bond Fund, the Investment Grade Global Bond Fund and the High Yield Global Bond Fund on a quarterly basis on the first Business Days of August, November, February and May. For the Income Share Classes on the Global Equity Income Fund, it is the current intention of the Directors to declare dividends on a bi-annual basis on the first Business Days of November and May. The Directors intend to pay dividends equal to substantially all of the income arising to the Income Share Classes.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

9. Distribution Policy (continued)

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

In 2013, on the Global Equity Income Fund, an additional dividend was declared in February.

During the year to 31 October 2013 dividends paid were as follows:

	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Equity Income Fund USD
Distribution (ex date)				
- 1 November 2012	3,735,072	232,309	3,784,989	545
- 1 February 2013	2,515,363	161,028	4,146,140	7,838
- 1 May 2013	1,465,276	113,930	2,827,898	28,124
- 1 August 2013	1,813,763	148,537	3,099,496	-
	9,529,474	655,804	13,858,523	36,507

As the Global Opportunities Fund, Absolute Return Bond Fund and Active Long Dated Bond Fund hold only Accumulating Share Classes; no dividends are declared for these Funds.

Subsequent to the year end the following distributions were made on 01 November from income earned during the year to 31 October 2013:

Strategic Global Bond Fund	USD 2,028,752
Investment Grade Global Bond Fund	USD 140,102
High Yield Global Bond Fund	USD 3,644,121
Global Equity Income Fund	USD 18,790

During the year to 31 October 2012 dividends paid were as follows:

	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD
Distribution (ex date)			
- 1 November 2011	2,659,998	118,949	1,576,499
- 1 February 2012	3,337,400	114,177	2,633,488
- 1 May 2012	3,584,476	149,878	2,565,703
- 1 August 2012	3,290,119	111,223	3,677,059
	12,871,993	494,227	10,452,749

As the Global Opportunities Fund and Absolute Return Bond Fund held only Accumulating Share Classes; no dividends were declared for these Funds.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

10. Cash and Cash Equivalents

All monies are held with Citibank, N.A. London in the name of Citibank International plc. (Ireland Branch) as Trustee with the exception of margin cash which is held with UBS Limited. A breakdown of cash held by the Funds is detailed below:

Assets	Strategic Global Bond Fund USD	Investment Grade Global Fund USD	High Yield Global Fund USD	Global Opportunities Fund EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund^ GBP
As at 31 October 2013							
Cash and cash equivalents	75,985,153	8,478,134	64,088,483	2,995,597	9,577,336	30,506,383	3,732,092
Margins with brokers	6,858,945	939,958	974,499	-	1,033,509	-	188,216
	82,844,098	9,418,092	65,065,982	2,995,597	10,610,845	30,506,383	3,920,308
Liabilities							
Overdrawn cash and cash equivalents	(21,947,970)	(5,605,287)	(15,119,867)	(2,984,545)	(2,703,598)	(16,324,567)	(3,179,408)
Overdrawn margins with brokers	-	(158)	-	-	(532)	-	-
	(21,947,970)	(5,605,445)	(15,119,867)	(2,984,545)	(2,704,130)	(16,324,567)	(3,179,408)
Total	60,896,128	3,812,647	49,943,115	11,052	7,906,715	14,181,816	740,900

^ The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

10. Cash and Cash Equivalents (continued)

All monies are held with Citibank, N.A. London in the name of Citibank International plc. (Ireland Branch) as Trustee with the exception of margin cash which is held with UBS Limited. A breakdown of cash held by the Funds is detailed below:

Assets	Strategic Global Bond Fund USD	Investment Grade Global Fund USD	High Yield Global Fund USD	Euro Bond Fund* EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund** USD
As at 31 October 2012								
Cash and cash equivalents	30,111,358	9,476,393	32,212,497	2,198,888	2,872,936	759,732	17,357,501	1,506,505
Margins with brokers	2,957,979	-	-	-	818,675	-	207,058	-
	<u>33,069,337</u>	<u>9,476,393</u>	<u>32,212,497</u>	<u>2,198,888</u>	<u>3,691,611</u>	<u>759,732</u>	<u>17,564,559</u>	<u>1,506,505</u>
Liabilities								
Overdrawn cash and cash equivalents	(12,027,689)	(2,280,886)	(8,731,802)	(2,177,158)	(2,305,472)	(738,832)	(1,129,971)	-
Overdrawn margins with brokers	(375)	-	-	-	(16)	-	(160)	(48)
	<u>(12,028,064)</u>	<u>(2,280,886)</u>	<u>(8,731,802)</u>	<u>(2,177,158)</u>	<u>(2,305,488)</u>	<u>(738,832)</u>	<u>(1,130,131)</u>	<u>(48)</u>
Total	<u>21,041,273</u>	<u>7,195,507</u>	<u>23,480,695</u>	<u>21,730</u>	<u>1,386,123</u>	<u>20,900</u>	<u>16,434,428</u>	<u>1,506,457</u>

* The period under review for the Euro Bond Fund and the Euro Enhanced Reserve Fund is from date 01 November 2011 to year end 31 October 2012.

** The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to 31 October 2012.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

11. Fees

The Company may pay out of the assets of each Fund the fees and expenses payable to the Manager, Investment Manager, the Custodian, the Administrator and the Distributor, the fees and expenses of sub-custodians which will be at normal commercial rates, the fees and expenses of the Directors, any other miscellaneous fees such as, all taxes, company secretarial fees, any costs incurred in respect of meetings of Shareholders and marketing and distribution costs.

Such fees, duties and charges will be charged to each Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Custodian, in such manner and on such basis as the Directors in their discretion deem fair and equitable.

In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Administration and Registrar Fee

The fee payable to the Administrator for the services provided to the Company shall not exceed 1% per annum of the net asset value of each Fund.

The fee payable to the Administrator for registration services provided to the Company will not exceed 0.5% per annum of the net asset value of each Fund.

The Administration and Registrar Fees incurred and payable are presented in the profit and loss and balance sheet on page 19 and 23, respectively.

Investment Manager Fees

The fee payable to the Investment Manager will be no more than 1% per annum of the Net Asset Value of the Strategic Global Bond Fund, the Investment Grade Global Bond Fund, the High Yield Global Bond Fund, the Absolute Return Bond Fund, the Global Equity Income Fund and the Active Long Dated Bond Fund and 1.5% per annum of the Net Asset Value of the Global Opportunities Fund, including both Income Shares and Accumulation Shares.

Such fees shall be payable per calendar quarter in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of each Fund for reasonable out-of pocket expenses incurred by the Investment Manager in the performance of its duties.

The Investment Manager Fees incurred and payable are presented in the profit and loss and balance sheet on page 19 and 23, respectively.

Performance Fee

The Investment Manager will also be entitled to receive a performance fee out of the assets of the Global Opportunities Fund, in respect of all its Share Classes. The Performance Fee will be calculated and accrue on a daily basis and will be payable quarterly in respect of each Performance Period or if any Shares are redeemed during a Performance Period, the Performance Fee in respect of that Performance Period related to shares redeemed, will be calculated as of the date of redemption.

The Performance Fee is payable at the rate of 20% of the amount by which the Net Asset Value per Share of the relevant class on the last Business Day of the relevant Performance Period (the Calculation Day), without deduction of any accrued Performance Fee or Dilution Adjustment, exceeds the Benchmark Value. The Benchmark Value is defined as the Performance Fee High Watermark adjusted by the Benchmark (i.e. moved in line with the move in the Benchmark) since the previous Calculation Day taking account of any Performance Period that is less than a calendar quarter. The Benchmark is the last published official 3 Month Euribor as at the most recent month end.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

11. Fees (continued)

Performance Fee (continued)

The Performance Fees incurred and payable at 31 October 2013 are USD Nil (2012: USD Nil)

Custodian Fee

The fee payable to the Custodian, for custodial services provided to the Company, will not exceed 0.5% per annum of the net asset value of each Fund.

The Custodian will also be entitled to receive any out-of-pocket expenses incurred (including any transaction charges or sub-custodian fees at normal commercial rates).

The Custodian Fees incurred and payable are presented in the profit and loss and balance sheet on page 19 and 23, respectively.

Distributor Fee

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

The Distributor Fees incurred and payable are present in the profit and loss and balance sheet on page 19 and 23, respectively.

Directors Fees

Only Directors who are not employees of the Aegon group of companies and Kames group of companies will be entitled to remuneration for their services as director. The fees shall not exceed EUR20,000 per annum or such other amount as may be approved by a resolution of the Directors or the Shareholders in the general meeting.

All Directors will be entitled to be reimbursed out of the assets of the Funds for out of pocket expenses incurred in discharging their duties as directors. The Directors fees paid by the Company for the year ended 31 October 2013 amounted to USD 38,088 (2012; USD 41,284).

Audit Fees

The Audit Fees incurred and payable are present in the profit and loss and balance sheet on page 19 and 23, respectively.

The USD equivalent of the remuneration for all work carried out by the statutory audit firm for the Company for the years ended 31 October 2013 and 31 October 2012 was as follows:

	As at 31 October 2013	As at 31 October 2012
	USD	USD
Statutory Audit	54,788	91,030
Other Assurance services	-	-
Tax Advisory services	-	-
Other Non-Audit services	-	-

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments

Risk is inherent in the activities of each Fund but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The Funds are exposed to market risk (which includes currency risk, interest rate risk and market price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The main risks arising from financial instruments and the policies for managing these risks are stated below. These policies have been applied throughout the period under review.

Market Price

The main risk arising from each Fund's financial instruments is market price. Market price risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in market price caused by factors other than interest rate or foreign currency movements. Market price risk arises mainly from uncertainty about future prices of financial instruments that the fund might hold. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the investment manager in pursuance of the stated investment objectives, and policies as set out in the Prospectus.

Adherence to the investment guidelines and to investment and borrowing powers set out in the instrument of incorporation, the Prospectus and the notices issued by the Central Bank mitigates the risk of excessive exposure per industry to any particular type of security or issuer.

The market price exposure per industry for the relevant Funds is shown below.

Strategic Global Bond Fund

As at 31 October 2013	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Government Bonds USD
Banks	-	64,562,838	47,001,913	-
Chemicals	-	838,768	-	-
Communications	-	14,139,898	-	-
Consumer	-	47,321,369	-	-
Diversified	-	12,098,848	-	-
Diversified Financial Services	30,450,164	16,956,086	6,335,083	-
Energy	-	24,195,262	-	-
Entertainment	-	7,070,119	4,152,923	-
Financial	-	9,317,315	-	-
Government	-	-	-	6,398,413
Healthcare	-	12,049,455	-	-
Industrial	-	17,457,131	-	-
Insurance	-	20,313,766	-	-
Pharmaceuticals	-	3,253,906	-	-
Retail	7,441,752	3,567,123	-	-
Sovereign	-	-	-	165,986,161
Technology	-	17,234,829	-	-
Telecommunications	-	27,157,875	-	-
Utilities	-	4,815,850	-	-
	37,891,916	302,350,438	57,489,919	172,384,574

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

Strategic Global Bond Fund (continued)

As at 31 October 2012	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Government Bonds USD	Index Linked Bonds USD
Banks	-	69,484,753	32,388,661	-	-
Consumer	-	18,920,912	-	-	-
Diversified Financial Services	27,777,416	15,095,157	9,148,015	-	-
Energy	-	2,841,276	-	-	-
Financial	-	13,247,713	-	3,816,796	-
Healthcare	-	7,781,531	-	-	-
Industrial	-	11,068,167	-	-	2,209,733
Insurance	-	16,744,419	2,522,873	-	-
Mining	-	4,878,125	-	-	-
Pharmaceuticals	-	11,821,186	-	-	-
Retail	2,561,354	19,367,563	-	-	-
Sovereign	-	-	-	163,478,843	-
Telecommunications	-	16,212,387	-	-	-
Transportation	6,536,836	7,485,017	-	-	-
Utilities	-	34,069,121	-	-	-
	36,875,606	249,017,327	44,059,549	167,295,639	2,209,733

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Strategic Global Bond Fund would amount to approximately USD 28,505,842 (2012: USD 24,972,893).

Investment Grade Global Bond Fund

As at 31 October 2013	Asset Backed Securities USD	Corporate Bonds USD	Government Bonds USD	Floating Rate Notes USD
Banks	-	36,746,311	-	3,441,817
Chemicals	-	1,366,934	-	-
Communications	-	4,693,446	-	-
Consumer	-	18,968,793	-	-
Diversified	-	1,483,533	-	-
Diversified Financial Services	3,229,511	5,988,514	-	-
Energy	-	8,344,603	-	-
Entertainment	-	2,773,838	-	-
Financial	-	479,826	-	-
Healthcare	-	1,005,004	-	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

Investment Grade Global Bond Fund (continued)

As at 31 October 2013	Asset Backed Securities USD	Corporate Bonds USD	Government Bonds USD	Floating Rate Notes USD
Industrial	1,077,720	6,726,179	-	-
Insurance	-	11,769,889	-	-
Pharmaceuticals	-	4,924,279	-	-
Retail	822,843	-	-	-
Sovereign	-	-	2,045,000	-
Technology	-	1,005,279	-	-
Telecommunications	-	10,714,814	-	-
Utilities	-	2,519,626	-	-
	5,130,074	119,510,868	2,045,000	3,441,817

As at 31 October 2012	Asset Backed Securities USD	Corporate Bonds USD	Government Bonds USD	Floating Rate Notes USD
Banks	-	30,833,182	-	1,800,000
Consumer	-	9,235,088	-	-
Diversified Financial Services	1,742,340	5,262,278	-	-
Entertainment	-	1,108,793	-	-
Financial	-	3,579,349	-	-
Industrial	-	5,457,226	-	-
Insurance	-	6,198,777	-	-
Mining	-	2,194,614	-	-
Pharmaceuticals	-	7,953,091	-	-
Retail	864,457	5,596,648	-	-
Sovereign	-	-	1,730,048	-
Technology	-	2,010,722	-	-
Telecommunications	-	7,140,349	-	-
Transportation	992,684	1,945,237	-	-
Utilities	752,113	9,770,386	-	-
	4,351,594	98,285,740	1,730,048	1,800,000

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Investment Grade Global Bond Fund would amount to approximately USD 6,506,388 (2012: USD 5,308,369).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

High Yield Global Bond Fund

As at 31 October 2013	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD
Banks	-	5,954,868	6,941,766
Chemicals	-	838,768	-
Communications	-	40,977,020	-
Consumer	-	79,578,522	4,083,531
Diversified	-	15,194,067	-
Diversified Financial Services	-	6,299,604	-
Energy	-	24,833,598	-
Entertainment	-	12,569,925	-
Financial	-	13,107,154	-
Healthcare	-	56,375,309	-
Industrial	1,539,600	38,733,091	-
Insurance	-	2,083,937	-
Mining	-	3,108,750	-
Pharmaceuticals	-	10,129,688	-
Retail	4,169,750	7,872,623	-
Technology	-	6,427,560	-
Telecommunications	-	61,425,638	-
Utilities	-	10,968,024	-
	5,709,350	396,478,146	11,025,297

As at 31 October 2012	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD
Banks	-	6,624,004	4,826,654
Consumer	-	43,339,591	-
Diversified Financial Services	8,320,352	5,621,053	-
Energy	-	5,682,552	-
Entertainment	-	16,405,596	-
Financial	-	17,692,706	806,556
Healthcare	-	41,467,323	-
Industrial	-	22,579,758	-
Insurance	-	2,073,275	-
Mining	-	20,355,146	-
Pharmaceuticals	-	8,654,000	-
Retail	-	37,950,488	-
Technology	-	7,227,753	-
Telecommunications	-	47,222,071	-
Transportation	1,418,120	8,273,652	-
Utilities	-	40,140,278	2,704,936
	9,738,472	331,309,246	8,338,146

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

High Yield Global Bond Fund (continued)

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the High Yield Global Bond Fund would amount to approximately USD 20,660,640 (2012: USD 17,469,293).

Global Opportunities Fund*

As at 31 October 2013	Equity Securities EUR	Government Bonds EUR	REIT – UK Large Cap EUR	Zero Coupon Marked to Market EUR
Consumer	-	-	-	-
Financial	-	-	-	-
Industrial	-	-	-	-
Retail	-	-	-	-
Sovereign	-	-	-	-
Technology	-	-	-	-
Transportation	-	-	-	-
Utilities	-	-	-	-
	-	-	-	-

Global Opportunities Fund

As at 31 October 2012	Equity Securities EUR	Government Bonds EUR	REIT – UK Large Cap EUR	Zero Coupon Marked to Market EUR
Consumer	33,895	-	-	-
Financial	1,158,382	-	180,600	-
Industrial	41,072	-	-	-
Retail	45,431	-	-	-
Sovereign	-	7,566,228	-	1,720,040
Technology	35,160	-	-	-
Transportation	59,493	-	-	-
Utilities	67,685	-	-	-
	1,441,118	7,566,228	180,600	1,720,040

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Global Opportunities Fund would amount to approximately EUR Nil (2012: EUR 545,399)

* The Global Opportunities Fund closed on 26 April 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

Absolute Return Bond Fund

As at 31 October 2013	Asset Backed Securities GBP	Corporate Bonds GBP	Government Bonds GBP	Floating Rate Notes GBP
Banks	-	17,734,964	-	2,926,868
Communications	-	3,511,117	-	-
Consumer	1,808,820	19,528,336	-	-
Diversified Financial Services	803,551	8,665,065	-	996,290
Energy	-	2,065,379	-	-
Financial	47,782	3,085,857	-	-
Healthcare	-	403,170	-	-
Industrial	-	3,953,804	-	-
Insurance	-	4,962,849	-	-
Retail	-	4,690,756	-	-
Sovereign	-	-	14,464,042	-
Telecommunications	-	4,847,879	-	-
Utilities	-	13,681,260	-	1,979,727
	2,660,153	87,130,436	14,464,042	5,902,885

Absolute Return Bond Fund

As at 31 October 2012	Asset Backed Securities GBP	Corporate Bonds GBP	Government Bonds GBP	Floating Rate Notes GBP
Banks	505,100	8,269,481	-	615,448
Consumer	1,114,162	2,114,607	-	-
Diversified Financial Services	2,046,667	1,977,766	-	-
Energy	-	503,750	-	-
Financial	-	2,025,379	-	-
Industrial	-	2,506,129	-	-
Insurance	-	5,546,323	-	-
Mining	-	416,119	-	-
Pharmaceuticals	-	545,189	-	-
Retail	264,772	4,372,866	-	-
Sovereign	-	-	14,499,688	-
Telecommunications	-	1,975,314	-	-
Transportation	440,000	2,028,020	-	-
Utilities	-	4,008,356	-	977,280
	4,370,701	36,289,299	14,499,688	1,592,728

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Absolute Return Bond Fund would amount to approximately GBP 5,507,876 (2012: GBP 2,837,621).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

Global Equity Income Fund

As at 31 October 2013	Equity USD	Equity – UK Large Cap USD	Equity – UK Small Cap USD
Banks	59,872,814	-	-
Chemicals	21,183,863	-	-
Communications	10,004,143	17,669,012	-
Consumer	123,266,485	-	-
Diversified	7,962,311	-	-
Diversified Financial Services	17,180,250	-	-
Energy	58,215,438	-	-
Financial	10,939,029	-	-
Industrial	70,482,964	-	1,185,554
Insurance	37,887,741	17,474,149	-
Pharmaceuticals	97,180,720	-	-
Retail	31,482,561	-	-
Technology	27,704,723	-	-
Telecommunications	48,061,571	13,139,926	-
	621,424,613	48,283,087	1,185,554

Global Equity Income Fund

As at 31 October 2012	Equity USD	Equity – UK Large Cap USD
Banks	21,304,013	-
Consumer	17,269,068	4,634,392
Financial	3,425,832	-
Industrial	38,384,083	-
Insurance	12,957,652	5,072,583
Pharmaceuticals	36,181,809	-
Retail	19,756,480	-
Technology	17,876,378	-
Telecommunications	19,437,907	3,652,803
Transportation	19,025,542	-
Utilities	20,659,595	-
	226,278,359	13,359,778

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Global Equity Income Fund would amount to approximately USD 33,544,663 (2012: USD 11,981,907).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Market Price (continued)

Active Long Dated Bond Fund**

As at 31 October 2013	Asset Back Securities GBP	Corporate Bonds GBP	Government Bonds GBP	Index Linked Bond GBP
Banks	-	13,966,602	-	-
Communications	-	1,408,063	-	-
Consumer	2,038,584	5,567,398	-	-
Diversified Financial Services	2,834,330	5,692,487	-	-
Energy	-	1,026,679	-	-
Entertainment	-	573,508	-	-
Financial	4,599,159	3,559,924	-	-
Government	-	4,057,605	668,376	-
Healthcare	721,461	105,909	-	-
Industrial	2,356,986	6,223,823	-	-
Insurance	-	4,075,647	-	-
Pharmaceuticals	-	683,588	-	-
Retail	73,731	140,362	-	-
Sovereign	-	-	6,915,610	28,687,967
Technology	-	230,033	-	-
Telecommunications	-	3,629,218	-	-
Utilities	-	11,165,633	-	432,551
	12,624,251	62,106,479	7,583,986	29,120,518

At 31 October 2013, had the market price rate increased or decreased by 5%; with all other variables held constant, the increase or decrease in the net asset value of the Global Equity Income Fund would amount to approximately GBP 5,571,762.

** The Active Long Dated Bond Fund launched during the period, therefore there is no comparative available.

Fair Value Estimation

FRS 29 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input which is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

The following tables present the fair value hierarchy of each Funds financial assets and liabilities measured at 31 October 2013 and 31 October 2012:

Strategic Global Bond Fund	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Asset Backed Securities	-	37,891,916	-
Corporate Bonds	-	302,350,438	-
Floating Rate Notes	-	57,489,919	-
Government Bonds	165,986,161	6,398,413	-
Forwards	-	40,543	-
Total Assets	165,986,161	404,171,229	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	(3,479,817)	-	-
Forwards	-	(11,799,606)	-
Credit Default Swaps*	-	(2,765,870)	-
Total Liabilities	(3,479,817)	(14,565,476)	-

The following table shows a reconciliation of the movement in fair value of the level 3 investments held as at 31 October 2013:

	As at 31 October 2013 Financial assets at fair value through profit or loss
Currency (USD)	
Opening balance	1,990,373
Total gain and losses	
- in profit or loss	64,427
- in other comprehensive income	-
Transfers	-
Sales	(2,054,800)
Purchases	-
Closing balance	-
Total unrealised gains and losses for the period included in profit or loss for assets held at the end of the reporting period	(24,853)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2012			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Asset Backed Securities	-	36,875,606	-
Corporate Bonds	-	247,026,954	1,990,373
Floating Rate Notes	-	44,059,549	-
Government Bonds	156,594,988	10,700,651	-
Index Linked Bonds	2,209,733	-	-
Bond Futures	169,392	-	-
Forwards	-	1,411,357	-
Credit Default Swaps*	-	1,972,331	-
Total Assets	158,974,113	344,256,181	1,990,373
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	-	-	-
Forwards	-	1,487,152	-
Credit Default Swaps*	-	6,155,948	-
Total Liabilities	-	7,643,100	-

The following table shows a reconciliation of the movement in fair value of the level 3 investments held as at 31 October 2012:

	As at 31 October 2012 Financial assets at fair value through profit or loss
Currency (USD)	
Opening balance	-
Total gain and losses	
- in profit or loss	(39,574)
- in other comprehensive income	-
Transfers	-
Sales	-
Purchases	2,029,947
Closing balance	1,990,373
Total unrealised gains and losses for the period included in profit or loss for assets held at the end of the reporting period	(39,574)

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Investment Grade Global Bond Fund	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Asset Backed Securities	-	5,130,074	-
Corporate Bonds	-	119,510,868	-
Floating Rate Notes	-	3,441,817	-
Government Bonds	2,045,000	-	-
Forwards	-	16,040	-
Total Assets	2,045,000	128,098,799	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	(458,628)	-	-
Forwards	-	(2,373,405)	-
Total Liabilities	(458,628)	(2,373,405)	-

31 October 2012			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Asset Backed Securities	-	4,351,594	-
Corporate Bonds	-	98,285,740	-
Floating Rate Notes	-	1,800,000	-
Government Bonds	-	1,730,048	-
Forwards	-	38,376	-
Total Assets	-	106,205,758	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	-	-	-
Forwards	-	297,961	-
Total Liabilities	-	297,961	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

High Yield Global Bond Fund	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Asset Backed Securities	-	5,709,350	-
Corporate Bonds	-	396,478,146	-
Floating Rate Notes	-	11,025,297	-
Forwards	-	51,321	-
Total Assets	-	413,264,114	-

Financial Liabilities at Fair Value Through Profit or Loss Held for Trading

Bond Futures	(644,810)	-	-
Forwards	-	(8,931,001)	-
Total Liabilities	(644,810)	(8,931,001)	-

31 October 2012

Financial Assets at Fair Value Through Profit or Loss Held for Trading

	USD	USD	USD
Asset Backed Securities	-	9,738,472	-
Corporate Bonds	-	331,309,246	-
Floating Rate Notes	-	8,338,146	-
Forwards	-	417,219	-
Credit Default Swaps*	-	179,414	-
Total Assets	-	349,982,497	-

Financial Liabilities at Fair Value Through Profit or Loss Held for Trading

Forwards	-	1,269,016	-
Credit Default Swaps*	-	610,562	-
Total Liabilities	-	1,879,578	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Global Opportunities Fund**	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	EUR	EUR	EUR
Equities	-	-	-
Government Bond	-	-	-
REIT - UK Large Cap	-	-	-
Total Return Swaps*	-	-	-
Forwards	-	-	-
Total Assets	-	-	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	-	-	-
Index Futures	-	-	-
Index Options	-	-	-
Total Return Swaps*	-	-	-
Forwards	-	-	-
Total Liabilities	-	-	-

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

** The Global Opportunities Fund closed on 26 April 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Global Opportunities Fund (continued)	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2012			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	EUR	EUR	EUR
Equities	1,441,118	-	-
Government Bond	3,707,178	5,579,090	-
REIT - UK Large Cap	180,600	-	-
Bond Futures	27,823	-	-
Index Futures	86,884	-	-
Index Options	-	14,965	-
Total Return Swaps*	-	4,688	-
Forwards	-	73,139	-
Total Assets	5,443,603	5,671,882	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	1,787	-	-
Index Futures	204,164	-	-
Index Options	-	3,986	-
Total Return Swaps*	-	36,521	-
Forwards	-	88,270	-
Total Liabilities	205,951	128,777	-

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Absolute Return Bond Fund	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	GBP	GBP	GBP
Asset Backed Securities	-	2,660,153	-
Corporate Bonds	-	87,130,436	-
Floating Rate Notes	-	5,902,885	-
Government Bonds	14,464,042	-	-
Bond Futures	238,541	-	-
Forwards	-	67,071	-
Credit Default Swaps*	-	661,550	-
Total Assets	14,702,583	96,422,095	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	(550,399)	-	-
Forwards	-	(207,060)	-
Credit Default Swaps*	-	(1,067,237)	-
Total Liabilities	(550,399)	(1,274,297)	-

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Absolute Return Bond Fund (continued)	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2012			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	GBP	GBP	GBP
Asset Backed Securities	-	4,370,701	-
Corporate Bonds	-	36,289,299	-
Floating Rate Notes	-	1,592,728	-
Government Bonds	14,499,688	-	-
Bond Futures	116,422	-	-
Forwards	-	61,353	-
Credit Default Swaps*	-	178,650	-
Total Assets	14,616,110	42,492,731	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading	GBP	GBP	GBP
Bond Futures	4,948	-	-
Forwards	-	74,689	-
Credit Default Swaps*	-	388,839	-
Total Liabilities	4,948	463,528	-

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Global Equity Income Fund	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Equities	621,424,613	-	-
Equities - UK Large Cap	48,283,087	-	-
Equities - UK Small Cap	1,185,554	-	-
Forwards	-	7,167	-
Total Assets	670,893,254	7,167	-

Financial Liabilities at Fair Value Through Profit or Loss Held for Trading

Forwards	-	(178,195)	-
Total Liabilities	-	(178,195)	-

Global Equity Income Fund***	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2012			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	USD	USD	USD
Equities	226,278,359	-	-
Equities - UK Large Cap	13,359,778	-	-
Forwards	-	2,232	-
Total Assets	239,638,137	2,232	-

Financial Liabilities at Fair Value Through Profit or Loss Held for Trading

Forwards	-	276	-
Total Liabilities	-	276	-

*** The Global Equity Income Fund launched on 28 September 2012.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Fair Value Estimation (continued)

Active Long Dated Bond Fund [^]	Level 1 Quoted prices in active markets	Level 2 Other observable Inputs	Level 3 Unobservable Inputs
31 October 2013			
Financial Assets at Fair Value Through Profit or Loss Held for Trading	GBP	GBP	GBP
Asset Backed Securities	-	12,624,251	-
Corporate Bonds	-	62,106,479	-
Index Linked Bonds	28,687,967	432,551	-
Government Bonds	7,210,333	373,653	-
Bond Futures	192,340	-	-
Forwards	-	8,122	-
Inflation Swaps*	-	61,427	-
Total Assets	36,090,640	75,606,483	-
Financial Liabilities at Fair Value Through Profit or Loss Held for Trading			
Bond Futures	(34,812)	-	-
Total Liabilities	(34,812)	-	-

*Swaps were valued using market observable interest rates, observable underlying instruments/indices, and credit spreads from the market.

[^] The Active Long Dated Bond Fund launched on 15 January 2013.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk

Foreign currency risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

For the Funds where an element of the investment portfolio is invested in overseas securities the Balance Sheet can be affected by movements in exchange rates. The investment manager may seek to manage exposure to currency movements by using forward foreign currency contracts or by hedging the fund currency value of investments that are priced in other currencies. Income received in other currencies is converted to fund currency on or near the date of receipt.

The foreign currency exposure for the relevant Funds is shown below.

Strategic Global Bond Fund

As at 31 October 2013

	Monetary exposures	Non-monetary	Total
	USD	exposures	USD
		USD	
Assets			
Australian Dollar	271,852	53,920,790	54,192,642
Canadian Dollar	101,981	-	101,981
Euro	7,680,527	157,156,810	164,837,337
Japanese Yen	17,182	-	17,182
New Zealand Dollar	301,291	-	301,291
Sterling	5,878,023	91,086,302	96,964,325
Swedish Krona	2,154,735	34,283,327	36,438,062
Swiss Franc	2,365,255	12,142,558	14,507,813
US Dollars	42,125,282	234,827,554	276,952,836
	60,896,128	583,417,341	644,313,469
Liabilities			
Australian Dollar	-	(1,288,596)	(1,288,596)
Euro	-	(8,389,157)	(8,389,157)
Singapore Dollar	-	(299)	(299)
Sterling	-	(9,050,042)	(9,050,042)
Swedish Krona	-	(451,712)	(451,712)
Swiss Francs	-	(1,081,670)	(1,081,670)
US Dollar	-	(6,299,788)	(6,299,788)
	-	(26,561,264)	(26,561,264)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Strategic Global Bond Fund (continued)

As at 31 October 2012

	Monetary exposures USD	Non-monetary exposures USD	Total USD
Assets			
Australian Dollar	395,002	85,629,632	86,024,634
Canadian Dollar	369,523	22,194,562	22,564,085
Euro	8,657,903	85,418,425	94,076,328
Japanese Yen	425	-	425
New Zealand Dollar	1,563,212	33,778,378	35,341,590
Sterling	4,656,192	107,105,392	111,761,584
Swedish Krona	269,682	17,874,878	18,144,560
Swiss Franc	446,499	6,943,505	7,390,004
US Dollar	4,682,835	182,090,048	186,772,883
	21,041,273	541,034,820	562,076,093
Liabilities			
Euro	-	(417,697)	(417,697)
New Zealand Dollar	-	(34,737,040)	(34,737,040)
Sterling	-	(365,433)	(365,433)
Swiss Franc	-	(95,680)	(95,680)
US Dollar	-	(2,479,107)	(2,479,107)
	-	(38,094,957)	(38,094,957)

At 31 October 2013, had the exchange rate between the US Dollar and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately USD 30,887,610 (2012; USD 26,199,057).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Investment Grade Global Bond Fund

As at 31 October 2013

	Monetary exposures USD	Non-monetary exposures USD	Total USD
Assets			
Australian Dollar	48,986	1,797,759	1,846,745
Euro	40,612	25,356,135	25,396,747
New Zealand Dollar	171	-	171
Sterling	565,754	24,716,522	25,282,276
US Dollar	3,157,124	80,520,957	83,678,081
	3,812,647	132,391,373	136,204,020
Liabilities			
Australian Dollars	-	(39,228)	(39,228)
Euro	-	(2,298,216)	(2,298,216)
Sterling	-	(2,114,027)	(2,114,027)
US Dollars	-	(337,406)	(337,406)
	-	(4,788,877)	(4,788,877)

As at 31 October 2012

	Monetary exposures USD	Non-monetary exposures USD	Total USD
Assets			
Australian Dollar	27,131	1,944,796	1,971,927
Euro	900,343	23,088,561	23,988,904
New Zealand Dollar	166	-	166
Sterling	8,516	21,602,051	21,610,567
US Dollar	6,259,351	60,895,428	67,154,779
	7,195,507	107,530,836	114,726,343
Liabilities			
Euro	-	(183,053)	(183,053)
Sterling	-	(82,337)	(82,337)
US Dollar	-	(505,597)	(505,597)
	-	(770,987)	(770,987)

At 31 October 2013, had the exchange rate between the US Dollar and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately USD 6,570,757 (2012; USD 5,697,768).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

High Yield Global Bond Fund

As at 31 October 2013

	Monetary exposures USD	Non-monetary exposures USD	Total USD
Assets			
Australian Dollar	394,038	4,780,735	5,174,773
Canadian Dollar	198,218	3,794,815	3,993,033
Euro	12,028,419	104,976,013	117,004,432
Sterling	562,420	87,573,214	88,135,634
Swedish Krona	182,250	4,179,006	4,361,256
Swiss Franc	-	15,222,141	15,222,141
US Dollar	36,645,063	202,894,041	239,539,104
	50,010,408	423,419,965	473,430,373
Liabilities			
Australian Dollar	-	(132,281)	(132,281)
Euro	-	(10,463,383)	(10,463,383)
Sterling	-	(5,576,514)	(5,576,514)
Swedish Krona	-	(52,045)	(52,045)
Swiss Franc	(67,293)	(2,023,806)	(2,091,099)
US Dollar	-	(3,139,098)	(3,139,098)
	(67,293)	(21,387,127)	(21,454,420)

As at 31 October 2012

	Monetary exposures USD	Non-monetary exposures USD	Total USD
Assets			
Australian Dollar	221,688	5,803,544	6,025,232
Canadian Dollar	15,514	3,995,441	4,010,955
Euro	5,768,038	104,731,291	110,499,329
Sterling	862,796	71,510,403	72,373,199
Swiss Franc	-	10,332,117	10,332,117
US Dollar	16,623,000	161,780,096	178,403,096
	23,491,036	358,152,892	381,643,928
Liabilities			
Euro	-	(1,346,667)	(1,346,667)
Sterling	-	(379,654)	(379,654)
Swiss Franc	(10,341)	-	(10,341)
US Dollar	-	(7,912,276)	(7,912,276)
	(10,341)	(9,638,597)	(9,648,938)

At 31 October 2013, had the exchange rate between the US Dollar and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately USD 22,598,798 (2012; USD 18,599,750).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Global Opportunities Fund

As at 31 October 2013

	Monetary exposures EUR	Non Monetary exposures EUR	Total EUR
Assets			
Euro	11,735	5,675	17,410
Hong Kong Dollar	41	-	41
Sterling	-	6,973	6,973
	11,776	12,648	24,424
Liabilities			
Euro	-	(23,700)	(23,700)
Sterling	(234)	-	(234)
US Dollar	(490)	-	(490)
	(724)	(23,700)	(24,424)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Global Opportunities Fund (continued)

As at 31 October 2012

	Monetary exposures EUR	Non Monetary exposures EUR	Total EUR
Assets			
Australian Dollar	71	2,763	2,834
Brazilian Real	-	64	64
Canadian Dollar	-	19,084	19,084
Czech Koruna	-	675	675
Euro	1,231,587	10,358,553	11,590,140
Hong Kong Dollar	99	233,896	233,995
Hungarian Forint	-	6,767	6,767
Indonesian Rupiah	-	552	552
Japanese Yen	-	1,322	1,322
Mexican Peso	-	3,301	3,301
New Zealand Dollar	-	2,681	2,681
Norwegian Krone	158	1,842	2,000
Polish Zloty	534	2,280	2,814
South African Rand	-	1,846	1,846
South Korean Won	46,352	-	46,352
Sterling	4,090	186,690	190,780
Swiss Franc	152	6,289	6,441
Thai Baht	-	3,686	3,686
Turkish Lira	-	3,515	3,515
US Dollar	103,087	199,413	302,500
	1,386,130	11,035,219	12,421,349
Liabilities			
Australian Dollar	-	(7,092)	(7,092)
Chilean Peso	-	(15,505)	(15,505)
Euro	-	(89,360)	(89,360)
Hong Kong Dollar	-	(32,514)	(32,514)
Japanese Yen	-	(145)	(145)
Mexican Peso	-	(4,590)	(4,590)
Polish Zloty	-	(17,400)	(17,400)
South African Rand	(7)	(6,582)	(6,589)
South Korean Won	-	(47,573)	(47,573)
Swedish Krona	-	(5,077)	(5,077)
US Dollar	-	(2,521)	(2,521)
	(7)	(228,359)	(228,366)

At 31 October 2013, had the exchange rate between the Euro and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately EUR Nil (2012: EUR 609,649).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Absolute Return Bond Fund

As at 31 October 2013

	Monetary exposures GBP	Non Monetary exposures GBP	Total GBP
Assets			
Australian Dollar	257,014	-	257,014
Canadian Dollar	96,380	116,271	212,651
Euro	88,394	9,508,017	9,596,411
New Zealand Dollar	666,829	7,749,670	8,416,499
Sterling	4,514,005	95,110,197	99,624,202
Swedish Krona	70,277	-	70,277
Swiss Franc	2,419	-	2,419
US Dollar	2,211,397	1,836,261	4,047,658
	7,906,715	114,320,416	122,227,131

Liabilities

Australian Dollar	-	(75,650)	(75,650)
Euro	-	(107,576)	(107,576)
New Zealand Dollar	-	(97,673)	(97,673)
Sterling	-	(449,742)	(449,742)
US Dollar	-	(1,823,429)	(1,823,429)
	-	(2,554,070)	(2,554,070)

As at 31 October 2012

	Monetary exposures GBP	Non Monetary exposures GBP	Total GBP
Assets			
Australian Dollar	213,202	3,980,544	4,193,746
Canadian Dollar	-	1,369	1,369
Euro	4,610,268	6,790,498	11,400,766
New Zealand Dollar	-	2,046	2,046
Sterling	10,837,997	37,650,182	48,488,179
Swedish Krona	-	6,093,331	6,093,331
US Dollar	773,294	4,569,065	5,342,359
	16,434,761	59,087,035	75,521,796

Liabilities

Canadian Dollar	(176)	-	(176)
Euro	-	(65,401)	(65,401)
Sterling	-	(4,418,441)	(4,418,441)
Swedish Krona	(157)	(6,151,172)	(6,151,329)
	(333)	(10,635,014)	(10,635,347)

At 31 October 2013, had the exchange rate between Sterling and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately GBP 5,983,653 (2012: GBP 3,244,322).

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Global Equity Income Fund

As at 31 October 2013

	Monetary exposures USD	Non Monetary exposures USD	Total USD
Assets			
Australian Dollar	445,362	23,718,070	24,163,432
Canadian Dollar	201,177	17,198,198	17,399,375
Euro	2,124,201	153,038,147	155,162,348
Hong Kong Dollar	12	16,668,760	16,668,772
Japanese Yen	146,213	11,111,875	11,258,088
Malaysian Ringgit	-	9,635,124	9,635,124
Norwegian Krone	357,498	32,900,643	33,258,141
Singapore Dollar	254,359	15,253,937	15,508,296
Sterling	7,827,768	49,468,641	57,296,409
Swedish Krona	16	35,802,437	35,802,453
Swiss Franc	111	65,309,865	65,309,976
US Dollar	2,825,099	241,454,450	244,279,549
	14,181,816	671,560,147	685,741,963
Liabilities			
Euro	-	(171,028)	(171,028)
US Dollar	-	(1,285,302)	(1,285,302)
	-	(1,456,330)	(1,456,330)

As at 31 October 2012

	Monetary exposures USD	Non Monetary exposures USD	Total USD
Assets			
Australian Dollar	-	11,857,970	11,857,970
Euro	-	47,580,076	47,580,076
Hong Kong Dollar	-	10,403,880	10,403,880
Malaysian Ringgit	52,786	4,302,071	4,354,857
Norwegian Krone	-	12,522,556	12,522,556
Singapore Dollar	-	10,829,264	10,829,264
Sterling	8	14,532,752	14,532,760
Swedish Krona	-	8,385,221	8,385,221
Swiss Franc	-	24,063,858	24,063,858
US Dollar	1,453,663	96,410,835	97,864,498
	1,506,457	240,888,483	242,394,940
Liabilities			
Euro	-	(625,598)	(625,598)
Sterling	-	(276)	(276)
US Dollar	-	(1,643,953)	(1,643,953)
	-	(2,269,827)	(2,269,827)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Foreign Currency Risk (continued)

Global Equity Income Fund (continued)

At 31 October 2013, had the exchange rate between US Dollar and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately USD 34,214,282.(2012: USD 12,006,256).

Active Long Dated Bond Fund[^]

As at 31 October 2013

	Monetary exposures GBP	Non Monetary exposures GBP	Total GBP
Assets			
Euro	112,403	94,494	206,897
Sterling	597,044	109,910,556	110,507,600
US Dollar	31,453	3,164,613	3,196,066
	740,900	113,169,663	113,910,563
Liabilities			
Sterling	-	(237,083)	(237,083)
	-	(237,083)	(237,083)

At 31 October 2013, had the exchange rate between Sterling and other currencies increased or decreased by 5%; with all other variables held constant, the increase or decrease respectively in the net asset value would amount to approximately GBP 5,683,674.

[^] The Active Long Dated Bond Fund launched on 15 January 2013.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk

Interest rate risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in interest rates.

All of the Funds, except the Global Equity Income Fund, invest in fixed interest securities. The income from these Funds may be affected by changes to interest rates relevant to particular securities or as a result of the directors being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by such movements in the future. Interest receivable on bank deposits and payable on bank overdrafts will be affected by fluctuations in interest rates, as will Floating Rate Bonds. All other assets and liabilities of the Funds are non-interest bearing.

The interest rate profile for the relevant Funds is as follows:-

Strategic Global Bond Fund

As at 31 October 2013

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	8,407,226	45,513,564	-	53,920,790
Euro	86,129,459	68,194,833	221	154,324,513
Sterling	9,117,154	77,912,069	40,161	87,069,384
Swedish Krona	-	34,283,327	-	34,283,327
Swiss Franc	5,048,636	7,093,922	161	12,142,719
US Dollar	52,293,916	176,122,741	-	228,416,657
	160,996,391	409,120,456	40,543	570,157,390

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Australian Dollar	-	-	(1,288,596)	(1,288,596)
Euro	-	-	(9,541,671)	(9,541,671)
Singapore Dollar	-	-	(299)	(299)
Sterling	-	-	(2,949,780)	(2,949,780)
Swedish Krona	-	-	(451,712)	(451,712)
Swiss Franc	-	-	(1,081,831)	(1,081,831)
US Dollar	-	-	(2,731,404)	(2,731,404)
	-	-	(18,045,293)	(18,045,293)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Strategic Global Bond (continued)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Currency		
Australian Dollar	3.19	4.95
Euro	8.07	4.37
Sterling	12.71	5.10
Swedish Krona	8.59	3.50
Swiss Franc	4.90	7.31
US Dollar	12.57	4.31

Strategic Global Bond Fund

As at 31 October 2012

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	8,902,568	74,151,949	162,000	83,216,517
Canadian Dollar	-	21,715,385	479,177	22,194,562
Euro	54,888,635	31,756,875	2,335,207	88,980,717
New Zealand Dollar	-	-	37,280	37,280
Sterling	13,210,762	92,076,477	92,772	105,380,011
Swedish Krona	-	17,767,998	106,880	17,874,878
Swiss Franc	-	6,806,437	97,555	6,903,992
US Dollar	64,536,636	113,644,132	242,209	178,422,977
	141,538,601	357,919,253	3,553,080	503,010,934

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Australian Dollar	-	-	(98,430)	(98,430)
Euro	-	-	(3,979,470)	(3,979,470)
New Zealand Dollar	-	-	(233,520)	(233,520)
Sterling	-	-	(321,270)	(321,270)
Swiss Franc	-	-	(55,833)	(55,833)
US Dollar	-	-	(2,954,577)	(2,954,577)
	-	-	(7,643,100)	(7,643,100)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Strategic Global Bond (continued)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Currency		
Australian Dollar	8.63	5.80
Canadian Dollar	9.59	2.75
Euro	8.66	5.51
Sterling	12.63	6.22
Swedish Krona	9.59	3.50
Swiss Franc	5.90	7.31
US Dollar	10.99	4.20

Investment Grade Global Bond Fund

As at 31 October 2013

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	840,723	957,036	-	1,797,759
Euro	11,462,261	12,758,365	14,344	24,234,970
Sterling	7,053,026	16,902,351	1,696	23,957,073
US Dollar	6,625,274	73,528,723	-	80,153,997
	25,981,284	104,146,475	16,040	130,143,799

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Australian Dollar	-	-	(39,228)	(39,228)
Euro	-	-	(1,196,547)	(1,196,547)
Sterling	-	-	(1,596,258)	(1,596,258)
	-	-	(2,832,033)	(2,832,033)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Investment Grade Global Bond Fund (continued)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Currency		
Australian Dollar	3.85	4.50
Euro	6.50	4.32
Sterling	11.21	5.84
US Dollar	9.43	3.59

Investment Grade Global Bond Fund

As at 31 October 2012

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	890,257	1,048,734	5,805	1,944,796
Euro	4,822,327	18,266,234	18,140	23,106,701
Sterling	5,905,242	15,695,686	14,431	21,615,359
US Dollar	6,860,208	52,678,694	-	59,538,902
	18,478,034	87,689,348	38,376	106,205,758

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Euro	-	-	(201,193)	(201,193)
Sterling	-	-	(96,768)	(96,768)
	-	-	(297,961)	(297,961)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Currency		
Australian Dollar	4.85	0.34
Euro	8.66	3.89
Sterling	12.77	6.04
US Dollar	8.60	3.67

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

High Yield Global Bond Fund

As at 31 October 2013

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	4,780,735	-	-	4,780,735
Canadian Dollar	-	3,753,003	41,812	3,794,815
Euro	15,713,864	88,245,357	4,708	103,963,929
Sterling	-	79,291,198	2,425	79,293,623
Swedish Krona	-	4,179,006	-	4,179,006
Swiss Franc	1,626,783	12,688,824	2,376	14,317,983
US Dollar	13,983,709	188,950,314	-	202,934,023
	36,105,091	377,107,702	51,321	413,264,114

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Australian Dollar	-	-	(132,281)	(132,281)
Euro	-	-	(3,512,456)	(3,512,456)
Sterling	-	-	(3,230,514)	(3,230,514)
Swedish Krona	-	-	(52,045)	(52,045)
Swiss Franc	-	-	(2,003,705)	(2,003,705)
US Dollar	-	-	(644,810)	(644,810)
	-	-	(9,575,811)	(9,575,811)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Canadian Dollar	7.13	7.35
Euro	6.18	7.18
Sterling	6.00	7.66
Swedish Krona	4.92	9.25
Swiss Franc	4.67	7.51
US Dollar	7.04	6.26

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

High Yield Global Bond Fund (continued)

As at 31 October 2012

	Floating Rate Financial Assets USD	Fixed Rate Financial Assets USD	Derivatives USD	Total USD
Currency				
Australian Dollar	5,786,669	-	16,875	5,803,544
Canadian Dollar	-	3,928,579	66,862	3,995,441
Euro	8,221,871	96,186,392	71,346	104,479,609
Sterling	6,179,099	64,476,415	2,404	70,657,918
Swiss Franc	-	9,938,811	259,732	10,198,543
US Dollar	22,545,285	132,122,743	179,414	154,847,442
	42,732,924	306,652,940	596,633	349,982,497

	Floating Rate Financial Liabilities USD	Fixed Rate Financial Liabilities USD	Derivatives USD	Total USD
Currency				
Euro	-	-	(1,568,190)	(1,568,190)
Sterling	-	-	(236,944)	(236,944)
Swiss Franc	-	-	(74,444)	(74,444)
	-	-	(1,879,578)	(1,879,578)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Canadian Dollar	8.13	7.35
Euro	6.60	7.67
Sterling	7.60	7.89
Swiss Franc	5.77	7.43
US Dollar	7.54	6.82

Kames Capital Investment Company (Ireland) Plc

**Annual Report and Audited Financial Statements
for the year ended 31 October 2013**

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund*

As at 31 October 2013

*The Global Opportunities Fund closed on 26 April 2013, therefore there are no Financial Assets, Options, Equities or Derivatives held at 31 October 2013.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund (continued)

As at 31 October 2012

	Fixed Rate Financial Assets EUR	Zero Rate Financial Assets EUR	Options EUR	Equities EUR	Derivatives EUR	Total EUR
Currency						
Australian Dollar	-	-	-	-	8,019	8,019
Brazilian Real	-	-	-	-	64	64
Canadian Dollar	-	-	-	-	24,018	24,018
Czech Koruna	-	-	-	-	110	110
Euro	-	-	-	-	675	675
Hong Kong Dollar	7,566,228	1,720,040	2,195	946,000	25,060	10,259,523
Hungarian Forint	-	-	-	180,600	8,866	189,466
Indonesian Rupiah	-	-	2,158	214,117	5,958	222,233
Japanese Yen	-	-	-	-	11,119	11,119
Mexican Peso	-	-	-	-	633	633
New Zealand Dollar	-	-	-	-	1,782	1,782
Norwegian Krone	-	-	-	-	3,301	3,301
Polish Zloty	-	-	-	-	3,799	3,799
South African Rand	-	-	-	-	2,681	2,681
Sterling	-	-	-	-	2,280	2,280
Swedish Krona	-	-	-	-	808	808
Swiss Franc	-	-	-	-	3,686	3,686
Thai Baht	-	-	-	-	4,061	4,061
Turkish Lira	-	-	10,612	281,001	83,768	375,381
US Dollar	-	-	-	-	1,846	1,846
	7,566,228	1,720,040	14,965	1,621,718	192,534	11,115,485

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund (continued)

	Fixed Rate Financial Liabilities EUR	Zero Rate Financial Liabilities EUR	Options EUR	Equities EUR	Derivatives EUR	Total EUR
Currency						
Australian Dollar	-	-	-	-	(12,348)	(12,348)
Canadian Dollar	-	-	-	-	(4,934)	(4,934)
Chilean Peso	-	-	-	-	(15,505)	(15,505)
Euro	-	-	(1,540)	-	(26,343)	(27,883)
Hong Kong Dollar	-	-	(2,446)	-	-	(2,446)
Hungarian Forint	-	-	-	-	(4,352)	(4,352)
Indonesian Rupiah	-	-	-	-	(81)	(81)
Japanese Yen	-	-	-	-	(605)	(605)
Mexican Peso	-	-	-	-	(4,590)	(4,590)
Norwegian Krone	-	-	-	-	(1,957)	(1,957)
Polish Zloty	-	-	-	-	(17,400)	(17,400)
South African Rand	-	-	-	-	(6,582)	(6,582)
South Korean Won	-	-	-	-	(47,573)	(47,573)
Sterling	-	-	-	-	(3,552)	(3,552)
Swedish Krona	-	-	-	-	(5,885)	(5,885)
Turkish Lira	-	-	-	-	(546)	(546)
US Dollar	-	-	-	-	(178,489)	(178,489)
	-	-	(3,986)	-	(330,742)	(334,728)

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund (continued)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Currency		
Euro	0.68	3.42

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Absolute Return Bond Fund

As at 31 October 2013

	Floating Rate Financial Assets GBP	Fixed Rate Financial Assets GBP	Derivatives GBP	Total GBP
Currency				
Canadian Dollar	-	-	116,271	116,271
Euro	1,720,097	8,417,579	624,649	10,762,325
New Zealand Dollar	-	7,749,670	349	7,750,019
Sterling	16,342,703	74,051,774	-	90,394,477
US Dollar	-	1,875,693	225,893	2,101,586
	18,062,800	92,094,716	967,162	111,124,678

	Floating Rate Financial Liabilities GBP	Fixed Rate Financial Liabilities GBP	Derivatives GBP	Total GBP
Currency				
Australian Dollar	-	-	(75,650)	(75,650)
Euro	-	-	(1,361,829)	(1,361,829)
New Zealand Dollar	-	-	(98,022)	(98,022)
Sterling	-	-	(23,870)	(23,870)
US Dollar	-	-	(265,325)	(265,325)
	-	-	(1,824,696)	(1,824,696)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Euro	7.10	3.69
New Zealand Dollar	9.46	5.50
Sterling	1.55	5.94
US Dollar	0.71	3.75

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Absolute Return Bond Fund (continued)

As at 31 October 2012

	Floating Rate Financial Assets GBP	Fixed Rate Financial Assets GBP	Derivatives GBP	Total GBP
Currency				
Australian Dollar	-	3,898,311	49,653	3,947,964
Canadian Dollar	-	-	1,369	1,369
Euro	-	6,920,815	178,761	7,099,576
Sterling	5,778,695	29,422,489	103,950	35,305,134
New Zealand Dollar	-	-	10,916	10,916
Swedish Krona	-	6,093,331	-	6,093,331
US Dollar	615,448	4,023,327	11,776	4,650,551
	6,394,143	50,358,273	356,425	57,108,841

	Floating Rate Financial Liabilities GBP	Fixed Rate Financial Liabilities GBP	Derivatives GBP	Total GBP
Currency				
Australian Dollar	-	-	(3,641)	(3,641)
Euro	-	-	(374,479)	(374,479)
New Zealand Dollar	-	-	(8,870)	(8,870)
US Dollar	-	-	(81,486)	(81,486)
	-	-	(468,476)	(468,476)

	Weighted Average Interest Rate %	Average Years to Maturity No. of Years
Australian Dollar	10.48	5.50
Euro	0.58	4.89
Sterling	4.52	5.81
Swedish Krona	2.78	4.50
US Dollar	8.45	2.18

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Equity Income Fund*

As at 31 October 2013

	Equities USD	Derivatives USD	Total USD
Currency			
Australian Dollar	23,718,070	-	23,718,070
Canadian Dollar	17,180,250	-	17,180,250
Euro	152,764,712	7,167	152,771,879
Hong Kong Dollar	16,668,760	-	16,668,760
Japanese Yen	10,939,029	-	10,939,029
Malaysian Ringgit	9,635,124	-	9,635,124
Norwegian Krone	32,792,248	-	32,792,248
Singapore Dollar	15,253,937	-	15,253,937
Sterling	49,468,641	-	49,468,641
Swedish Krona	35,802,437	-	35,802,437
Swiss Franc	65,309,865	-	65,309,865
US Dollar	241,360,181	-	241,360,181
	670,893,254	7,167	670,900,421

	Equities USD	Derivatives USD	Total USD
Currency			
Sterling	-	(178,195)	(178,195)
	-	(178,195)	(178,195)

*The Global Equity Income Fund held no Fixed Rate Assets or Liabilities at 31 October 2013; therefore, there is no weighted average interest rate or average years to maturity information available for the Fund.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Equity Income Fund* (continued)

As at 31 October 2012

	Equities USD	Derivatives USD	Total USD
Currency			
Australian Dollar	11,857,970	-	11,857,970
Euro	47,577,844	2,232	47,580,076
Hong Kong Dollar	10,403,880	-	10,403,880
Malaysian Ringgit	4,302,071	-	4,302,071
Norwegian Krone	12,522,556	-	12,522,556
Singapore Dollar	10,829,264	-	10,829,264
Sterling	13,359,778	-	13,359,778
Swedish Krona	8,385,221	-	8,385,221
Swiss Franc	24,063,858	-	24,063,858
US Dollar	96,335,695	-	96,335,695
	239,638,137	2,232	239,640,369

	Equities USD	Derivatives USD	Total USD
Currency			
Sterling	-	(276)	(276)
	-	(276)	(276)

*The Global Equity Income Fund held no Fixed Rate Assets or Liabilities at 31 October 2012; therefore, there is no weighted average interest rate or average years to maturity information available for the Fund.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Active Long Dated Bond Fund^

As at 31 October 2013

	Floating Rate Financial Assets GBP	Fixed Rate Financial Assets GBP	Derivatives GBP	Total GBP
Currency				
Euro	-	94,494	-	94,494
Sterling	6,747,788	101,401,649	253,767	108,403,204
US Dollar	1,524,738	1,666,565	8,122	3,199,425
	8,272,526	103,162,708	261,889	111,697,123

	Floating Rate Financial Liabilities GBP	Fixed Rate Financial Liabilities GBP	Derivatives GBP	Total GBP
Currency				
US Dollar	-	-	(34,812)	(34,812)
	-	-	(34,812)	(34,812)

^ The Active Long Dated Bond Fund launched on 15 January 2013.

The sensitivity of Net Interest Income in the Profit and Loss Account is the effect of the assumed changes in interest rates based on the floating rate trading financial assets and financial liabilities held at 31 October 2013, including the effect of hedging instruments. The sensitivity of net assets is calculated by revaluing fixed rate fair value through profit and loss financial assets, including the effect of any associated hedges, at 31 October 2013 for the effects of the assumed changes in interest rates. The sensitivity of net assets is analysed by maturity of the asset. The total sensitivity of net assets is based on the assumption that there are parallel shifts in the yield curve, while the analysis by maturity band displays the sensitivity to non-parallel changes.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

The following tables demonstrate Management's best estimate of the sensitivity of income and the sensitivity of net assets from Financial Assets and Liabilities to a reasonably possible change in interest rates, assumed for all currencies, with all other variables held constant. In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be material.

As at 31 October 2013

Strategic Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2013 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	214,579	-	19,720	1,170,845	4,510,604	5,701,169

Investment Grade Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2013 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	44,430	-	-	285,894	1,015,384	1,301,278

High Yield Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2013 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	243,033	-	-	982,373	3,149,755	4,132,128

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund*

	Increase in basis points	Sensitivity of net income during the period EUR	Sensitivity of Assets				Total 2013 EUR
			0 to 6 months EUR	6 months to 1 year EUR	1 year to 5 years EUR	More than 5 years EUR	
Financial Assets and Liabilities	+100	1,628	-	-	-	-	-

* The Global Opportunities Fund closed on 26 April 2013; therefore, the Fund held no debt securities at 31 October 2013.

Absolute Return Bond Fund

	Increase in basis points	Sensitivity of net income during the period GBP	Sensitivity of Assets				Total 2013 GBP
			0 to 6 months GBP	6 months to 1 year GBP	1 year to 5 years GBP	More than 5 years GBP	
Financial Assets and Liabilities	+100	26,148	300,311	187,731	332,489	224,401	1,044,932

Global Equity Income Fund**

** The Global Equity Income Fund held no debt securities at 31 October 2013; therefore, there is no sensitivity analysis information for the Fund.

Active Long Dated Bond Fund

	Increase in basis points	Sensitivity of net income during the period GBP	Sensitivity of Assets				Total 2013 GBP
			0 to 6 months GBP	6 months to 1 year GBP	1 year to 5 years GBP	More than 5 years GBP	
Financial Assets and Liabilities	+100	30,643	1,923	-	48,501	1,066,466	1,116,890

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

As at 31 October 2012

Strategic Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2012 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	196,140	1,694	0	784,408	4,169,679	4,955,781

Investment Grade Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2012 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	26,961	-	-	215,913	845,761	1,061,674

High Yield Global Bond Fund

	Increase in basis points	Sensitivity of net income during the period USD	Sensitivity of Assets				Total 2012 USD
			0 to 6 months USD	6 months to 1 year USD	1 year to 5 years USD	More than 5 years USD	
Financial Assets and Liabilities	+100	147,641	-	-	700,942	2,792,917	3,493,859

Euro Bond Fund

	Increase in basis points	Sensitivity of net income during the period EUR	Sensitivity of Assets				Total 2012 EUR
			0 to 6 months EUR	6 months to 1 year EUR	1 year to 5 years EUR	More than 5 years EUR	
Financial Assets and Liabilities	+100	246	-	-	-	-	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Interest Rate Risk (continued)

Global Opportunities Fund

	Increase in basis points	Sensitivity of net income during the period EUR	Sensitivity of Assets				Total 2012 EUR
			0 to 6 months EUR	6 months to 1 year EUR	1 year to 5 years EUR	More than 5 years EUR	
Financial Assets and Liabilities	+100	3,819	1,297	-	-	-	1,297

Euro Enhanced Reserve Fund

	Increase in basis points	Sensitivity of net income during the period EUR	Sensitivity of Assets				Total 2012 EUR
			0 to 6 months EUR	6 months to 1 year EUR	1 year to 5 years EUR	More than 5 years EUR	
Financial Assets and Liabilities	+100	2,434	-	-	-	-	-

Absolute Return Bond Fund

	Increase in basis points	Sensitivity of net income during the period GBP	Sensitivity of Assets				Total 2012 GBP
			0 to 6 months GBP	6 months to 1 year GBP	1 year to 5 years GBP	More than 5 years GBP	
Financial Assets and Liabilities	+100	26,547	107,342	80,454	202,250	162,715	552,761

Global Equity Income Fund*

*The Global Equity Income Fund held no debt securities at 31 October 2012; therefore, there is no sensitivity analysis information for the Fund.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Liquidity Risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company is exposed to daily cash redemptions of redeemable participating shares. Redeemable participating shares are redeemed on demand at the holder's option based on the Company's net assets value per share at the time of redemption. The redeemable participating shares are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the share back to the Company.

The Company manages its liquidity risk by investing primarily in marketable securities.

The assets of the Company are considered to be readily realisable. Assets from a Fund may need to be sold if insufficient cash is available to finance such cancellations.

The Company may repurchase some proportion or all shares held by an investor at the Repurchase Price on the relevant Dealing Day, subject to the following exceptions:

(a) Where the total of repurchase requests on any Dealing Day exceeds 10% of the Net Asset Value of shares of any Fund in issue at the Valuation Point, the Company may scale down pro rata the number of shares to be repurchased in response to each request to ensure that the 10% limit is not exceeded. Any unfulfilled balance of repurchase requests will be carried forward to the next Dealing Day and so on thereafter until each request has been dealt with in full. Requests for repurchase that have been carried forward from an earlier Dealing Day will be dealt with in priority to later requests.

(b) If in respect of any single repurchase, monies amount to more than 5% of the Net Asset Value of the Fund at the Valuation Point for the Dealing Day, the Company has the power to divide in specie all or any part of the Assets of the relevant Fund, and has the right to elect by notice in writing to the investor to appropriate and transfer Assets to him in full or part satisfaction of the Repurchase Price.

The table below analyses each of the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Strategic Global Bond Fund	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2013			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	15,279,423	2,765,870
Bank Overdraft	21,947,970	-	-
Other Payables	9,441,064	-	-
Due to Shareholder	1,002,987	-	-
Other Liabilities	188,143	-	-
Redeemable Participating Shares	617,752,205	-	-
Total financial liabilities	650,332,369	15,279,423	2,765,870
as at 31 October 2012			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	1,487,152	6,155,948
Bank Overdraft	12,028,064	-	-
Other Payables	34,738,076	-	-
Due to Shareholder	105,374	-	-
Other Liabilities	16,365	-	-
Redeemable Participating Shares	523,981,136	-	-
Total financial liabilities	570,869,015	1,487,152	6,155,948

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Liquidity Risk (continued)

Investment Grade Global Bond Fund

	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2013			
Financial Liabilities at Fair Value Through Profit or Loss	-	2,832,033	-
Bank Overdraft	5,605,445	-	-
Unrealised Loss on Spot Contracts	1,139	-	-
Other Payables	2,446,212	-	-
Other Liabilities	154,101	-	-
Redeemable Participating Shares	131,415,143	-	-
Total financial liabilities	139,622,040	2,832,033	-

as at 31 October 2012

Financial Liabilities at Fair Value Through Profit or Loss	-	297,961	-
Bank Overdraft	2,280,886	-	-
Other Payables	492,029	-	-
Other Liabilities	12,445	-	-
Redeemable Participating Shares	113,955,356	-	-
Total financial liabilities	116,740,716	297,961	-

High Yield Global Bond Fund

	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2013			
Financial Liabilities at Fair Value Through Profit or Loss	-	9,575,811	-
Bank Overdraft	15,119,687	-	-
Unrealised Loss on Spot Contracts	934	-	-
Other Payables	12,537,383	-	-
Other Liabilities	116,957	-	-
Redeemable Participating Shares	451,975,953	-	-
Total financial liabilities	479,751,094	9,575,811	-

as at 31 October 2012

Financial Liabilities at Fair Value Through Profit or Loss	-	1,269,016	610,562
Bank Overdraft	8,731,802	-	-
Other Payables	8,430,255	-	-
Other Liabilities	38,940	-	-
Redeemable Participating Shares	371,994,990	-	-
Total financial liabilities	389,195,987	1,269,016	610,562

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Liquidity Risk (continued)

Euro Bond Fund

	Less than One Month EUR	One to Three Months EUR	No stated Maturity EUR
as at 31 October 2012			
Bank Overdraft	2,177,158	-	-
Other Payables	21,563	-	-
Other Liabilities	2,275	-	-
Redeemable Participating Shares	-	-	-
Total financial liabilities	2,200,996	-	-

Global Opportunities Fund*

	Less than One Month EUR	One to Three Months EUR	No stated Maturity EUR
as at 31 October 2013			
Bank Overdraft	2,984,545	-	-
Other Payables	8,184	-	-
Other Liabilities	8,569	-	-
Total financial liabilities	3,001,298	-	-

* The period under review for the Global Opportunities Fund is from 01 November 2012 to 26 April 2013.

as at 31 October 2012

Financial Liabilities at Fair Value Through Profit or Loss	36,526	261,681	36,521
Bank Overdraft	2,305,488	-	-
Other Payables	117,517	-	-
Other Liabilities	4,129	-	-
Redeemable Participating Units	12,192,983	-	-
Total financial liabilities	14,656,643	261,681	36,521

Euro Enhanced Reserve Fund

	Less than One Month EUR	One to Three Months EUR	No stated Maturity EUR
as at 31 October 2012			
Bank Overdraft	738,832	-	-
Other Payables	17,276	-	-
Other Liabilities	3,651	-	-
Redeemable Participating Units	-	-	-
Total financial liabilities	759,759	-	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Liquidity Risk (continued)

Absolute Return Bond Fund

	Less than One Month GBP	One to Three Months GBP	No stated Maturity GBP
as at 31 October 2013			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	757,459	1,067,237
Bank Overdraft	2,704,130	-	-
Due to Broker	6,487	-	-
Other Payables	480,046	-	-
Other Liabilities	26,742	-	-
Redeemable Participating Units	119,673,061	-	-
Total financial liabilities	122,890,466	757,459	1,067,237

as at 31 October 2012

Financial Liabilities at Fair Value			
Through Profit or Loss	-	79,637	388,839
Bank Overdraft	1,130,131	-	-
Unrealised Loss on Spot Contracts	4,874	-	-
Due to Broker	-	-	-
Other Payables	10,527,335	-	-
Other Liabilities	1,184	-	-
Redeemable Participating Units	64,886,449	-	-
Total financial liabilities	76,549,973	79,637	388,839

Global Equity Income Fund

	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2013			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	178,195	-
Bank Overdraft	16,324,567	-	-
Other Payables	1,312,721	-	-
Other Liabilities	22,145	-	-
Redeemable Participating Units	684,285,633	-	-
Total financial liabilities	701,945,066	178,195	-

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Liquidity Risk (continued)

Global Equity Income Fund**

	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2012			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	276	-
Bank Overdraft	48	-	-
Due to Broker	2,084,126	-	-
Other Payables	185,529	-	-
Other Liabilities	2,868	-	-
Redeemable Participating Units	240,125,113	-	-
Total financial liabilities	242,397,684	276	-

** The period under review for the Global Equity Income Fund is from date of launch 28 September 2012 to year end 31 October 2012.

Active Long Dated Bond Fund^

	Less than One Month USD	One to Three Months USD	No stated Maturity USD
as at 31 October 2013			
Financial Liabilities at Fair Value			
Through Profit or Loss	-	34,812	-
Bank Overdraft	3,179,408	-	-
Other Payables	240,119	-	-
Other Liabilities	13,027	-	-
Redeemable Participating Units	113,673,480	-	-
Total financial liabilities	117,106,034	34,812	-

^ The period under review for the Active Long Dated Bond Fund is from date of launch 15 January 2013 to year end 31 October 2013.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk

Certain transactions in securities that the Funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Funds have fulfilled their responsibility. The Funds only buy and sell investments through brokers, which have been approved by the directors as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes to brokers' financial ratings are reviewed.

The table below shows the credit ratings of the portfolio held by the Funds using Kames composite rating:-

Strategic Global Bond Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
AAA	19.65	AAA	32.33
AA	11.30	AA	2.26
A	13.58	A	17.26
BBB	25.32	BBB	27.41
BB	8.44	BB	7.24
B	10.63	B	5.26
CCC	5.10	CCC	5.43
N/R High Yield	0.55	N/R High Yield	1.58
Cash	5.43	Cash	1.24

Investment Grade Global Bond Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
AAA	5.80	AAA	6.35
AA	8.39	AA	3.44
A	32.31	A	28.84
BBB	44.69	BBB	52.79
BB	8.81	BB	2.99
		B	-
		CCC	-
		N/R High Yield	2.51
		Cash	3.07

High Yield Global Bond Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
BBB	7.06	BBB	12.76
BB	34.17	BB	35.37
B	42.35	B	38.82
CCC	9.71	CCC	5.28
Cash	6.71	C	-
		N/R High Yield	3.04
		Cash	4.74

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Global Opportunities Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
AAA	-	AAA	76.58
AA	-	AA	19.29
A	-	A	-
BBB	-	BBB	-
BB	-	BB	-
B	-	B	-
N/R High Yield	-	N/R High Yield	-
Cash	-	Cash	4.14

Absolute Return Bond Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
AAA	0.04	AAA	18.30
AA	17.84	AA	8.18
A	29.22	A	18.71
BBB	40.15	BBB	17.23
BB	7.83	BB	7.53
B	4.92	B	3.18
N/R High Yield		N/R High Yield	6.30
Cash		Cash	20.56

Global Equity Income Fund			
31 October 2013		31 October 2012	
Ratings	% Portfolio	Ratings	% Portfolio
Cash	100.00	Cash	100.00

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Active Long Dated Bond Fund*	
31 October 2013	
Ratings	% Portfolio
AAA	10.11
AA	40.78
A	23.02
BBB	24.28
BB	1.45
Cash	0.36

* The Active Long Dated Bond Fund launched during the period, therefore no comparative information is available.

The Company hereby grants to the Custodian a specific lien, and the right to rant such lien to Citibank N.A., London Branch, on the particular Securities which, in accordance with the Company's specific instructions, have as global custodian been purchases or sold for the account of the Company and in respect of which the Custodian, or Citibank N.A., London Branch has, in its absolute discretion, extended or granted financial accommodation or otherwise advanced moneys to the Company for the purposes of such purchase or sale until satisfaction or discharge of all liabilities of the Company to the Custodian, including any fees, expenses or credit exposures incurred in connection with the such purchase or sale.

The Strategic Global Bond Fund, Investment Grade Global Bond Fund, High Yield Global Bond Fund, Absolute Return Bond Fund, Global Equity Income Fund and Active Long Dated Bond Fund holds derivatives, including options, futures, forwards, and swaps, which are not rated. Details of Counterparties to these derivative positions and their respective credit ratings are disclosed in the Portfolio of Investments on Page 128, 132, 137, 142, 144 and 148 for the Funds, respectively. The Strategic Global Bond Fund and Absolute Return Bond Fund hold Credit Default Swaps. For Credit Default Swaps in which the Company is selling protection the maximum credit risk exposure as at 31 October 2013 amounted to EUR 35,000,000 and USD 4,000,000 (2012: USD 107,000,000 and GBP 13,000,000). The percentage of these securities' market values over the net asset of the Fund is disclosed in the Portfolio of Investments on pages 124 – 148.

The Kames Composite Rating uses ratings from Moody's, Fitch and S&P. A score is assigned to each rating based on an IBOXX static table and the average score is calculated and translated to a rating based on the same IBOXX static table. If there is no rating from any of the agencies, the IBOXX rating is used as the Kames Composite rating.

The IBOXX rating was not used in during the year ended 31 October 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

The table below analyses the Company's concentration of financial assets by geographical distribution:-

Strategic Global Bond Fund

As at 31 October 2013

	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Government Bonds USD	Futures USD	Forward Contracts USD	Swaps USD
Americas	25,067,006	116,871,220	33,126,050	47,182,070	(2,731,404)	-	-
Australasia	-	-	-	33,870,342	-	(1,288,895)	-
British Virgin Islands	-	5,758,569	-	-	-	-	-
Cayman Islands	-	8,650,785	-	-	-	-	-
European Union	12,824,910	150,808,938	24,363,869	91,332,162	(748,413)	(10,470,168)	(2,765,870)
Jersey	-	4,398,084	-	-	-	-	-
Norway	-	4,402,070	-	-	-	-	-
Switzerland	-	11,460,772	-	-	-	-	-
	37,891,916	302,350,438	57,489,919	172,384,574	(3,479,817)	(11,759,063)	(2,765,870)

As at 31 October 2012

	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Government Bonds USD	Index Linked Bonds USD	Futures USD	Forward Contracts USD	Swaps USD
Americas	-	12,068,056	5,893,639	61,015,340	-	-	37,280	-
Australasia	24,201,318	60,437,060	24,529,697	61,106,799	-	-	(668,850)	(2,712,368)
Cayman Islands	2,561,646	6,405,120	-	-	-	-	-	-
European Union	10,112,642	163,876,082	13,636,213	45,173,500	-	169,392	555,775	(1,471,249)
Jersey	-	6,231,009	-	-	2,209,733	-	-	-
Switzerland	-	-	-	-	-	-	-	-
	36,875,606	249,017,327	44,059,549	167,295,639	2,209,733	169,392	(75,795)	(4,183,617)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Investment Grade Global Bond Fund

As at 31 October 2013

	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Government Bonds USD	Futures USD	Forward Contracts USD
Americas	-	49,764,041	-	2,045,000	-	-
Australasia	-	1,526,900	-	-	-	(39,228)
British Virgin Islands	-	1,473,401	-	-	-	-
Cayman Islands	1,077,720	3,373,949	-	-	-	-
European Union	4,052,354	52,456,705	3,441,817	-	(458,628)	(2,318,137)
Jersey	-	3,963,536	-	-	-	-
Norway	-	3,234,524	-	-	-	-
Switzerland	-	3,717,812	-	-	-	-
	5,130,074	119,510,868	3,441,817	2,045,000	(458,628)	(2,357,365)

As at 31 October 2012

	Asset Backed Securities USD	Corporate Bonds USD	Government Bonds USD	Futures USD	Forward Contracts USD
Americas	-	31,214,821	-	-	(256,422)
Australasia	-	2,206,457	-	-	-
Cayman Islands	1,744,797	4,260,479	-	-	-
European Union	2,606,797	57,605,930	1,730,048	1,800,000	(3,163)
Jersey	-	1,772,187	-	-	-
Norway	-	1,225,866	-	-	-
Switzerland	-	-	-	-	-
	4,351,594	98,285,740	1,730,048	1,800,000	(259,585)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

High Yield Global Bond Fund

As at 31 October 2013

	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Forward Contracts USD	Futures USD
Americas	-	175,486,901	-	41,812	(644,810)
Australasia	-	9,273,073	-	(132,281)	-
Cayman Islands	1,539,600	11,522,664	-	-	-
European Union	4,169,750	174,961,249	11,025,297	(8,789,211)	-
Jersey	-	9,746,534	-	-	-
Switzerland	-	15,487,725	-	-	-
	5,709,350	396,478,146	11,025,297	(8,879,680)	(644,810)

As at 31 October 2012

	Asset Backed Securities USD	Corporate Bonds USD	Floating Rate Notes USD	Forward Contracts USD	Swaps USD
Africa	-	1,352,468	-	-	-
Americas	-	121,656,980	-	(1,118,882)	179,414
Australasia	-	9,303,646	2,704,936	-	-
Cayman Islands	1,418,120	12,142,022	-	-	-
European Union	8,320,352	182,794,130	5,633,210	267,085	(610,562)
Jersey	-	4,060,000	-	-	-
	9,738,472	331,309,246	8,338,146	(851,797)	(431,148)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Global Opportunities Fund*

As at 31 October 2013

	Equity Securities EUR	Government Bonds EUR	REIT – UK Large Cap EUR	Zero Coupon Marked to Market EUR	Futures EUR	Forward Contracts EUR	Options EUR	Swaps EUR
Africa	-	-	-	-	-	-	-	-
Americas	-	-	-	-	-	-	-	-
Australasia	-	-	-	-	-	-	-	-
European Union	-	-	-	-	-	-	-	-
Norway	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

As at 31 October 2012

	Equity Securities EUR	Government Bonds EUR	REIT – UK Large Cap EUR	Zero Coupon Marked to Market EUR	Futures EUR	Forward Contracts EUR	Options EUR	Swaps EUR
Africa	-	-	-	-	1,846	(6,582)	-	-
Americas	281,001	-	-	-	(64,957)	(22,206)	10,612	(31,833)
Australasia	214,117	-	-	-	(6,244)	19,023	(2,446)	-
European Union	946,000	7,566,228	180,600	1,720,040	(21,889)	(5,687)	2,813	-
Norway	-	-	-	-	-	321	-	-
	1,441,118	7,566,228	180,600	1,720,040	(91,244)	(15,131)	10,979	(31,833)

* The Global Opportunities Fund closed on 26 April 2013.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Absolute Return Bond Fund

As at 31 October 2013

	Asset Backed Securities GBP	Corporate Bonds GBP	Floating Rates Notes GBP	Government Bonds GBP	Futures GBP	Forward Contracts GBP	Swaps GBP
Americas	-	11,471,026	-	-	(37,007)	65,205	48,641
Australasia	-	2,484,631	-	7,749,670	(75,650)	(97,673)	-
Cayman Islands	1,007,782	2,109,499	-	-	-	-	-
European Union	1,652,371	64,589,093	5,902,885	6,714,372	(199,201)	(107,521)	(454,328)
Guernsey	-	1,040,300	-	-	-	-	-
Jersey	-	4,184,445	-	-	-	-	-
Norway	-	1,251,442	-	-	-	-	-
	2,660,153	87,130,436	5,902,885	14,464,042	(311,858)	(139,989)	(405,687)

Absolute Return Bond Fund

As at 31 October 2012

	Asset Backed Securities GBP	Corporate Bonds GBP	Floating Rates Notes GBP	Government Bonds GBP	Futures GBP	Forward Contracts GBP	Swaps GBP
Americas	-	9,278,878	1,592,728	14,499,688	111,474	-	(210,189)
Australasia	264,772	3,010,137	-	-	-	2,298	-
Cayman Islands	2,272,358	-	-	-	-	-	-
European Union	1,833,571	23,592,779	-	-	-	(15,634)	-
Jersey	-	407,505	-	-	-	-	-
	4,370,701	36,289,299	1,592,728	14,499,688	111,474	(13,336)	(210,189)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Global Equity Income Fund

As at 31 October 2013

	Equities USD	Equity – UK Large Cap USD	Equity – UK Small Cap USD	Forward Contracts USD
Americas	258,540,431	-	-	-
Australasia	76,214,920	-	-	-
European Union	188,567,149	48,283,087	1,185,554	(171,028)
Switzerland	65,309,865	-	-	-
Norway	32,792,248	-	-	-
	621,424,613	48,283,087	1,185,554	(171,028)

Global Equity Income Fund**

As at 31 October 2012

	Equities USD	Equity – UK Large Cap USD	Forward Contracts USD
Americas	86,509,919	-	-
Australasia	47,218,961	-	-
Bermuda	5,126,479	-	-
European Union	63,359,142	13,359,778	1,956
Switzerland	24,063,858	-	-
	226,278,359	13,359,778	1,956

** The Global Equity Income Fund launched on 28 September 2012.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

Active Long Bond Dated^

As at 31 October 2013

	Asset Backed Securities GBP	Corporate Bonds GBP	Government Bonds GBP	Index Linked Bonds GBP	Futures GBP	Forward Contracts GBP	Swaps GBP
Americas	-	11,466,806	-	-	(34,812)	8,122	-
Australasia	-	1,179,720	-	-	-	-	-
Cayman Islands	1,422,642	403,563	-	432,551	-	-	-
European Union	11,201,609	40,673,453	7,583,986	28,687,967	192,340	-	61,427
Jersey	-	3,789,299	-	-	-	-	-
Norway	-	3,968,256	-	-	-	-	-
Switzerland	-	625,382	-	-	-	-	-
	12,624,251	62,106,479	7,583,986	29,120,518	157,528	8,122	61,427

^ The Active Long Dated Bond Fund launched on 15 January 2013.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

12. Risks Associated with Financial Instruments (continued)

Credit Risk (continued)

An analysis of the Company's concentration of financial assets by industrial distribution can be seen in the tables within in the Market Price risk note presented on pages 51 to 58.

Derivatives

Some of the Funds may also enter into derivative transactions in the form of forward foreign currency contracts, swaps, options and futures. The purpose of these financial instruments is efficient portfolio management. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Swaps (including Credit Default Swaps), options and future contracts are used to manage market risks arising from the Funds investment activities.

The Global Opportunities Fund and the Absolute Return Bond Fund enters into financial derivative instruments (including forward foreign currency contracts, futures, options and swaps) for investment purposes.

13. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All Directors are considered to be related parties to the Company.

The following are related parties under FRS 8 "Related Party Transactions":

- * Directors of the Company as listed on page 2.
- * The Investment Manager, Distributor & Promoter, Kames Capital Plc.
- * Andrew Bell, a senior employee of the Investment Manager
- * Mike Kirby, a Director and majority shareholder of KB Associates, a firm which provides consultancy and money laundering reporting officer services to the Company.
- * Aegon UK, Aegon Investment Management, Scottish Equitable, Aegon Ireland Plc and Kames Capital Plc. All five entities have the same ultimate parent in the Aegon group. The investment manager is under common control with these five entities, and all five have invested in one or more of the Funds.

Investment Manager Fees, Directors Fees and Custodian Fees are disclosed in note 11.

The fees paid by the Company for the year ended 31 October 2013 to KB Associates for consultancy and money laundering reporting officer services amounted to USD 83,586 (2012: USD 89,830). Fees Payable as at 31 October 2013 are USD Nil (2012: USD 7,458).

During the year, Aegon UK had subscriptions of USD Nil (2012: USD nil) and redemptions of USD Nil (2012: USD 17,013,976); Aegon Investment Management had subscriptions of USD Nil (2012: USD Nil) and redemptions of USD Nil (2012: USD 65,284,570); Scottish Equitable had subscriptions of USD 310,060,765 (2012: USD 329,542,088) and redemptions of USD 77,790,459 (2012: USD 38,997,621); Aegon Ireland Plc had subscriptions of USD 476,590 (2012: USD 550,225) and redemptions of USD 356,026 (2012: USD 449,166); and Kames Capital Plc had subscriptions of USD 519,993 (2012: USD 39,231) and redemptions of USD 241,849 (2012: USD 19,386,968).

At 31 October 2013, Aegon UK held total shares of Nil (2012: Nil) with a value of USD Nil (2012: USD Nil); Aegon Investment Management held total shares of Nil (2012: 981,766) with a value of USD Nil (2012: USD 9,753,761); Scottish Equitable held total shares of 73,199,324 (2012: 47,014,484) with a value of USD 924,674,554 (2012: USD 490,709,584); Aegon Ireland Plc held total shares of 142,754 (2012: 134,823) with a value of USD 1,644,373 (2012: USD 1,470,895) and Kames Capital Plc held total shares of 34,991 (2012: 3,000) with a value of USD 522,882 (2012: USD 35,804).

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

13. Related Parties (continued)

There was one error during the year which related to a related party to the Company. The details are provided below:

On 8 August 2013, Kames Capital Plc was exposed to a £134,086 gain in a GBP hedged share class. Kames Capital Plc was the only remaining shareholder at that time, due to a share class switch made by a client on 7 August 2013, out of the GBP hedged share class and into an unhedged USD share class. Thus, Kames Capital Plc redeemed its holding and subsequently purchased additional shares for the client, in the unhedged USD share class.

14. Events during the year

The Board of Directors notes the issuance by the IFIA of the Corporate Governance Code for Collective Investment Schemes and management companies in December 2011 (the “new code”). The new code became effective from 1 January 2012 with a twelve month transitional period. The Directors adopted the new code with effect from close of business on 31 December 2012.

The High Yield Global Bond Fund launched Share Class A US Dollar Accumulating on 14 November 2012.

The Investment Grade Global Bond Fund launched Share Class B EUR Accumulating on 5 December 2012, Share Class A EUR Accumulating on 19 February 2013 and Share Class A US Dollar Accumulating on 19 February 2013.

The Active Long Dated Bond Fund launched on 15 January 2013.

The Strategic Global Bond Fund launched Share Class B SGD Accumulating on 12 February 2013.

An updated Supplement to the Prospectus for all sub-funds was issued as of 18 February 2013. There were no material changes made to the updated Supplements.

The Absolute Return Bond Fund launched Share Class A EUR Accumulating on 19 February 2013 and Share Class A US Dollar Accumulating on 19 February 2013.

The Global Equity Income Fund launched Share Class A US Dollar Accumulating on 19 February 2013.

On 26 April 2013, the Global Opportunities Fund closed to new subscriptions. During the coming months a nil valuation audit will be prepared and approved by the Board of Directors. Thereafter the Fund will de-register with the Central Bank.

The Absolute Return Bond Fund launched Share Class C EUR Accumulating on 25 June 2013.

On 12 August 2013, PricewaterhouseCoopers replaced Ernst & Young as statutory auditors.

The Global Equity Income Fund launched Share Class C GBP Income on 30 September 2013.

On 7 October 2013, the Global Equity Income Fund launched Share Class A EUR Accumulating, Share Class A EUR Income, Share Class B EUR Accumulating, Share Class B GBP Accumulating, Share Class B GBP Income and Share Class B EUR Income.

On 29 October 2013, the Absolute Return Bond Fund launched Share Class C USD Accumulating.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

15. Events after the balance sheet date

On 1 November 2013, the Directors declared the following dividends for the Income Share Classes on the following sub-funds:

Strategic Global Bond Fund	USD 2,028,752
Investment Grade Global Bond Fund	USD 140,102
High Yield Global Bond Fund	USD 3,644,121
Global Equity Income Fund	USD 18,790

On 1 February 2014, the Directors declared the following dividends for the Income Share Classes on the following sub-funds:

Strategic Global Bond Fund:	USD 2,075,567
Investment Grade Global Bond Fund	USD 136,514
High Yield Global Bond Fund	USD 3,788,304

On 1 November 2013, the measurement of the VaR confidence levels of the Funds changed from 99% to 95% with immediate effect.

16. NAV Reconciliation

Under FRS 26 (Measurement), long positions of quoted financial assets and financial liabilities at fair value through profit or loss are valued at bid price rather than mid-market price, and short positions of quoted financial assets and financial liabilities at fair value through profit or loss are valued at ask price rather than mid-market price. As the dealing NAV uses mid market prices in accordance with the Prospectus, a reconciliation between the dealing NAV and reporting NAV is detailed below

Preliminary setup costs have been expensed as incurred in line with Accounting Standards. However, in line with the Prospectus, the preliminary setup costs for the dealing valuations are expensed over a five year period for the Strategic Global Bond Fund, Investment Grade Global Bond Fund and High Yield Global Bond Fund. The unamortised difference is included in the reconciliation between the dealing NAV and reporting NAV presented below.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Notes to the Financial Statements (continued)

16. NAV Reconciliation (continued)

As at 31 October 2013

	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Global Opportunities Fund* EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund USD	Active Long Dated Bond Fund** GBP
Dealing NAV	619,574,182	131,781,069	453,760,694	-	119,925,410	684,490,120	114,134,107
Bid/Ask Adjustment	(1,821,977)	(365,926)	(1,784,741)	-	(252,349)	(210,114)	(463,193)
Organisational Cost Adjustments	-	-	-	-	-	5,627	2,566
Reporting NAV	617,752,205	131,415,143	451,975,953	-	119,673,061	684,285,633	113,673,480

As at 31 October 2012

	Strategic Global Bond Fund USD	Investment Grade Global Bond Fund USD	High Yield Global Bond Fund USD	Euro Bond Fund EUR	Global Opportunities Fund EUR	Euro Enhanced Reserve Fund EUR	Absolute Return Bond Fund GBP	Global Equity Income Fund^ USD
Dealing NAV	525,769,143	114,309,397	373,816,558	-	12,199,461	-	65,006,480	240,210,529
Bid/Ask Adjustment	(1,787,786)	(353,823)	(1,821,349)	-	(6,478)	-	(120,031)	(85,416)
Organisational Cost Adjustments	(221)	(218)	(219)	-	-	-	-	-
Reporting NAV	523,981,136	113,955,356	371,994,990	-	12,192,983	-	64,886,449	240,125,113

* The Global Opportunities Fund liquidated on 26 April 2013

** The Active Long Dated Bond Fund launched on 15 January 2013.

^ The Global Equity Income Fund launched on the 28 September 2012.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

16. NAV Reconciliation (continued)

The impacts on the NAV's per share on a class basis are as follows:

As at 31 October 2013

	Dealing NAV	Bid/Ask Adjustment	Organisational Cost Adjustment	Financial Reporting NAV
Strategic Global Bond Fund				
Class A EUR (Income) Hedged	EUR 8.5649	(0.0252)	-	EUR 8.5397
Class A GBP (Income) Hedged	GBP 10.7036	(0.0315)	-	GBP 10.6721
Class B EUR (Income) Hedged	EUR 8.5448	(0.0251)	-	EUR 8.5197
Class B GBP (Income) Hedged	GBP 6.0706	(0.0179)	-	GBP 6.0527
Class B US Dollar (Income)	USD 12.4569	(0.0367)	-	USD 12.4202
Class A CHF (Accumulating) Hedged	CHF 10.9013	(0.0321)	-	CHF 10.8692
Class A EUR (Accumulating) Hedged	EUR 11.1762	(0.0329)	-	EUR 11.1433
Class A GBP (Accumulating) Hedged	GBP 11.2232	(0.0330)	-	GBP 11.1902
Class A US Dollar (Accumulating)	USD 11.2378	(0.0330)	-	USD 11.2048
Class B GBP (Accumulating) Hedged	GBP 10.9008	(0.0320)	-	GBP 10.8688
Class B SGD (Accumulating) Hedged*	SGD 10.1526	(0.0298)	-	SGD 10.1228
Investment Grade Global Bond Fund				
Class A EUR (Income) Hedged	EUR 7.6436	(0.0212)	-	EUR 7.6224
Class A GBP (Income) Hedged	GBP 5.4085	(0.0150)	-	GBP 5.3935
Class A US Dollar (Income)	USD 11.1384	(0.0309)	-	USD 11.1075
Class B US Dollar (Income)	USD 11.1882	(0.0310)	-	USD 11.1572
Class A EUR (Accumulating) Hedged**	EUR 10.1294	(0.0280)	-	EUR 10.1014
Class A US Dollar (Accumulating)***	USD 10.1307	(0.0282)	-	USD 10.1025
Class B EUR (Accumulating)				
Hedged****	EUR 10.2120	(0.0283)	-	EUR 10.1837
Class B GBP (Accumulating) Hedged	GBP 5.6705	(0.0157)	-	GBP 5.6548
High Yield Global Bond Fund				
Class A EUR (Income) Hedged	EUR 7.5884	(0.0298)	-	EUR 7.5586
Class A GBP (Income) Hedged	GBP 5.3647	(0.0211)	-	GBP 5.3436
Class A US Dollar (Income)	USD 11.1255	(0.0438)	-	USD 11.0817
Class B EUR (Income) Hedged	EUR 11.4746	(0.0451)	-	EUR 11.4295
Class B GBP (Income) Hedged	GBP 11.1553	(0.0439)	-	GBP 11.1114
Class B US Dollar (Income)	USD 11.1685	(0.0439)	-	USD 11.1246
Class A CHF (Accumulating) Hedged	CHF 11.4357	(0.0450)	-	CHF 11.3907
Class A EUR (Accumulating) Hedged	EUR 11.5488	(0.0454)	-	EUR 11.5034
Class A US Dollar (Accumulating)*^	USD 10.7480	(0.0423)	-	USD 10.7057
Class B EUR (Accumulating) Hedged	EUR 11.5692	(0.0455)	-	EUR 11.5237
Class B GBP (Accumulating) Hedged	GBP 12.9331	(0.0509)	-	GBP 12.8822

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

16. NAV Reconciliation (continued)

As at 31 October 2013

	Dealing NAV	Bid/Ask Adjustment	Organisational Cost Adjustment	Financial Reporting NAV
Absolute Return Bond Fund				
Class A EUR (Accumulating) Hedged***^	EUR 10.4981	(0.0221)	-	EUR 10.4760
Class A US Dollar (Accumulating) Hedged^^	USD 10.0662	(0.0211)	-	USD 10.0451
Class B EUR (Accumulating) Hedged	EUR 10.8196	(0.0228)	-	EUR 10.7968
Class B GBP (Accumulating)	GBP 10.4806	(0.0220)	-	GBP 10.4586
Class B US Dollar (Accumulating) Hedged	USD 10.4153	(0.0219)	-	USD 10.3934
Class C EUR (Accumulating) Hedged^***	EUR 6.9143	(0.0146)	-	EUR 6.8997
Class C GBP (Accumulating)	GBP 10.3443	(0.0218)	-	GBP 10.3225
Class C US Dollar (Accumulating)^^^	USD 9.9924	(0.0210)	-	USD 9.9714
Global Equity Income Fund				
Class A EUR (Income)^^^*	EUR 10.4624	(0.0032)	0.0001	EUR 10.4593
Class B EUR (Income)^^^^	EUR 10.4662	(0.0033)	0.0001	EUR 10.4630
Class B GBP (Income)^^^^	GBP 10.4830	(0.0033)	0.0001	GBP 10.4798
Class B US Dollar (Income)	USD 12.0599	(0.0037)	0.0001	USD 12.0563
Class C GBP (Income)^*^*	GBP 10.4911	(0.0032)	0.0001	GBP 10.4880
Class C US Dollar (Income)	USD 12.0764	(0.0037)	0.0001	USD 12.0728
Class A EUR (Accumulating)^**^	EUR 10.4624	(0.0032)	0.0001	EUR 10.4593
Class A US Dollar (Accumulating)^**	USD 11.3484	(0.0034)	-	USD 11.3450
Class B EUR (Accumulating) Hedged	EUR 12.0178	(0.0037)	0.0001	EUR 12.0142
Class B EUR (Accumulating)^***^	EUR 10.4662	(0.0033)	0.0001	EUR 10.4630
Class B GBP (Accumulating)^***^*	GBP 10.4830	(0.0033)	0.0001	GBP 10.4798
Class B US Dollar (Accumulating)	USD 12.258	(0.0037)	0.0001	USD 12.2544
Class C US Dollar (Accumulating)	USD 12.2849	(0.0038)	0.0001	USD 12.2812
Active Long Dated Bond Fund^***				
Class B GBP (Accumulating)	GBP 10.0737	(0.0408)	0.0002	GBP 10.0331
* Launched 12 February 2013	^^^	Launched 7 October 2013		
** Launched 19 February 2013	^^^	Launched 7 October 2013		
*** Launched 19 February 2013	^*^*	Launched 30 September 2013		
**** Launched 5 December 2012	^***	Launched 7 October 2013		
*^ Launched 14 November 2012	^^**	Launched 19 February 2013		
***^ Launched 19 February 2013	^^**^	Launched 7 October 2013		
^^ Launched 19 February 2013	^***^*	Launched 7 October 2013		
^^** Launched 19 February 2013	^^**	Launched 15 January 2013		
^*** Launched 25 June 2013				
^^^ Launched 29 October 2013				
^^^* Launched 7 October 2013				

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

16. NAV Reconciliation (continued)

As at 31 October 2012	Dealing NAV	Bid/Ask Adjustment	Organisational Cost Adjustment	Financial Reporting NAV
Strategic Global Bond Fund				
Class A EUR (Income) Hedged	EUR 8.5727	(0.0291)	-	EUR 8.5436
Class A GBP (Income) Hedged	GBP 10.6872	(0.0364)	-	GBP 10.6508
Class B EUR (Income) Hedged	EUR 8.5544	(0.0291)	-	EUR 8.5253
Class B GBP (Income) Hedged	GBP 6.0615	(0.0206)	-	GBP 6.0409
Class B US Dollar (Income)	USD 12.4012	(0.0422)	-	USD 12.3590
Class A CHF (Accumulating) Hedged	CHF 10.7210	(0.0364)	-	CHF 10.6846
Class A EUR (Accumulating) Hedged	EUR 10.9740	(0.0373)	-	EUR 10.9367
Class A GBP (Accumulating) Hedged	GBP 10.9762	(0.0373)	-	GBP 10.9389
Class A US Dollar (Accumulating)	USD 10.9676	(0.0373)	-	USD 10.9303
Class B GBP (Accumulating) Hedged	GBP 10.6053	(0.0360)	-	GBP 10.5693
Investment Grade Global Bond Fund				
Class A EUR (Income) Hedged	EUR 7.6681	(0.0237)	-	EUR 7.6444
Class A GBP (Income) Hedged	GBP 5.4023	(0.0167)	-	GBP 5.3856
Class A US Dollar (Income)	USD 11.0952	(0.0344)	-	USD 11.0608
Class B US Dollar (Income)	USD 11.1218	(0.0344)	(0.0001)	USD 11.0873
Class B GBP (Accumulating) Hedged	GBP 5.4942	(0.0170)	-	GBP 5.4772
High Yield Global Bond Fund				
Class A EUR (Income) Hedged	EUR 7.4092	(0.0361)	-	EUR 7.3731
Class A GBP (Income) Hedged	GBP 5.2229	(0.0254)	-	GBP 5.1975
Class A US Dollar (Income)	USD 10.7985	(0.0526)	-	USD 10.7459
Class B EUR (Income) Hedged*	EUR 11.1989	(0.0546)	-	EUR 11.1443
Class B GBP (Income) Hedged	GBP 10.8598	(0.0529)	-	GBP 10.8069
Class B US Dollar (Income)	USD 10.8365	(0.0528)	-	USD 10.7837
Class A CHF (Accumulating) Hedged*^	CHF 10.6636	(0.3203)	-	CHF 10.3433
Class A EUR (Accumulating) Hedged^^	EUR 10.7318	(0.0522)	-	EUR 10.6796
Class B EUR (Accumulating) Hedged*^^	EUR 10.6984	(0.0522)	-	EUR 10.6462
Class B GBP (Accumulating) Hedged**	GBP 11.9136	(0.0581)	-	GBP 11.8555
Euro Bond Fund**^				
Class B EUR (Accumulating)	-	-	-	-
Global Opportunities Fund				
Class A GBP (Accumulating) Hedged	GBP 7.4958	(0.0040)	-	GBP 7.4918
Class B EUR (Accumulating)	EUR 7.7239	(0.0041)	-	EUR 7.7198
Class B GBP (Accumulating) Hedged	GBP 7.6699	(0.0041)	-	GBP 7.6658
Euro Enhanced Reserve Fund***^				
Class B EUR (Accumulating)	-	-	-	-
Absolute Return Bond Fund				
Class B EUR (Accumulating) Hedged	EUR 10.3322	(0.0222)	-	EUR 10.3100
Class B GBP (Accumulating)	GBP 10.3004	(0.0184)	-	GBP 10.2820
Class B US Dollar (Accumulating) Hedged	USD 10.2934	(0.0149)	-	USD 10.2785
Class C GBP (Accumulating)***	GBP 10.1829	(0.0229)	-	GBP 10.1600

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

16. NAV Reconciliation (continued)

As at 31 October 2012

	Dealing NAV	Bid/Ask Adjustment	Organisational Cost Adjustment	Financial Reporting NAV
Global Equity Income Fund****^				
Class B EUR (Income) Hedged	EUR 16.6822	(0.0053)	-	EUR 16.6769
Class B GBP (Income) Hedged	GBP 15.9641	(0.0041)	-	GBP 15.9600
Class B US Dollar (Income)	USD 9.9067	(0.0067)	-	USD 9.9000
Class C US Dollar (Income)	USD 9.9085	(0.0085)	-	USD 9.9000
Class B EUR (Accumulating) Hedged	EUR 16.0062	(0.0051)	-	EUR 16.0011
Class B GBP (Accumulating) Hedged	GBP 15.9641	(0.0041)	-	GBP 15.9600
Class B US Dollar (Accumulating)	USD 15.9602	(0.0108)	-	USD 15.9494
Class C US Dollar (Accumulating)	USD 9.9085	(0.0085)	-	USD 9.9000

** Launched 12 December 2011

*^ Launched 28 November 2011

*^^ Launched 21 June 2012

**^ Launched 15 May 2012

^^ Launched 15 May 2012

* Launched 13 April 2012

**^ Fully Redeemed 02 December 2011

***^ Fully Redeemed 12 January 2012

*** Launched 07 February 2012

****^ Launched 28 September 2012

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

17. Net Asset Value History

	Net Asset Value	Number of Units in Issue	Net Asset Value per Unit
Strategic Global Bond Fund			
31 October 2013			
Class A EUR (Income) Hedged	EUR 19,547,292	2,288,990.51	EUR 8.5397
Class A GBP (Income) Hedged	GBP 13,486,984	1,263,761.02	GBP 10.6721
Class B EUR (Income) Hedged	EUR 90,428,240	10,614,016.94	EUR 8.5197
Class B GBP (Income) Hedged	GBP 100,023,485	16,525,432.49	GBP 6.0527
Class B US Dollar (Income)	USD 63,899,884	5,144,835.35	USD 12.4202
Class A CHF (Accumulating) Hedged	CHF 46,848,693	4,310,224.58	CHF 10.8692
Class A EUR (Accumulating) Hedged	EUR 24,259,998	2,177,092.80	EUR 11.1433
Class A GBP (Accumulating) Hedged	GBP 4,198,315	375,177.82	GBP 11.1902
Class A US Dollar (Accumulating)	USD 115,257,738	10,286,460.98	USD 11.2048
Class B GBP (Accumulating) Hedged	GBP 9,336,267	858,997.04	GBP 10.8688
Class B SGD (Accumulating) Hedged	SGD 316,994	31,314.86	SGD 10.1228
31 October 2012			
Class A EUR (Income) Hedged	EUR 31,623,147	3,701,384.29	EUR 8.5436
Class A GBP (Income) Hedged	GBP 11,699,737	1,098,484.30	GBP 10.6508
Class B EUR (Income) Hedged	EUR 84,241,006	9,881,295.20	EUR 8.5253
Class B GBP (Income) Hedged	GBP 113,835,746	18,844,169.86	GBP 6.0409
Class B US Dollar (Income)	USD 53,302,696	4,312,864.81	USD 12.3590
Class A CHF (Accumulating) Hedged	CHF 18,826,362	1,762,009.09	CHF 10.6846
Class A EUR (Accumulating) Hedged	EUR 2,099,075	191,929.45	EUR 10.9367
Class A GBP (Accumulating) Hedged	GBP 991,383	90,629.13	GBP 10.9389
Class A US Dollar (Accumulating)	USD 93,265,660	8,532,763.07	USD 10.9303
Class B GBP (Accumulating) Hedged	GBP 309,125	29,247.48	GBP 10.5693
31 October 2011			
Class A EUR (Income) Hedged	EUR 16,890,282	2,162,398.93	EUR 7.8109
Class A GBP (Income) Hedged	GBP 10,062,125	1,034,814.76	GBP 9.7236
Class B EUR (Income) Hedged	EUR 64,477,758	8,271,575.45	EUR 7.7951
Class B GBP (Income) Hedged	GBP 73,816,232	13,391,914.43	GBP 5.5127
Class B US Dollar (Income)	USD 54,772,990	4,836,082.76	USD 11.3259
Class A CHF (Accumulating) Hedged	CHF 13,748	1,452.51	CHF 9.4652
Class A EUR (Accumulating) Hedged	EUR 9,704	1,000.00	EUR 9.7037
Class A GBP (Accumulating) Hedged	GBP 51,650	5,335.53	GBP 9.6804
Class A US Dollar (Accumulating)	USD 9,701	1,000.00	USD 9.7014
Class B JPY (Accumulating) Hedged	JPY 1,300,855,364	1,336,067.97	JPY 973.6446
Investment Grade Global Bond Fund			
31 October 2013			
Class A EUR (Income) Hedged	EUR 1,853,477	243,161.91	EUR 7.6224
Class A GBP (Income) Hedged	GBP 8,575,503	1,589,969.92	GBP 5.3935
Class A US Dollar (Income)	USD 2,046,644	184,257.83	USD 11.1075
Class B US Dollar (Income)	USD 5,276,858	472,955.40	USD 11.1572
Class A EUR (Accumulating) Hedged	EUR 10,101	1,000.00	EUR 10.1014
Class A US Dollar (Accumulating)	USD 10,103	1,000.00	USD 10.1025
Class B EUR (Accumulating) Hedged	EUR 15,244,086	1,496,910.31	EUR 10.1837
Class B GBP (Accumulating) Hedged	GBP 54,180,833	9,581,388.08	GBP 5.6548
31 October 2012			
Class A EUR (Income) Hedged	EUR 1,732,728	226,666.33	EUR 7.6444
Class A GBP (Income) Hedged	GBP 10,210,277	1,895,847.68	GBP 5.3856
Class A US Dollar (Income)	USD 5,084,214	459,660.62	USD 11.0608
Class B US Dollar (Income)	USD 2,674,918	241,259.61	USD 11.0873
Class B GBP (Accumulating) Hedged	GBP 54,313,354	9,916,262.64	GBP 5.4772

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

17. Net Asset Value History (continued)

	Net Asset Value	Number of Units in Issue	Net Asset Value per Unit
Investment Grade Global Bond Fund (continued)			
31 October 2011			
Class A EUR (Income) Hedged	EUR 1,691,401	247,111.25	EUR 6.8447
Class A GBP (Income) Hedged	GBP 6,043,769	1,254,050.22	GBP 4.8194
Class A US Dollar (Income)	USD 2,523,803	253,964.95	USD 9.9376
Class B US Dollar (Income)	USD 11,315	1,136.03	USD 9.9606
Class B GBP (Accumulating) Hedged	GBP 200,838	42,412.08	GBP 4.7354
High Yield Global Bond Fund			
31 October 2013			
Class A EUR (Income) Hedged	EUR 7,685,099	1,016,735.74	EUR 7.5586
Class A GBP (Income) Hedged	GBP 13,170,230	2,464,673.58	GBP 5.3436
Class A US Dollar (Income)	USD 14,347,018	1,294,658.61	USD 11.0817
Class B EUR (Income) Hedged	EUR 8,889,440	777,762.77	EUR 11.4295
Class B GBP (Income) Hedged	GBP 90,225,462	8,120,080.42	GBP 11.1114
Class B US Dollar (Income)	USD 81,542,974	7,329,969.07	USD 11.1246
Class A CHF (Accumulating) Hedged	CHF 98,449,639	8,642,984.13	CHF 11.3907
Class A EUR (Accumulating) Hedged	EUR 3,279,128	285,057.25	EUR 11.5034
Class A US Dollar (Accumulating)	USD 325,092	30,366.28	USD 10.7057
Class B EUR (Accumulating) Hedged	EUR 12,371,509	1,073,570.94	EUR 11.5237
Class B GBP (Accumulating) Hedged	GBP 23,100,746	1,793,229.86	GBP 12.8822
31 October 2012			
Class A EUR (Income) Hedged	EUR 7,372,916	999,974.99	EUR 7.3731
Class A GBP (Income) Hedged	GBP 11,472,276	2,207,268.11	GBP 5.1975
Class A US Dollar (Income)	USD 28,270,873	2,630,852.05	USD 10.7459
Class B EUR (Income) Hedged	EUR 3,821,849	342,942.04	EUR 11.1443
Class B GBP (Income) Hedged	GBP 86,422,523	7,996,976.24	GBP 10.8069
Class B US Dollar (Income)	USD 81,214,307	7,531,209.79	USD 10.7837
Class A CHF (Accumulating) Hedged	CHF 48,398,709	4,679,232.82	CHF 10.3433
Class A EUR (Accumulating) Hedged	EUR 753,434	70,548.93	EUR 10.6796
Class B EUR (Accumulating) Hedged	EUR 2,055,317	193,056.39	EUR 10.6462
Class B GBP (Accumulating) Hedged	GBP 20,687,023	1,744,930.43	GBP 11.8555
31 October 2011			
Class A EUR (Income) Hedged	EUR 1,272,188	188,715.58	EUR 6.7413
Class A GBP (Income) Hedged	GBP 3,116,696	657,087.23	GBP 4.7432
Class A US Dollar (Income)	USD 7,422,880	754,342.43	USD 9.8402
Class B GBP (Income) Hedged	GBP 46,679,255	4,737,135.08	GBP 9.8539
Class B US Dollar (Income)	USD 17,542,208	1,776,821.91	USD 9.8728

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

17. Net Asset Value History (continued)

	Net Asset Value	Number of Units in Issue	Net Asset Value per Unit
Global Opportunities Fund			
31 October 2013			
Class A GBP (Accumulating) Hedged	-	-	-
Class B EUR (Accumulating)	-	-	-
Class B GBP (Accumulating) Hedged	-	-	-
31 October 2012			
Class A GBP (Accumulating) Hedged	GBP 7,492	1,000.00	GBP 7.4918
Class B EUR (Accumulating)	EUR 12,088,547	1,565,914.59	EUR 7.7198
Class B GBP (Accumulating) Hedged	GBP 76,516	9,981.45	GBP 7.6658
31 October 2011			
Class A GBP (Accumulating) Hedged	GBP 8,483	1,000.00	GBP 8.3350
Class B EUR (Accumulating)	EUR 43,693,310	5,101,438.45	EUR 8.5649
Class B GBP (Accumulating) Hedged	GBP 298,193	35,776.06	GBP 8.4832
Absolute Return Bond Fund			
31 October 2013			
Class A EUR (Accumulating) Hedged	EUR 1,485,491	141,799.47	EUR 10.476
Class A US Dollar (Accumulating) Hedged	USD 10,045	1,000.00	USD 10.0451
Class B EUR (Accumulating) Hedged	EUR 330,024	30,566.87	EUR 10.7968
Class B GBP (Accumulating)	GBP 104,409,585	9,983,132.02	GBP 10.4586
Class B US Dollar (Accumulating) Hedged	USD 15,590	1,500.00	USD 10.3934
Class C EUR (Accumulating) Hedged	EUR 18,953	2,746.96	EUR 6.8997
Class C GBP (Accumulating)	GBP 13,745,511	1,331,606.77	GBP 10.3225
Class C US Dollar (Accumulating) Hedged	USD 10,395	1,042.53	USD 9.9714
31 October 2012			
Class B EUR (Accumulating) Hedged	EUR 40,691	3,957.50	EUR 10.2820
Class B GBP (Accumulating)	GBP 62,348,763	6,047,406.70	GBP 10.3100
Class B US Dollar (Accumulating) Hedged	USD 25,696	2,500.00	USD 10.2785
Class C GBP (Accumulating)	GBP 2,469,271	243,038.48	GBP 10.1600
31 October 2011			
Class B EUR (Accumulating) Hedged	EUR 10,038	1,000	EUR 10.0385
Class B GBP (Accumulating)	GBP 60,191,400	6,000,000	GBP 10.0319
Class B US Dollar (Accumulating) Hedged	USD 10,055	1,000	USD 10.0553

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Notes to the Financial Statements (continued)

17. Net Asset Value History (continued)

	Net Asset Value	Number of Units in Issue	Net Asset Value per Unit
Global Equity Income Fund			
31 October 2013			
Class A EUR (Income)	EUR 10,459	1,000.00	EUR 10.4593
Class B EUR (Income)	EUR 10,463	1,000.00	EUR 10.463
Class B GBP (Income)	GBP 10,480	1,000.00	GBP 10.4798
Class B US Dollar (Income)	USD 376,970	31,267.46	USD 12.0563
Class C GBP (Income)	GBP 36,968,250	3,524,814.07	GBP 10.488
Class C US Dollar (Income)	USD 1,226,178	101,565.34	USD 12.0728
Class A EUR (Accumulating)	EUR 10,459	1,000.00	EUR 10.4593
Class A US Dollar (Accumulating)	USD 65,516	5,774.91	USD 11.345
Class B EUR (Accumulating) Hedged	EUR 27,144,270	2,259,348.91	EUR 12.0142
Class B EUR (Accumulating)	EUR 10,463	1,000.00	EUR 10.463
Class B GBP (Accumulating)	GBP 10,480	1,000.00	GBP 10.4798
Class B US Dollar (Accumulating)	USD 585,006,244	47,738,464.90	USD 12.2544
Class C US Dollar (Accumulating)	USD 1,224,927	99,740.00	USD 12.2812
31 October 2012*			
Class B EUR (Income) Hedged	EUR 416,922	25,000.00	EUR 16.6769
Class B GBP (Income) Hedged	GBP 399,000	25,000.00	GBP 15.9600
Class B US Dollar (Income)	USD 246,856	24,935.00	USD 9.9000
Class C US Dollar (Income)	USD 987,426	99,740.00	USD 9.9000
Class B EUR (Accumulating) Hedged	EUR 400,027	25,000.00	EUR 16.0011
Class B GBP (Accumulating) Hedged	GBP 399,000	25,000.00	GBP 15.9600
Class B US Dollar (Accumulating)	USD 380,827,603	23,877,237.00	USD 15.9494
Class C US Dollar (Accumulating)	USD 987,426	99,740.00	USD 9.9000

Active Long Dated Bond Fund^^^

31 October 2013

Class B GBP (Accumulating)	GBP 113,673,693	11,329,867.40	GBP 10.0331
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* The Global Equity Income Fund launched during 2012, therefore a Net Asset Value History comparative is available for one year.

^^^ The Active Long Dated Bond Fund launched on 15 January 2013, therefore a Net Asset Value History comparatives are not available.

18. Financial Statements

The Board of Directors approved the financial statements on 13 February 2014.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS –STRATEGIC GLOBAL BOND FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Asset Backed Securities – 6.13% (2012: 7.04% - USD 36,875,606)					
10,000,000	Bear Stearns Mortgage Funding Trust	0.350	25/06/2037	4,167,626	0.67%
3,300,000	Catalyst Healthcare Manchester Financing Plc	2.411	30/09/2040	5,383,158	0.88%
5,250,000	Countrywide Alternative Loan Trust	0.310	25/04/2047	2,088,683	0.34%
5,000,000	Countrywide Alternative Loan Trust	0.340	25/05/2047	2,150,895	0.35%
8,500,000	Deutsche ALT-A Securities Inc Alternate Loan Trust	0.300	25/08/2047	3,857,023	0.62%
5,500,000	Harborview Mortgage Loan Trust	0.330	25/05/2038	1,752,781	0.28%
7,500,000	Harborview Mortgage Loan Trust	0.323	25/01/2047	2,715,802	0.44%
2,000,000	Punch Taverns Finance Plc	6.820	15/07/2020	2,438,052	0.39%
3,000,000	Unique Pub Finance Co Plc	6.542	30/03/2021	5,003,700	0.81%
7,000,000	WaMu Mortgage Pass Through Certificates	0.849	25/02/2047	2,717,146	0.44%
5,500,000	WaMu Mortgage Pass Through Certificates	0.919	25/04/2047	2,103,892	0.34%
7,000,000	WaMu Mortgage Pass Through Certificates	0.899	25/06/2047	3,513,158	0.57%
				37,891,916	6.13%
Corporate Bonds – 48.94% (2012: 47.52% - USD 249,017,327)					
2,500,000	AA Bond Co Limited	6.269	31/07/2025	4,398,084	0.71%
3,500,000	ABN AMRO Bank N.V.	6.375	27/04/2021	5,486,928	0.89%
2,500,000	ADT Corp	4.125	15/06/2023	2,239,458	0.36%
3,000,000	Aguila 3 SA	7.875	31/01/2018	3,506,688	0.57%
2,500,000	Altice Financing SA	7.875	15/12/2019	2,707,500	0.44%
2,800,000	Altria Group Inc	2.950	02/05/2023	2,595,471	0.42%
3,000,000	Altria Group Inc	9.950	10/11/2038	4,684,473	0.76%
2,800,000	Altria Group Inc	5.375	31/01/2044	2,815,568	0.46%
3,600,000	America Movil SAB de CV	5.125	06/09/2073	5,040,791	0.82%
4,800,000	Apple Inc	2.400	03/05/2023	4,381,258	0.71%
2,200,000	Aquarius and Investments Plc	4.250	02/10/2043	3,050,920	0.49%
4,000,000	Barclays Bank Plc	6.000	23/01/2018	6,177,455	1.00%
2,500,000	Barclays SLCSM Funding B.V.	6.140	29/06/2049	4,055,683	0.66%
3,400,000	British Sky Broadcasting Group Plc	3.125	26/11/2022	3,246,313	0.53%
3,500,000	BUPA Finance Plc	5.000	25/04/2023	5,790,107	0.94%
2,500,000	Care UK Health & Social Care Plc	9.750	01/08/2017	4,249,938	0.69%
3,000,000	Cerba European Lab	7.000	01/02/2020	4,347,272	0.70%
3,000,000	CHC Helicopter SA	9.375	01/06/2021	3,037,500	0.49%
3,000,000	CNOOC Finance 2013 Limited	3.000	09/05/2023	2,740,629	0.44%
6,000,000	Constellation Brands Inc	4.250	01/05/2023	5,760,000	0.93%
2,600,000	Credit Suisse AG	5.750	18/09/2025	3,661,255	0.59%
4,000,000	DIRECTV Holdings LLC	5.150	15/03/2042	3,590,388	0.58%
5,000,000	DISH DBS Corp	5.000	15/03/2023	4,800,000	0.78%
3,000,000	DNB Bank ASA	4.750	08/03/2022	4,402,070	0.71%
3,400,000	DONG Energy A/S	4.875	08/07/3013	4,815,850	0.78%
3,500,000	Dufry Finance SCA	5.500	15/10/2020	3,567,123	0.58%
2,200,000	Elior Finance & Co	6.500	01/05/2020	3,210,503	0.52%
2,000,000	Exova Plc	10.500	15/10/2018	3,448,063	0.56%
8,000,000	Fifth Third Bancorp	5.100	29/12/2049	7,200,000	1.16%
6,000,000	General Electric Capital Corp	5.500	15/09/2067	8,577,935	1.38%
3,300,000	Gibson Energy Inc	6.750	15/07/2021	3,489,750	0.56%
1,500,000	GLP Capital LP	4.875	01/11/2020	1,513,125	0.24%
1,750,000	Guoman Hotels Limited	10.750	20/12/2014	2,962,872	0.48%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – STRATEGIC GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Corporate Bonds (continued)					
2,000,000	HBOS Plc	6.750	21/05/2018	2,249,920	0.36%
5,000,000	Health Care REIT Inc	3.750	15/03/2023	4,798,255	0.78%
4,500,000	Hilton Worldwide Finance LLC	5.625	15/10/2021	4,623,750	0.75%
2,500,000	Holding Medi-Partenaires SAS	7.000	15/05/2020	3,452,245	0.56%
2,050,000	HSBC Bank USA NA	4.875	24/08/2020	2,235,234	0.36%
5,000,000	Hutchison Whampoa Europe Finance 13 Limited	3.750	10/05/2049	6,589,271	1.07%
2,000,000	Hutchison Whampoa International 11 Limited	4.625	13/01/2022	2,061,514	0.33%
5,500,000	Intel Corp	2.700	15/12/2022	5,168,542	0.84%
500,000	Intelsat Jackson Holdings SA	5.500	01/08/2023	483,750	0.08%
3,000,000	InterXion Holding N.V.	6.000	15/07/2020	4,272,560	0.69%
5,000,000	JPMorgan Chase & Co	6.000	29/12/2049	4,828,950	0.78%
4,000,000	Juneau Investments LLC	5.900	22/02/2021	6,324,472	1.02%
3,300,000	Kelda Finance No 3 Plc	5.750	17/02/2020	5,451,146	0.88%
2,618,000	Kraft Foods Group Inc	5.375	10/02/2020	3,001,762	0.49%
2,000,000	Lloyds TSB Bank Plc	7.500	01/10/2014	1,971,991	0.32%
2,302,000	Lloyds TSB Bank Plc	9.875	16/12/2021	2,748,588	0.44%
3,000,000	Matterhorn Mobile SA	6.750	15/05/2019	3,587,234	0.58%
3,700,000	Microsoft Corp	2.375	01/05/2023	3,412,469	0.55%
4,500,000	Mobile Challenger Intermediate Group SA	8.750	15/03/2019	5,048,636	0.82%
2,382,000	Mondelez International Inc	5.375	10/02/2020	2,706,247	0.44%
7,000,000	Morgan Stanley	4.750	16/11/2018	6,605,684	1.06%
4,000,000	Muenchener Rueckversicherungs AG	6.000	26/05/2041	6,411,268	1.03%
3,000,000	Nord Anglia Education UK Holdings Plc	10.250	01/04/2017	3,330,000	0.54%
6,000,000	Nordea Bank AB	4.250	21/09/2022	5,992,302	0.97%
2,700,000	Pearson Funding Five Plc	3.250	08/05/2023	2,503,197	0.41%
1,165,000	Provident Financial Plc	8.000	23/10/2019	2,053,679	0.33%
2,000,000	Rabobank Nederland N.V.	11.000	30/06/2019	2,626,240	0.43%
600,000	Rain CII Carbon LLC	8.500	15/01/2021	838,768	0.14%
5,000,000	Rosneft Oil Co via Rosneft International Finance Limited	4.199	06/03/2022	4,675,000	0.76%
2,500,000	RSA Insurance Group Plc	9.375	20/05/2039	5,061,471	0.82%
2,000,000	RSI Home Products Inc	6.875	01/03/2018	2,095,000	0.34%
3,500,000	Schlumberger Investment SA	2.400	01/08/2022	3,258,101	0.53%
7,500,000	Shell International Finance B.V.	2.375	21/08/2022	7,013,842	1.13%
3,000,000	Sinopec Group Overseas Development 2013 Limited	4.375	17/10/2023	3,017,940	0.49%
3,000,000	Skandinaviska Enskilda Banken AB	4.000	12/09/2022	4,320,538	0.70%
1,700,000	Smiths Group Plc	3.625	12/10/2022	1,601,420	0.26%
800,000	Sprint Capital Corp	8.750	15/03/2032	864,000	0.14%
3,000,000	Sprint Communications Inc	6.000	01/12/2016	3,243,750	0.53%
1,900,000	Sprint Communications Inc	11.500	15/11/2021	2,470,000	0.40%
2,800,000	Telereal Secured Finance Plc	4.010	10/12/2031	4,519,060	0.73%
2,000,000	Thomas Cook Finance Plc	7.750	15/06/2020	2,898,181	0.47%
400,000	Trionista Holdco GmbH	5.000	30/04/2020	552,359	0.09%
2,310,000	Trionista TopCo GmbH	6.875	30/04/2021	3,308,018	0.54%
3,200,000	Verizon Communications Inc	6.550	15/09/2043	3,712,214	0.60%
2,975,000	Warner Chilcott Co LLC	7.750	15/09/2018	3,253,906	0.53%
3,600,000	William Hill Plc	4.250	05/06/2020	5,556,994	0.90%
				302,350,438	48.94%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – STRATEGIC GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets	
Floating Rate Note – 9.31% (2012: 8.41% - USD 44,059,549)						
3,000,000	ANZ Capital Trust III	0.884	15/12/2053	3,938,117	0.64%	
4,000,000	Citigroup Inc	0.518	05/11/2014	3,995,632	0.65%	
4,500,000	HSBC Bank Plc	0.521	30/09/2020	5,976,220	0.97%	
6,000,000	ING Bank N.V.	0.937	23/05/2016	5,827,500	0.94%	
5,000,000	JPMorgan Chase & Co	0.627	12/10/2015	6,740,829	1.09%	
5,000,000	Merrill Lynch & Co Inc	0.774	14/09/2018	6,335,083	1.03%	
5,500,000	National Capital Instruments Euro LLC 3	1.171	29/12/2049	6,676,046	1.08%	
10,000,000	Royal Bank of Scotland N.V.	3.370	17/05/2018	8,407,226	1.36%	
3,000,000	Vougeot Bidco Plc	5.477	15/07/2020	4,152,923	0.67%	
4,000,000	Wells Fargo & Co	0.421	23/03/2016	5,440,343	0.88%	
				57,489,919	9.31%	
Government Bonds – 27.91% (2012: 31.93% - USD 167,295,639)						
34,000,000	Australia (Commonwealth)	4.750	15/06/2016	33,870,342	5.48%	
25,000,000	Belgium (Kingdom of)	2.250	22/06/2023	33,650,544	5.45%	
3,000,000	European Investment Bank	6.000	06/08/2020	3,065,547	0.50%	
3,800,000	Port Authority of New York & New Jersey	4.458	01/10/2062	3,332,866	0.54%	
200,000,000	Sweden (Government of)	3.500	01/06/2022	34,283,327	5.56%	
30,000,000	U.S. Treasury Note	2.000	15/02/2023	28,846,860	4.67%	
15,000,000	U.S. Treasury Note	3.625	15/08/2043	15,002,344	2.43%	
7,500,000	United Kingdom (Government of)	1.250	22/07/2018	11,949,942	1.93%	
2,500,000	United Kingdom (Government of)	3.750	22/07/2052	4,288,027	0.69%	
2,500,000	United Kingdom (Government of)	3.500	22/07/2068	4,094,775	0.66%	
				172,384,574	27.91%	
Index Linked Bonds – 0.00% (2012: 0.42% - USD 2,209,733)						
Bond Futures^ – 0.00% (2012: 0.03% - USD 169,392)						
Swaps^^ – 0.00% (2012: 0.38% - USD 1,972,331)						
Forward Contracts* - 0.01% (2012: 0.27% - USD 1,411,357)						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
29/11/2013	GBP	72,432	USD	116,020	118	0.00%
29/11/2013	USD	113,708	GBP	70,232	1,097	0.00%
29/11/2013	USD	578,962	GBP	360,401	1,095	0.00%
29/11/2013	USD	35,103	GBP	21,682	339	0.00%
29/11/2013	USD	149,052	GBP	92,751	334	0.00%
29/11/2013	USD	17,985	EUR	13,067	163	0.00%
29/11/2013	USD	10,754	CHF	9,581	161	0.00%
29/11/2013	USD	65,820	GBP	40,973	124	0.00%
29/11/2013	USD	6,287	EUR	4,567	57	0.00%
29/11/2013	USD	5,736	GBP	3,571	11	0.00%
29/11/2013	USD	86	EUR	63	1	0.00%
13/12/2013	USD	2,436,041	GBP	1,500,000	31,223	0.01%
13/12/2013	USD	24,054,000	GBP	15,000,000	5,820	0.00%
				40,543	0.01%	
Financial Assets At Fair Value Through Profit or Loss (Cost: USD 550,634,120)				570,157,390	92.30%	

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – STRATEGIC GLOBAL BOND FUND (continued)

Nominal	Security Description	Maturity Date	Fair Value USD	% of Net Assets		
Bond Futures^ - (0.56%) (2012: (0.00%) – USD Nil)						
(190)	Euro Oat Future	06/12/2013	(748,413)	(0.12%)		
(650)	U.S. 10 Year Note Future	19/12/2013	(1,117,969)	(0.18%)		
(600)	U.S. 5 Year Note Future	31/12/2013	(511,716)	(0.08%)		
(175)	U.S. Ultra Bond Future	19/12/2013	(1,101,719)	(0.18%)		
			(3,479,817)	(0.56%)		
Swaps^^ - (0.45%) (2012: (1.18%) – USD (6,155,948))						
20,000,000	CDS Buy Protection Itraxx EUR Main 5 Year Series 20	20/12/2018	(265,892)	(0.04%)		
20,000,000	CDS Buy Protection iTraxx Xover 5 Year Series 19	20/12/2018	(2,068,438)	(0.34%)		
12,000,000	CDS Sell Protection Itraxx EUR Main 10 Year Series 19	20/12/2023	(431,540)	(0.07%)		
			(2,765,870)	(0.45%)		
Forward Contracts* - (1.91%) (2012: (0.28%) – USD (1,487,152))						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised (Loss)	% of Net Assets
13/12/2013	USD	4,072,890	EUR	3,000,000	(18,969)	0.00%
13/12/2013	USD	9,643,708	CHF	9,000,000	(308,051)	(0.05%)
13/12/2013	USD	35,781,625	EUR	26,500,000	(363,130)	(0.06%)
13/12/2013	USD	35,109,278	SEK	230,000,000	(451,712)	(0.07%)
13/12/2013	USD	59,081,288	GBP	37,500,000	(1,039,163)	(0.17%)
13/12/2013	USD	52,278,885	AUD	56,500,000	(1,288,596)	(0.21%)
13/12/2013	USD	117,401,445	EUR	88,500,000	(3,308,394)	(0.54%)
29/11/2013	CHF	90,560	USD	100,870	(747)	0.00%
29/11/2013	CHF	46,797,023	USD	52,511,775	(773,033)	(0.13%)
29/11/2013	EUR	150	USD	208	(3)	0.00%
29/11/2013	EUR	7,048	USD	9,728	(116)	0.00%
29/11/2013	EUR	15,359	USD	21,207	(259)	0.00%
29/11/2013	EUR	45,000	USD	62,136	(759)	0.00%
29/11/2013	EUR	50,053	USD	69,093	(824)	0.00%
29/11/2013	EUR	101,492	USD	139,591	(1,162)	0.00%
29/11/2013	EUR	91,532	USD	126,470	(1,625)	0.00%
29/11/2013	EUR	94,362	USD	130,380	(1,676)	0.00%
29/11/2013	EUR	170,144	USD	234,183	(2,117)	0.00%
29/11/2013	EUR	19,425,851	USD	26,834,774	(339,137)	(0.05%)
29/11/2013	EUR	24,108,984	USD	33,304,030	(420,895)	(0.07%)
29/11/2013	EUR	44,917,004	USD	62,048,125	(784,161)	(0.13%)
29/11/2013	EUR	44,917,005	USD	62,048,127	(784,161)	(0.13%)
29/11/2013	GBP	2,554	USD	4,104	(9)	0.00%
29/11/2013	GBP	4,472	USD	7,186	(16)	0.00%
29/11/2013	GBP	30,988	USD	49,797	(112)	0.00%
29/11/2013	GBP	123,274	USD	197,847	(190)	0.00%
29/11/2013	GBP	15,800	USD	25,567	(233)	0.00%
29/11/2013	GBP	320,542	USD	514,932	(973)	0.00%
29/11/2013	GBP	67,470	USD	109,213	(1,031)	0.00%
29/11/2013	GBP	82,204	USD	133,090	(1,284)	0.00%
29/11/2013	GBP	105,016	USD	169,988	(1,604)	0.00%
29/11/2013	GBP	144,346	USD	233,573	(2,129)	0.00%
29/11/2013	GBP	4,292,917	USD	6,947,571	(64,299)	(0.01%)
29/11/2013	GBP	9,654,715	USD	15,624,997	(144,608)	(0.02%)
29/11/2013	GBP	13,361,153	USD	21,623,423	(200,123)	(0.03%)

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – STRATEGIC GLOBAL BOND FUND (continued)

Forward Contracts* (continued)

Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised (Loss)	% of Net Assets
29/11/2013	GBP	49,873,325	USD	80,713,991	(747,003)	(0.12%)
29/11/2013	GBP	49,873,324	USD	80,713,990	(747,003)	(0.12%)
29/11/2013	SGD	315,617	USD	255,130	(299)	0.00%
					<u>(11,799,606)</u>	<u>(1.91%)</u>
Financial Liabilities At Fair Value Through Profit or Loss					(18,045,293)	(2.92%)
Cash at Bank					60,869,128	9.86%
Other Net Assets					<u>4,743,980</u>	<u>0.76%</u>
Net Asset Value as at 31 October 2013					<u>617,752,205</u>	<u>100.00%</u>

* The counterparties to the forward contracts are Citibank (A) (2012: (A)), Barclays Bank (A) (2012: (A+)) and Deutsche Bank (A) (2012: (A+))

^ The counterparty to the bond futures is UBS (A) (2012: (A))

^^ The counterparty to the swaps is Barclays Bank (A) (2012: (A+)).

Investments except for derivatives are transferable securities admitted to an official stock exchange or traded on a regulated market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – INVESTMENT GRADE GLOBAL BOND FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Asset Backed Securities – 3.90% (2012: 3.82% - USD 4,351,594)					
600,000	Arqiva Financing Plc	4.882	31/12/2032	1,004,759	0.76%
605,000	Catalyst Healthcare Manchester Financing Plc	2.411	30/09/2040	986,912	0.75%
700,000	Mitchells & Butlers Finance Plc	6.469	15/09/2030	1,237,840	0.94%
675,000	Punch Taverns Finance Plc	6.820	15/07/2020	822,843	0.63%
700,000	THPA Finance Limited	8.241	15/03/2028	1,077,720	0.82%
				5,130,074	3.90%
Corporate Bonds – 90.94% (2012: 86.25% - USD 98,285,740)					
800,000	AA Bond Co Limited	6.269	31/07/2025	1,407,387	1.07%
1,000,000	AbbVie Inc	1.200	06/11/2015	1,006,922	0.77%
1,300,000	ABN AMRO Bank N.V.	6.375	27/04/2021	2,038,002	1.55%
1,000,000	ADT Corp	4.125	15/06/2023	895,783	0.68%
1,000,000	Akzo Nobel Sweden Finance AB	2.625	27/07/2022	1,366,934	1.04%
1,400,000	Allianz SE	4.750	29/10/2049	1,938,031	1.47%
1,000,000	Altria Group Inc	9.950	10/11/2038	1,561,491	1.19%
800,000	Altria Group Inc	5.375	31/01/2044	804,448	0.61%
1,000,000	America Movil SAB de CV	3.125	16/07/2022	944,882	0.72%
800,000	America Movil SAB de CV	6.375	06/09/2073	1,326,943	1.01%
1,000,000	American Honda Finance Corp	1.875	04/09/2019	1,381,505	1.05%
1,000,000	American International Group Inc	4.125	15/02/2024	1,029,435	0.78%
1,000,000	Amgen Inc	2.125	15/05/2017	1,020,911	0.78%
500,000	Amgen Inc	2.125	13/09/2019	692,400	0.53%
900,000	Anglian Water Services Financing Plc	4.500	22/02/2026	1,458,519	1.11%
1,000,000	Apache Corp	2.625	15/01/2023	933,400	0.71%
1,000,000	Aquarius + Investments Plc for Swiss Reinsurance Co Limited	6.375	01/09/2024	1,037,500	0.79%
1,300,000	Aquarius + Investments Plc for Zurich Insurance Co Limited	4.250	02/10/2043	1,802,816	1.37%
2,000,000	AstraZeneca Plc	1.950	18/09/2019	1,979,722	1.51%
1,000,000	AT&T Inc	3.000	15/02/2022	941,750	0.72%
1,000,000	Bank of America Corp	5.625	01/07/2020	1,147,120	0.87%
1,000,000	Barclays Bank Plc	6.000	23/01/2018	1,544,364	1.18%
500,000	Barclays SLCSM Funding B.V.	6.140	29/06/2049	811,137	0.62%
500,000	BAT International Finance Plc	9.500	15/11/2018	667,520	0.51%
1,000,000	BAT International Finance Plc	3.250	07/06/2022	986,906	0.75%
1,000,000	BNP Paribas SA	3.250	03/03/2023	961,930	0.73%
1,000,000	BP Capital Markets Plc	1.625	17/08/2017	1,002,490	0.76%
1,000,000	BP Capital Markets Plc	4.500	05/09/2017	957,036	0.73%
1,000,000	British Airways Plc	4.625	20/06/2024	1,012,500	0.77%
500,000	British Sky Broadcasting Group Plc	3.125	26/11/2022	477,399	0.36%
500,000	BUPA Finance Plc	6.125	29/12/2049	843,475	0.64%
2,000,000	Chevron Corp	1.718	24/06/2018	2,003,800	1.52%
1,000,000	Cisco Systems Inc	5.500	15/01/2040	1,113,724	0.85%
500,000	Citigroup Inc	5.125	12/12/2018	883,665	0.67%
1,000,000	Citigroup Inc	8.500	22/05/2019	1,295,599	0.99%
1,500,000	CNOOC Finance 2013 Limited	1.750	09/05/2018	1,473,401	1.12%
1,000,000	Constellation Brands Inc	4.250	01/05/2023	960,000	0.73%
700,000	CPUK Agrico Limited	7.239	28/02/2024	1,384,590	1.05%
500,000	Credit Agricole SA	3.500	13/04/2015	517,650	0.39%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – INVESTMENT GRADE GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Corporate Bonds (continued)					
600,000	Credit Suisse AG	5.750	18/09/2025	844,905	0.64%
1,000,000	Deutsche Telekom International Finance B.V.	6.000	08/07/2019	1,171,150	0.89%
1,000,000	Diageo Capital Plc	1.500	11/05/2017	1,005,329	0.77%
625,000	Direct Line Insurance Group Plc	9.250	27/04/2042	1,262,101	0.96%
1,000,000	DIRECTV Holdings LLC	5.150	15/03/2042	897,597	0.68%
500,000	DNB Bank ASA	3.200	03/04/2017	526,370	0.40%
500,000	DNB Bank ASA	4.750	08/03/2022	733,678	0.56%
1,000,000	Elsevier Finance SA Via ELM B.V.	2.500	24/09/2020	1,393,327	1.06%
600,000	Experian Finance Plc	2.375	15/06/2017	597,736	0.45%
1,500,000	General Electric Capital Corp	5.500	15/09/2067	2,144,484	1.63%
400,000	General Electric Co	2.700	09/10/2022	385,262	0.29%
1,000,000	Goldman Sachs Group Inc	2.900	19/07/2018	1,021,467	0.78%
1,000,000	Hawk Acquisition Sub Inc	4.250	15/10/2020	970,000	0.74%
500,000	Health Care REIT Inc	3.750	15/03/2023	479,826	0.37%
600,000	Heathrow Funding Limited	7.125	14/02/2024	1,171,559	0.89%
1,000,000	Heineken N.V.	2.750	01/04/2023	926,818	0.71%
500,000	HSBC Holdings Plc	4.000	30/03/2022	517,800	0.39%
1,000,000	HSBC Holdings Plc	3.375	10/01/2024	1,400,705	1.07%
500,000	Hutchison Whampoa Europe Finance 13 Limited	3.750	10/05/2049	658,927	0.50%
800,000	Hutchison Whampoa International 11 Limited	4.625	13/01/2022	824,606	0.63%
1,000,000	ING Bank N.V.	5.125	01/05/2015	1,034,880	0.79%
2,000,000	Ingersoll-Rand Global Holding Co Limited	2.875	15/01/2019	2,005,748	1.53%
1,000,000	International Business Machines Corp	0.750	11/05/2015	1,005,279	0.76%
1,000,000	Japan Tobacco Inc	2.100	23/07/2018	1,011,800	0.77%
1,500,000	JPMorgan Chase & Co	2.000	15/08/2017	1,518,354	1.16%
2,000,000	JPMorgan Chase & Co	6.000	29/12/2049	1,931,580	1.47%
1,000,000	Juneau Investments LLC	5.900	22/02/2021	1,581,118	1.20%
3,000,000	KFW	0.625	24/04/2015	3,014,848	2.28%
2,400,000	KFW	2.750	08/09/2020	2,490,840	1.90%
523,000	Kraft Foods Group Inc	5.375	10/02/2020	599,664	0.46%
1,000,000	LBG Capital No.2 Plc	6.385	12/05/2020	1,423,518	1.08%
800,000	Legal & General Group Plc	4.000	08/06/2025	1,120,288	0.85%
500,000	Lloyds Bank Plc	13.000	21/01/2029	1,234,888	0.94%
1,750,000	Mead Johnson Nutrition Co	5.900	01/11/2039	1,937,635	1.47%
1,000,000	Metropolitan Life Global Funding I	2.375	30/09/2019	1,404,441	1.07%
477,000	Mondelez International Inc	5.375	10/02/2020	541,931	0.41%
500,000	Muenchener Rueckversicherungs AG	6.250	26/05/2042	818,427	0.62%
500,000	Nordea Bank AB	8.375	25/03/2015	540,000	0.41%
1,600,000	Nordea Bank AB	4.250	21/09/2022	1,597,947	1.22%
1,000,000	Odebrecht Finance Limited	5.125	26/06/2022	1,000,000	0.76%
600,000	Philip Morris International Inc	6.375	16/05/2038	723,851	0.55%
700,000	PNC Bank NA	3.800	25/07/2023	696,761	0.53%
800,000	PNC Bank NA	4.200	01/11/2025	809,967	0.62%
500,000	Provident Financial Plc	8.000	23/10/2019	881,407	0.67%
1,000,000	Rabobank Nederland N.V.	6.875	19/03/2020	1,513,874	1.15%
1,000,000	Regions Financial Corp	7.375	10/12/2037	1,084,216	0.83%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – INVESTMENT GRADE GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets	
Corporate Bonds (continued)						
100,000	RWE AG	7.000	20/03/2019	170,691	0.13%	
1,000,000	SABMiller Holdings Inc	3.750	15/01/2022	1,025,038	0.78%	
1,000,000	Siemens Financieringsmaatschappij N.V.	6.125	17/08/2026	1,203,610	0.92%	
300,000	Standard Life Plc	5.500	04/12/2042	513,375	0.39%	
1,000,000	State Street Corp	3.100	15/05/2023	946,231	0.72%	
2,000,000	Statoil ASA	1.200	17/01/2018	1,974,476	1.50%	
1,000,000	Svenska Handelsbanken A.B.	5.125	30/03/2020	1,136,894	0.87%	
1,000,000	Swedbank A.B.	2.125	29/09/2017	1,012,021	0.77%	
1,000,000	Time Warner Cable Inc	4.000	01/09/2021	940,356	0.72%	
1,000,000	Time Warner Inc	3.400	15/06/2022	984,767	0.75%	
1,000,000	Toyota Motor Credit Corp	1.250	05/10/2017	994,127	0.76%	
1,500,000	Unilever Capital Corp	2.200	06/03/2019	1,523,153	1.16%	
2,300,000	Verizon Communications Inc	6.550	15/09/2043	2,668,154	2.03%	
1,000,000	Virgin Media Secured Finance Plc	5.500	15/01/2021	1,614,784	1.23%	
1,000,000	Vodafone Group Plc	2.950	19/02/2023	933,427	0.71%	
1,000,000	WellPoint Inc	5.100	15/01/2044	1,005,004	0.76%	
500,000	Westpac Banking Corp	3.625	28/02/2023	515,100	0.39%	
900,000	William Hill Plc	4.250	05/06/2020	1,389,248	1.06%	
500,000	Yorkshire Water Services Bradford Finance Limited	6.000	24/04/2025	890,416	0.68%	
				119,510,868	90.94%	
Floating Rate Notes – 2.62% (2012: 1.58% - USD 1,800,000)						
1,000,000	ING Bank N.V.	0.946	03/07/2017	966,250	0.74%	
1,000,000	Royal Bank of Scotland N.V.	3.370	17/05/2018	840,723	0.64%	
1,000,000	Royal Bank of Scotland Plc	0.959	29/08/2017	935,000	0.71%	
600,000	Royal Bank of Scotland Plc	9.500	16/03/2022	699,844	0.53%	
				3,441,817	2.62%	
Government Bonds – 1.56% (2012: 1.52% - USD 1,730,048)						
1,000,000	U.S. Treasury Note	2.625	31/01/2018	1,064,141	0.81%	
1,000,000	U.S. Treasury Note	2.000	15/02/2022	980,859	0.75%	
				2,045,000	1.56%	
Forward Contracts* - 0.01% (2012- 0.03% - USD 38,376)						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
29/11/2013	USD	742,145	GBP	461,982	1,403	0.00%
29/11/2013	USD	211	EUR	153	2	0.00%
13/12/2013	EUR	600,000	USD	813,941	4,430	0.00%
13/12/2013	EUR	300,000	USD	405,892	3,294	0.00%
13/12/2013	GBP	300,000	USD	480,671	293	0.00%
13/12/2013	USD	687,734	EUR	500,000	5,757	0.00%
13/12/2013	USD	341,850	EUR	250,000	861	0.01%
					16,040	0.01%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – INVESTMENT GRADE GLOBAL BOND FUND (continued)

Financial Assets At Fair Value Through Profit or Loss (Cost: USD 126,053,871)					130,143,799	99.03%
				Maturity Date	Fair Value USD	% of Net Assets
Bond Futures^ - (0.35%) (2012: (0.00%) – USD Nil)						
(50)	Euro Bund Future			06/12/2013	(237,651)	(0.18%)
(70)	Long Gilt Future			27/12/2013	(220,977)	(0.17%)
					<u>(458,628)</u>	<u>(0.35%)</u>
Forward Contracts* - (1.81%) (2012: (0.26%) – USD (297,961))						
Actual	Issue		Settle	Currency	Unrealised	% of Net
Settle Date	Currency	Currency Received	Currency	Delivered	(Loss)	Assets
29/11/2013	EUR	8,386	USD	11,576	(138)	0.00%
29/11/2013	EUR	10,000	USD	13,814	(175)	0.00%
29/11/2013	EUR	1,793,070	USD	2,476,937	(31,303)	(0.02%)
29/11/2013	EUR	15,213,698	USD	21,016,127	(265,601)	(0.20%)
29/11/2013	GBP	13,922	USD	22,373	(50)	0.00%
29/11/2013	GBP	70,902	USD	113,794	(109)	0.00%
29/11/2013	GBP	9,014,150	USD	14,588,320	(135,014)	(0.10%)
29/11/2013	GBP	54,334,136	USD	87,933,278	(813,817)	(0.64%)
13/12/2013	GBP	250,000	USD	404,408	(3,605)	0.00%
13/12/2013	USD	478,100	GBP	300,000	(2,864)	0.00%
13/12/2013	USD	1,591,499	AUD	1,720,000	(39,228)	(0.03%)
13/12/2013	USD	23,868,840	GBP	15,150,000	(419,822)	(0.32%)
13/12/2013	USD	23,480,289	EUR	17,700,000	(661,679)	(0.50%)
					<u>(2,373,405)</u>	<u>(1.81%)</u>
Financial Liabilities At Fair Value Through Profit or Loss					(2,832,033)	(2.16%)
Cash at Bank					3,812,647	2.91%
Other Net Assets					290,730	0.22%
Net Asset Value as at 31 October 2013					131,415,143	100.00%

* The counterparties to the forward contracts are Citibank (A) (2012: (A)), Deutsche Bank (A) (2012: (A+)) and Barclays Bank (A) (2012: (A+))

^ The counterparty to the bond futures is UBS (A) (2012: (A))

Investments except for derivatives are transferable securities admitted to an official stock exchange or traded on a regulated market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – HIGH YIELD GLOBAL BOND FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Asset Backed Securities – 1.26% (2012: 2.62% - USD 9,738,472)					
2,500,000	Unique Pub Finance Co Plc	6.542	30/03/2021	4,169,750	0.92%
1,000,000	THPA Finance Limited	8.241	15/03/2028	1,539,600	0.34%
				5,709,350	1.26%
Corporate Bonds – 87.72% (2012: 89.06% - USD 331,309,246)					
1,500,000	AA Bond Co Limited	9.500	31/07/2019	2,622,131	0.58%
7,275,000	Aguila 3 S.A.	7.875	31/01/2018	8,503,718	1.88%
2,750,000	Altice Financing S.A.	7.875	15/12/2019	2,978,250	0.66%
1,000,000	Altice Finco S.A.	9.875	15/12/2020	1,117,500	0.25%
1,500,000	Anglian Water Osprey Financing Plc	7.000	31/01/2018	2,616,117	0.58%
1,900,000	Arqiva Broadcast Finance Plc	9.500	31/03/2020	3,328,984	0.74%
2,000,000	Avis Budget Finance Plc	6.000	01/03/2021	2,830,262	0.63%
2,000,000	Bakkavor Finance 2 Plc	8.750	15/06/2020	3,513,816	0.78%
2,000,000	Cablevision Systems Corp	7.750	15/04/2018	2,270,000	0.50%
3,700,000	Cablevision Systems Corp	5.875	15/09/2022	3,709,250	0.82%
4,050,000	Care UK Health & Social Care Plc	9.750	01/08/2017	6,884,899	1.52%
1,750,000	Carlson Wagonlit B.V.	6.875	15/06/2019	1,811,250	0.40%
1,200,000	Carlson Wagonlit B.V.	7.500	15/06/2019	1,738,909	0.38%
3,100,000	Cerba European Lab	7.000	01/02/2020	4,492,181	0.99%
3,100,000	CHC Helicopter S.A.	9.375	01/06/2021	3,138,750	0.69%
3,350,000	Chesapeake Energy Corp	6.250	15/01/2017	4,980,098	1.10%
800,000	Cinemark U.S.A. Inc	4.875	01/06/2023	764,000	0.17%
5,300,000	Clean Harbors Inc	5.125	01/06/2021	5,359,625	1.19%
4,000,000	Community Health Systems Inc	5.125	15/08/2018	4,160,000	0.92%
2,000,000	Community Health Systems Inc	8.000	15/11/2019	2,175,000	0.48%
5,000,000	Constellation Brands Inc	4.250	01/05/2023	4,800,000	1.06%
3,754,000	Continental Rubber of America Corp	4.500	15/09/2019	3,932,315	0.87%
4,500,000	ConvaTec Finance International S.A.	8.250	15/01/2019	4,646,250	1.03%
1,201,000	CPUK Finance Limited	11.625	28/02/2018	2,210,204	0.49%
800,000	CSC Holdings LLC	6.750	15/11/2021	872,000	0.19%
3,600,000	DaVita HealthCare Partners Inc	5.750	15/08/2022	3,699,000	0.82%
2,500,000	Del Monte Corp	7.625	15/02/2019	2,609,375	0.58%
7,000,000	DISH DBS Corp	5.000	15/03/2023	6,720,000	1.49%
3,500,000	Dufry Finance SCA	5.500	15/10/2020	3,567,123	0.79%
5,350,000	DuPont Fabros Technology LP	5.875	15/09/2021	5,483,750	1.21%
1,400,000	Elior Finance & Co SCA	6.500	01/05/2020	2,043,047	0.45%
1,400,000	ENW Finance Plc	5.875	21/06/2021	2,323,834	0.51%
2,816,000	Exova Plc	10.500	15/10/2018	4,854,872	1.07%
1,000,000	First Quality Finance Co Inc	4.625	15/05/2021	945,000	0.21%
3,000,000	FMG Resources August 2006 Pty Limited	6.375	01/02/2016	3,108,750	0.69%
1,050,000	Fresenius Medical Care US Finance Inc	6.875	15/07/2017	1,189,125	0.26%
1,300,000	Galaxy Bidco Limited	6.375	15/11/2020	2,083,937	0.46%
5,000,000	Gestamp Funding Luxembourg S.A.	5.625	31/05/2020	5,050,000	1.12%
2,400,000	Gibson Energy Inc	6.750	15/07/2021	2,538,000	0.56%
1,350,000	GLP Capital LP	4.875	01/11/2020	1,361,813	0.30%
3,000,000	Griffey Intermediate Inc	7.000	15/10/2020	2,235,000	0.49%
2,000,000	Halcon Resources Corp	8.875	15/05/2021	2,080,000	0.46%
5,000,000	Hawk Acquisition Sub Inc	4.250	15/10/2020	4,850,000	1.07%
500,000	HCA Holdings Inc	6.250	15/02/2021	525,000	0.12%
6,500,000	HCA Holdings Inc	7.750	15/05/2021	7,117,500	1.57%
2,300,000	HeidelbergCement Finance Luxembourg S.A.	8.500	31/10/2019	3,991,648	0.88%
5,000,000	Hilton Worldwide Finance LLC	5.625	15/10/2021	5,137,500	1.14%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – HIGH YIELD GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Corporate Bonds (continued)					
3,000,000	Holding Medi-Partenaires SAS	7.000	15/05/2020	4,142,694	0.92%
3,000,000	Hutchison Whampoa Europe Finance 13 Limited	3.750	10/05/2049	3,953,562	0.87%
1,900,000	IDH Finance Plc	6.000	01/12/2018	3,077,596	0.68%
1,950,000	IDH Finance Plc	8.500	01/06/2019	3,189,859	0.71%
4,000,000	Intelsat Jackson Holdings S.A.	7.250	15/10/2020	4,345,000	0.96%
400,000	Intelsat Jackson Holdings S.A.	5.500	01/08/2023	387,000	0.09%
3,000,000	InterXion Holding N.V.	6.000	15/07/2020	4,272,560	0.95%
6,000,000	Iron Mountain Inc	5.750	15/08/2024	5,715,000	1.26%
2,000,000	j2 Global Inc	8.000	01/08/2020	2,155,000	0.48%
2,550,000	Jarden Corp	7.500	15/01/2020	3,745,888	0.83%
4,500,000	JPMorgan Chase & Co	5.150	29/12/2049	4,140,000	0.92%
700,000	JPMorgan Chase & Co	6.000	29/12/2049	676,053	0.15%
3,000,000	Juneau Investments LLC	5.900	22/02/2021	4,743,354	1.05%
1,100,000	Kabel Deutschland Vertrieb und Service GmbH	6.500	29/06/2018	1,595,935	0.35%
2,600,000	Kelda Finance No 3 Plc	5.750	17/02/2020	4,294,843	0.95%
2,000,000	La Financiere Atalian S.A.	7.250	15/01/2020	2,801,348	0.62%
2,500,000	Labco S.A.	8.500	15/01/2018	3,642,502	0.81%
800,000	LBG Capital No.1 S.A.	6.439	23/05/2020	1,138,815	0.25%
4,250,000	Linn Energy LLC	6.500	15/05/2019	4,250,000	0.94%
2,000,000	Linn Energy LLC	7.000	01/11/2019	1,995,000	0.44%
1,600,000	Matterhorn Financing & CY	9.000	15/04/2019	2,225,803	0.49%
1,600,000	Matterhorn Mobile Holdings S.A.	8.250	15/02/2020	2,367,818	0.52%
3,500,000	Matterhorn Mobile S.A.	6.750	15/05/2019	4,185,106	0.93%
1,450,000	Mobile Challenger Intermediate Group S.A.	8.750	15/03/2019	1,626,783	0.36%
2,300,000	MPT Operating Partnership LP	5.750	01/10/2020	3,270,171	0.72%
1,900,000	Neiman Marcus Group Inc	8.000	15/10/2021	1,945,125	0.43%
2,300,000	Neiman Marcus Group Inc	8.750	15/10/2021	2,360,375	0.52%
2,200,000	Nielsen Co Luxembourg SARL	5.500	01/10/2021	2,266,000	0.50%
2,300,000	Nokia Siemens Networks Finance B.V.	6.750	15/04/2018	3,409,448	0.75%
25,000,000	Norcell Sweden Holding 3 AB	9.250	29/09/2018	4,179,006	0.92%
4,000,000	Nord Anglia Education UK Holdings Plc	10.250	01/04/2017	4,440,000	0.98%
1,500,000	NRG Energy Inc	7.625	15/01/2018	1,698,750	0.38%
2,000,000	NRG Energy Inc	7.625	15/05/2019	2,125,000	0.47%
2,500,000	Odeon & UCI Finco Plc	9.000	01/08/2018	4,119,633	0.91%
1,500,000	Origin Energy Finance Limited	7.875	16/06/2071	2,204,323	0.49%
2,000,000	Priory Group No 3 Plc	7.000	15/02/2018	3,351,838	0.74%
2,500,000	Priory Group No 3 Plc	8.875	15/02/2019	4,081,865	0.90%
3,358,000	Quebecor Media Inc	7.375	15/01/2021	3,443,895	0.76%
2,300,000	R&R Pik S.A.	9.250	15/05/2018	3,246,645	0.72%
600,000	Rain CII Carbon LLC	8.500	15/01/2021	838,768	0.19%
400,000	Rexel S.A.	5.250	15/06/2020	409,000	0.09%
4,500,000	Reynolds Group Issuer Inc	5.750	15/10/2020	4,646,250	1.03%
2,100,000	Rhino Bondco S.P.A	7.250	15/11/2020	2,949,750	0.65%
2,000,000	RSI Home Products Inc	6.875	01/03/2018	2,095,000	0.46%
2,000,000	Sable International Finance Limited	7.750	15/02/2017	2,107,500	0.47%
1,000,000	Sable International Finance Limited	8.750	01/02/2020	1,130,000	0.25%
7,600,000	Service Corp International	4.500	15/11/2020	7,391,000	1.64%
1,000,000	Service Corp International	5.375	15/01/2022	1,012,500	0.24%
3,700,000	Sirius XM Radio Inc	5.875	01/10/2020	3,829,500	0.85%
1,500,000	SLM Corp	5.500	15/01/2019	1,556,250	0.34%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – HIGH YIELD GLOBAL BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Corporate Bonds (continued)					
4,000,000	SoftBank Corp	4.500	15/04/2020	3,960,000	0.88%
2,500,000	Spie BondCo 3 SCA	11.000	15/08/2019	3,869,924	0.86%
400,000	Sprint Capital Corp	8.750	15/03/2032	432,000	0.10%
4,000,000	Sprint Nextel Corp	6.000	01/12/2016	4,325,000	0.96%
600,000	Sprint Nextel Corp	11.500	15/11/2021	780,000	0.17%
5,000,000	Sunrise Communications Holdings S.A.	8.500	31/12/2018	7,398,883	1.64%
5,500,000	Targa Resources Partners LP	4.250	15/11/2023	5,142,500	1.14%
2,000,000	Thomas Cook Finance Plc	7.750	15/06/2020	2,898,181	0.64%
500,000	Trionista Holdco GmbH	5.000	30/04/2020	690,449	0.15%
3,000,000	Trionista TopCo GmbH	6.875	30/04/2021	4,296,128	0.95%
6,000,000	Unitymedia Hessen GmbH & Co KG	5.500	15/09/2022	8,305,847	1.84%
1,500,000	UPCB Finance II Limited	6.375	01/07/2020	2,176,602	0.48%
2,000,000	UPCB Finance VI Limited	6.875	15/01/2022	2,155,000	0.48%
2,000,000	Valeant Pharmaceuticals International	7.500	15/07/2021	2,220,000	0.49%
4,000,000	Valeant Pharmaceuticals International	7.250	15/07/2022	4,355,000	0.96%
300,000	Videotron Limited	7.125	15/01/2020	309,108	0.07%
4,300,000	Virgin Media Secured Finance Plc	5.500	15/01/2021	6,943,570	1.54%
1,000,000	Vougeot Bidco Plc	7.875	15/07/2020	1,696,222	0.38%
3,250,000	Warner Chilcott Co LLC	7.750	15/09/2018	3,554,688	0.79%
3,700,000	Whiting Petroleum Corp	5.000	15/03/2019	3,848,000	0.85%
1,500,000	William Hill Plc	7.125	11/11/2016	2,678,663	0.59%
2,500,000	William Hill Plc	4.250	05/06/2020	3,859,023	0.85%
1,500,000	Windstream Corp	7.875	01/11/2017	1,715,625	0.38%
4,000,000	Windstream Corp	7.500	01/06/2022	4,200,000	0.93%
1,500,000	Windstream Corp	6.375	01/08/2023	1,458,750	0.32%
500,000	Yorkshire Building Society	13.500	01/04/2025	1,106,588	0.24%
3,000,000	Ziggo Bond Co B.V.	8.000	15/05/2018	4,357,501	0.96%
				396,478,146	87.72%
Floating Rate Notes – 2.44% (2012: 2.24% - USD 8,338,146)					
2,225,000	ING Bank N.V.	0.937	23/05/2016	2,161,031	0.48%
3,000,000	Rhino Bondco S.P.A	5.781	15/12/2019	4,083,531	0.90%
6,500,000	Royal Bank of Scotland N.V.	3.370	17/05/2018	4,780,735	1.06%
				11,025,297	2.44%

Swaps – 0.00% (2012: 0.05% - USD 179,414)

Forward Contracts* - 0.01% (2012: 0.11% - USD 417,219)

Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
29/11/2013	GBP	65,665	USD	105,180	107	0.00%
29/11/2013	GBP	62,838	USD	100,652	102	0.00%
29/11/2013	USD	99,057	GBP	61,183	956	0.00%
29/11/2013	USD	98,040	GBP	60,555	946	0.00%
29/11/2013	USD	22,835	CHF	20,414	266	0.00%
29/11/2013	USD	70,051	GBP	43,591	157	0.00%
29/11/2013	USD	17,210	GBP	10,636	157	0.00%
13/12/2013	USD	3,862,592	CAD	4,000,000	41,812	0.01%
13/12/2013	USD	2,732,614	EUR	2,000,000	4,708	0.00%
13/12/2013	USD	1,107,861	CHF	1,000,000	2,110	0.00%
					51,321	0.01%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – HIGH YIELD GLOBAL BOND FUND (continued)

Financial Assets At Fair Value Through Profit or Loss (Cost: USD 395,452,211) 413,264,114 91.43%

Bond Futures^ - (0.14%) (2012: (0.00%) - USD Nil)

Nominal (250)	Security Description	Maturity Date	Fair Value USD	% of Net Assets
	U.S. 10 Year Note Future	19/12/2013	(644,810)	(0.14%)
			(644,810)	(0.14%)

Swaps – 0.00% (2012: (0.16%) – USD (610,562))

Forward Contracts* - (1.98%) (2012: (0.34%) – USD (1,269,016))

Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised (Loss)	% Net Assets
29/11/2013	CHF	2,004	USD	2,234	(18)	0.00%
29/11/2013	CHF	66,984	USD	74,673	(616)	0.00%
29/11/2013	CHF	175,417	USD	195,387	(1,446)	0.00%
29/11/2013	CHF	98,379,778	USD	110,393,704	(1,625,118)	(0.38%)
29/11/2013	EUR	2,410	USD	3,317	(30)	0.00%
29/11/2013	EUR	3,898	USD	5,383	(66)	0.00%
29/11/2013	EUR	5,000	USD	6,904	(84)	0.00%
29/11/2013	EUR	6,814	USD	9,408	(115)	0.00%
29/11/2013	EUR	17,369	USD	23,907	(216)	0.00%
29/11/2013	EUR	13,232	USD	18,266	(218)	0.00%
29/11/2013	EUR	19,988	USD	27,511	(249)	0.00%
29/11/2013	EUR	77,512	USD	106,453	(732)	0.00%
29/11/2013	EUR	71,141	USD	97,846	(815)	0.00%
29/11/2013	EUR	3,174,003	USD	4,384,552	(55,412)	(0.01%)
29/11/2013	EUR	7,632,376	USD	10,543,326	(133,246)	(0.03%)
29/11/2013	EUR	8,786,836	USD	12,138,091	(153,401)	(0.03%)
29/11/2013	EUR	12,293,246	USD	16,981,829	(214,615)	(0.05%)
29/11/2013	GBP	2,991	USD	4,805	(9)	0.00%
29/11/2013	GBP	5,500	USD	8,835	(17)	0.00%
29/11/2013	GBP	29,935	USD	48,106	(108)	0.00%
29/11/2013	GBP	119,545	USD	191,863	(184)	0.00%
29/11/2013	GBP	94,622	USD	152,004	(287)	0.00%
29/11/2013	GBP	24,185	USD	39,135	(357)	0.00%
29/11/2013	GBP	28,722	USD	46,502	(449)	0.00%
29/11/2013	GBP	151,325	USD	243,181	(545)	0.00%
29/11/2013	GBP	68,671	USD	111,120	(1,013)	0.00%
29/11/2013	GBP	71,360	USD	115,510	(1,090)	0.00%
29/11/2013	GBP	13,275,806	USD	21,485,299	(198,845)	(0.04%)
29/11/2013	GBP	23,183,652	USD	37,519,959	(347,245)	(0.08%)
29/11/2013	GBP	90,066,288	USD	145,761,479	(1,349,013)	(0.30%)
13/12/2013	USD	6,411,624	GBP	4,000,000	(1,224)	0.00%
13/12/2013	USD	4,045,199	SEK	26,500,000	(52,045)	(0.01%)
13/12/2013	USD	5,366,682	AUD	5,800,000	(132,281)	(0.03%)
13/12/2013	USD	11,786,754	CHF	11,000,000	(376,507)	(0.08%)
13/12/2013	USD	75,624,048	GBP	48,000,000	(1,330,128)	(0.29%)
13/12/2013	USD	104,799,030	EUR	79,000,000	(2,953,257)	(0.65%)
					(8,931,001)	(1.98%)

Financial Liabilities At Fair Value Through Profit or Loss (9,575,811) (2.12%)

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – HIGH YIELD GLOBAL BOND FUND (continued)

Cash at Bank	49,943,115	11.05%
Other Liabilities	(1,655,465)	(0.38%)
Net Asset Value as at 31 October 2013	451,975,953	100.00%

* The counterparties to the forward contracts are Citibank (A) (2012: (A)), Barclays Bank (A) (2012: (A+)) and Deutsche Bank (A) (2012: (A+))

^ The counterparty to the bond futures is UBS (A) (2012: (A))

Investments except for derivatives are transferable securities admitted to an official stock exchange or traded on a regulated market.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ABSOLUTE RETURN BOND FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Asset Backed Securities – 2.22% (2012: 6.74% - GBP 4,370,701)					
790,000	Catalyst Healthcare Manchester Financing Plc	2.411	30/09/2040	803,551	0.67%
1,635,000	Marstons Issuer Plc	1.895	15/07/2020	848,820	0.71%
1,000,000	THPA Finance Limited	8.241	15/03/2028	960,000	0.80%
500,000	Trafford Centre Finance Limited	0.715	28/07/2015	47,782	0.04%
				2,660,153	2.22%
Corporate Bonds – 72.81% (2012: 55.93% - GBP 36,289,299)					
1,500,000	Abbey National Treasury Services Plc	5.500	18/06/2014	1,540,845	1.29%
2,043,000	Allied Domecq Financial Services Limited	6.625	12/06/2014	2,105,843	1.76%
2,000,000	American Express Credit Corp	5.375	01/10/2014	2,079,716	1.74%
464,000	Anglian Water Services Financing Plc	5.250	30/10/2015	501,152	0.42%
600,000	Anglian Water Services Financing Plc	6.750	11/06/2024	616,440	0.52%
620,000	AWG Parent Co Limited	12.375	07/01/2014	630,900	0.53%
1,360,000	BAE Systems Plc	10.750	24/11/2014	1,489,456	1.24%
400,000	Bank of Scotland Plc	11.000	17/01/2014	406,948	0.34%
1,000,000	Barclays SLCSM Funding B.V.	6.140	29/06/2049	1,011,550	0.85%
1,007,000	BAT International Finance Plc	5.750	09/12/2013	1,011,461	0.85%
1,512,000	BP Capital Markets Plc	4.000	29/12/2014	1,562,564	1.31%
381,000	BUPA Care Homes CFG Plc	11.800	30/06/2014	403,170	0.34%
1,001,000	Centrica Plc	5.125	10/12/2014	1,045,104	0.87%
600,000	CGIS Group Limited	9.625	31/12/2019	670,452	0.56%
1,329,000	Compass Group Plc	7.000	08/12/2014	1,412,940	1.18%
1,000,000	Credit Suisse Group Capital Guernsey III Limited	8.514	15/06/2015	1,040,300	0.87%
1,000,000	Credit Suisse International	10.250	17/08/2015	1,078,050	0.90%
1,497,000	Daimler International Finance B.V.	2.125	10/12/2013	1,498,677	1.25%
1,275,000	Daimler International Finance B.V.	1.750	21/05/2014	1,280,126	1.07%
409,000	Deutsche Telekom International Finance B.V.	4.875	23/09/2014	422,861	0.35%
2,300,000	E.ON International Finance B.V.	5.125	27/01/2014	2,321,482	1.94%
2,000,000	Eksportfinans ASA	3.000	17/11/2014	1,251,442	1.05%
986,000	Enterprise Inns Plc	6.000	03/02/2014	990,930	0.83%
1,617,000	ENW Capital Finance Plc	6.750	20/06/2015	1,749,379	1.46%
2,160,000	Experian Finance Plc	5.625	12/12/2013	2,169,850	1.81%
1,140,000	General Electric Capital Corp	5.250	10/12/2013	1,144,993	0.96%
1,500,000	GKN Holdings Plc	6.750	28/10/2019	1,740,540	1.45%
250,000	GLH Hotels Limited	10.750	20/12/2014	263,924	0.22%
1,300,000	Heathrow Funding Limited	5.850	27/11/2013	1,303,731	1.09%
1,130,000	Heathrow Funding Limited	3.000	08/06/2015	1,160,617	0.97%
1,000,000	Heineken N.V.	7.250	10/03/2015	1,077,196	0.90%
2,000,000	HSBC Capital Funding LP	5.369	24/06/2014	1,720,097	1.44%
455,000	Hutchison Ports UK Finance Plc	6.750	07/12/2015	503,676	0.42%
1,000,000	Imperial Tobacco Finance Plc	4.375	22/11/2013	851,867	0.71%
1,728,000	ITV Plc	5.375	19/10/2015	1,843,050	1.54%
1,000,000	John Lewis Plc	10.500	23/01/2014	1,018,583	0.85%
1,100,000	Juneau Investments LLC	5.900	22/02/2021	1,084,477	0.91%
566,000	Kingfisher Plc	5.625	15/12/2014	589,340	0.49%
2,331,000	Land Securities Capital Markets Plc	5.292	28/11/2015	2,334,240	1.95%
539,000	Lloyds Bank Plc	5.875	20/06/2014	551,397	0.46%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ABSOLUTE RETURN BOND FUND (Continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Corporate Bonds (Continued)					
1,312,000	Lloyds Bank Plc	6.625	30/03/2015	1,388,654	1.16%
2,059,000	Marks & Spencers Plc	5.625	24/03/2014	2,091,903	1.75%
1,833,000	Merrill Lynch & Co Inc	5.750	12/12/2014	1,922,813	1.61%
1,660,000	Mondelez International Inc	5.375	11/12/2014	1,728,604	1.44%
300,000	Monumental Global Funding Limited	6.000	30/01/2014	303,168	0.25%
1,500,000	Morgan Stanley	5.375	14/11/2013	1,501,425	1.25%
2,066,000	National Grid Plc	6.125	15/04/2014	2,112,237	1.77%
1,840,000	National Westminster Bank Plc	7.875	09/09/2015	2,006,814	1.68%
1,500,000	Nordea Bank Finland Abp	6.250	18/07/2014	1,530,255	1.28%
1,450,000	Northern Trust Co	5.375	11/03/2015	1,506,183	1.26%
285,000	Pacific Life Funding LLC	5.125	20/01/2015	296,942	0.25%
1,581,000	Pearson Plc	7.000	27/10/2014	1,668,067	1.39%
500,000	Pemex Project Funding Master Trust	7.500	18/12/2013	502,815	0.42%
1,258,000	Principal Financial Global Funding LLC	6.000	23/01/2014	1,269,158	1.06%
800,000	Prudential Plc	1.250	16/11/2015	800,474	0.67%
1,197,000	QBE Insurance Group Limited	10.000	14/03/2014	1,231,857	1.03%
500,000	Rentokil Initial Plc	5.750	31/03/2016	542,141	0.45%
1,000,000	RSA Insurance Group Plc	8.500	08/12/2014	1,061,250	0.89%
2,005,000	Safeway Limited	6.500	05/08/2014	2,083,275	1.74%
1,000,000	Santander Consumer Finance S.A.	1.625	23/04/2015	851,340	0.71%
75,000	Segro Plc	6.250	30/09/2015	81,165	0.07%
395,000	Severn Trent Utilities Finance Plc	5.250	08/12/2014	412,657	0.34%
235,000	Southern Water Services Finance Limited	7.869	31/03/2038	240,231	0.20%
2,325,000	SSE Plc	5.750	05/02/2014	2,352,063	1.96%
1,000,000	Standard Chartered Plc	6.500	28/04/2014	1,026,280	0.86%
1,210,000	Suncorp-Metway Limited	5.125	27/10/2014	1,252,774	1.05%
1,000,000	Telecom Italia Capital S.A.	5.250	15/11/2013	624,251	0.52%
1,650,000	Telefonica Emisiones SAU	5.888	31/01/2014	1,666,137	1.39%
1,741,000	Tesco Plc	5.000	24/02/2014	1,761,892	1.47%
100,000	Thames Water Utilities Finance Limited	4.900	30/06/2015	106,143	0.09%
1,450,000	United Utilities Water Plc	6.125	29/12/2015	1,593,472	1.33%
2,073,000	Vodafone Group Plc	4.625	08/09/2014	2,134,630	1.78%
				87,130,436	72.81%
Floating Rate Note – 4.93% (2012: 2.45% - GBP 1,592,728)					
2,979,000	Deutsche Bank AG	1.407	15/12/2015	2,926,868	2.45%
1,000,000	GE Capital UK Funding	1.063	09/05/2016	996,290	0.83%
1,000,000	Southern Gas Networks Plc	0.807	21/10/2015	987,280	0.82%
1,000,000	Southern Gas Networks Plc	0.807	21/10/2015	992,447	0.83%
				5,902,885	4.93%
Government Bonds – 12.09% (2012: 22.35% - GBP 14,499,688)					
8,000,000	Belgium (Kingdom of)	2.250	22/06/2023	6,714,372	5.61%
14,000,000	New Zealand (Government of)	5.500	15/04/2023	7,749,670	6.48%
				14,464,042	12.09%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ABSOLUTE RETURN BOND FUND (Continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets	
Bond Futures^ - 0.20% (2012: 0.18% - GBP 363,309)						
100	Canada 10 Year Bond Future		18/12/2013	116,271	0.10%	
35	Euro Buxl 30 Year Future		06/12/2013	57,148	0.05%	
45	U.S. Ultra Bond Future		19/12/2013	65,122	0.05%	
				238,541	0.20%	
Swaps^^ - 0.55% (2012: 0.28% - GBP 178,650)						
2,000,000	CDS Buy Protection Anglo American Capital		20/12/2018	36,931	0.03%	
2,000,000	CDS Buy Protection Axa		20/12/2018	10,342	0.01%	
2,000,000	CDS Buy Protection Compagnie De St Gobain		20/12/2018	10,489	0.01%	
2,000,000	CDS Buy Protection Enel		20/12/2018	46,212	0.04%	
2,000,000	CDS Buy Protection Gkn Holdings		20/12/2018	16,486	0.01%	
2,000,000	CDS Sell Protection Bank of America Corp		20/12/2018	1,959	0.00%	
2,000,000	CDS Sell Protection Community Health Sys		20/12/2018	92,090	0.08%	
1,000,000	CDS Sell Protection Convatec Healthcare		20/12/2018	25,869	0.02%	
3,000,000	CDS Sell Protection Credit Agricole SA		20/12/2018	219,332	0.18%	
1,000,000	CDS Sell Protection Fiat Finance and Trade		20/12/2018	42,984	0.04%	
2,000,000	CDS Sell Protection Lvmh Moet Hennessy Louis		20/12/2018	38,275	0.03%	
2,000,000	CDS Sell Protection Virgin Media Finance Plc		20/12/2018	120,581	0.10%	
				661,550	0.55%	
Forward Contracts* - 0.06% (2012: 0.09% - GBP 61,353)						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
29/11/2013	USD	668	GBP	416	-	0.00%
29/11/2013	USD	10,416	GBP	6,484	12	0.00%
29/11/2013	USD	10,000	GBP	6,181	55	0.00%
29/11/2013	USD	25,340	GBP	15,663	140	0.00%
13/12/2013	GBP	258,048	NZD	500,000	349	0.00%
13/12/2013	GBP	3,902,564	USD	6,150,000	66,515	0.06%
					67,071	0.06%
Financial Assets At Fair Value Through Profit or Loss (Cost: GBP 110,985,467)				111,124,678	92.86%	

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ABSOLUTE RETURN BOND FUND (Continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Bond Futures^ – (0.46%) (2012: (0.01%) - GBP (4,948))					
(10)	Long Gilt Future		27/12/2013	(23,870)	(0.02%)
(110)	Australia 10 Year Bond Future		16/12/2013	(75,650)	(0.06%)
(65)	Euro Bund Future		06/12/2013	(85,126)	(0.07%)
(60)	Euro Oat Future		06/12/2013	(147,353)	(0.13%)
(125)	U.S. 10 Year Note Future		19/12/2013	(112,042)	(0.09%)
(200)	U.S. 5 Year Note Future		31/12/2013	(106,358)	(0.09%)
				<u>(550,399)</u>	<u>(0.46%)</u>

Swaps^^ – (0.89%) (2012: (0.60%) – GBP (388,839))					
1,000,000	CDS Buy Protection British Airways Plc		20/12/2018	(101,128)	(0.08%)
2,000,000	CDS Buy Protection EDF		20/12/2018	(32,433)	(0.03%)
2,000,000	CDS Buy Protection HSBC Bank Plc		20/12/2018	(18,835)	(0.02%)
5,000,000	CDS Buy Protection Itraxx EUR Main 5 Year Series 19		20/12/2018	(41,448)	(0.03%)
1,000,000	CDS Buy Protection Itraxx EUR Main 5 Year Series 19		20/12/2018	(8,289)	(0.01%)
5,000,000	CDS Buy Protection Itraxx EUR Main 5 Year Series 20		20/12/2018	(41,448)	(0.03%)
1,000,000	CDS Buy Protection Itraxx EUR Main 5 Year Series 20		20/12/2018	(8,289)	(0.01%)
2,000,000	CDS Buy Protection Jaguar Land Rover Plc		20/12/2018	(220,727)	(0.18%)
1,000,000	CDS Buy Protection Markit CDX Series 21 5 Year		20/12/2018	(45,408)	(0.04%)
1,000,000	CDS Buy Protection Peugeot SA		20/12/2018	(31,103)	(0.03%)
3,000,000	CDS Buy Protection Soc Generale		20/12/2018	(233,547)	(0.19%)
1,000,000	CDS Buy Protection Stena		20/12/2018	(42,056)	(0.04%)
2,000,000	CDS Sell Protection Aviva		20/12/2018	(15,433)	(0.01%)
2,000,000	CDS Sell Protection Glencore Finance Europe		20/12/2018	(50,911)	(0.04%)
2,000,000	CDS Sell Protection Iberdrola Finanzas		20/12/2018	(29,723)	(0.02%)
3,000,000	CDS Sell Protection ITRAXX EUR Main 10 Year Series 19		20/12/2023	(67,271)	(0.06%)
3,000,000	CDS Sell Protection ITRAXX EUR Main 10 Year Series 19		20/12/2023	(67,271)	(0.06%)
2,000,000	CDS Sell Protection Valeo SA		20/12/2018	(11,917)	(0.01%)
				<u>(1,067,237)</u>	<u>(0.89%)</u>

Forward Contracts* - (0.17%) (2012: (0.12%) - GBP (74,689))

Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised (Loss)	% of Net Assets
29/11/2013	EUR	1,389,466	GBP	1,186,395	(4,444)	0.00%
29/11/2013	EUR	313,058	GBP	267,304	(1,001)	0.00%
29/11/2013	EUR	27,500	GBP	23,473	(80)	0.00%
29/11/2013	EUR	32,000	GBP	27,281	(61)	0.00%
29/11/2013	EUR	1,600	GBP	1,366	(5)	0.00%
29/11/2013	GBP	6,482	USD	10,416	(15)	0.00%
13/12/2013	GBP	7,890,635	NZD	15,500,000	(98,022)	(0.09%)
13/12/2013	GBP	4,100,000	EUR	4,878,745	(50,654)	(0.04%)
13/12/2013	GBP	4,629,312	EUR	5,500,000	(49,883)	(0.04%)
13/12/2013	GBP	849,370	EUR	1,000,000	(1,393)	0.00%
13/12/2013	USD	3,000,000	GBP	1,872,746	(1,502)	0.00%
					<u>(207,060)</u>	<u>(0.17%)</u>

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ABSOLUTE RETURN BOND FUND (Continued)

Financial Liabilities At Fair Value Through Profit or Loss	(1,824,696)	(1.52%)
Cash at Bank	7,906,715	6.60%
Other Net Liabilities	2,466,364	2.06%
Net Asset Value as at 31 October 2013	119,673,061	100.00%

* The counterparties to the forward contracts are Barclays Bank (A) (2012: (A+)) and Citibank (A) (2012: (A))

^ The counterparty to the bond futures is UBS (A) (2012: (A))

^^ The counterparties to the swaps are Barclays Bank (A) (2012: (A+)), Morgan Stanley (A) (2012: (A-)) and Deutsche Bank (A) (2012: (A+))

Investments except for derivatives are transferable securities admitted to an official stock exchange or traded on a regulated market

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – GLOBAL EQUITY INCOME FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets
Equities – 90.81% (2012: 94.24% – USD 226,278,359)					
336,676	AbbVie Inc			16,429,789	2.40%
300,764	Ageas			12,814,554	1.87%
80,359	Allianz SE			13,502,427	1.97%
131,897	Anheuser-Busch InBev N.V.			13,626,495	1.99%
370,036	Atlas Copco AB			10,309,218	1.51%
737,772	Australia & New Zealand Banking Group Limited			23,718,070	3.47%
4,425,635	Axiata Group Bhd			9,635,124	1.41%
204,967	BASF SE			21,183,863	3.10%
127,329	Bayerische Motoren Werke AG			14,465,683	2.11%
3,455,455	BOC Hong Kong Holdings Limited			11,231,339	1.64%
254,119	Chevron Corp			30,562,891	4.47%
278,058	CI Financial Corp			9,160,022	1.34%
4,703,667	ComfortDelGro Corp Limited			7,291,626	1.07%
107,600	Daito Trust Construct Co Limited			10,939,029	1.60%
449,099	Deutsche Post AG			15,113,528	2.21%
225,499	Emerson Electric Co			15,081,373	2.20%
585,352	Eni SpA			14,625,448	2.14%
183,975	Harris Corp			11,434,046	1.67%
168,113	IGM Financial Inc			8,020,228	1.17%
103,633	Inditex S.A.			17,003,186	2.48%
7,778,000	Industrial & Commercial Bank of China Limited			5,437,421	0.79%
243,457	Johnson & Johnson			22,590,375	3.30%
908,914	Keppel Corp Limited			7,962,311	1.16%
129,605	Lockheed Martin Corp			17,330,781	2.53%
232,478	Mattel Inc			10,382,467	1.52%
325,582	Maxim Integrated Products			9,572,111	1.40%
150,764	McDonald's Corp			14,479,375	2.12%
135,616	Metso OYJ			5,356,438	0.78%
396,577	Nestle S.A.			28,624,387	4.18%
152,795	Nokian Renkaat OYJ			7,841,695	1.15%
1,068,062	Pfizer Inc			33,045,838	4.83%
199,399	Philip Morris International Inc			17,814,307	2.60%
208,180	ProSiebenSat.1 Media AG			10,004,143	1.46%
477,107	Reynolds American Inc			24,504,216	3.58%
90,379	Roche Holdings AG-Genusschein			25,114,718	3.67%
281,489	Seadrill Limited			13,027,099	1.90%
741,439	Swedbank AB			19,485,984	2.85%
181,449	Swedish Match AB			6,007,235	0.88%
131,261	Swiss Re AG			11,570,760	1.69%
975,921	Taiwan Semiconductor Manufacturing Co Limited			18,132,612	2.65%
909,570	Telefonica Deutschland Holding AG			7,227,252	1.06%
821,615	Telenor ASA			19,765,149	2.89%
				621,424,613	90.81%
Equity - UK Large Cap – 7.06% (2012: 5.56% – USD 13,359,778)					
876,563	British Sky Broadcasting Group Plc			13,066,799	1.91%
1,874,368	Moneysupermarket.com Group Plc			4,602,213	0.67%
852,567	Prudential Plc			17,474,149	2.56%
3,659,335	Vodafone Group Plc			13,139,926	1.92%
				48,283,087	7.06%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – GLOBAL EQUITY INCOME FUND (Continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Assets	
Equities – UK Small Cap – 0.17% (2012: 0.00%)						
134,407	Royal Mail Plc			1,185,554	0.17%	
				1,185,554	0.17%	
Forward Contracts* - 0.00% (2012: 0.00% – USD 2,232)						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
29/11/2013	EUR	1,453,000	SEK	12,766,785	7,167	0.00%
					7,167	0.00%
Financial Assets At Fair Value Through Profit or Loss (Cost: USD 576,932,844)				670,900,421	98.04%	
Forward Contracts* - (0.02%) (2012: 0.00% – USD (276))						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised (Loss)	% of Net Assets
29/11/2013	EUR	8,833,000	USD	12,142,725	(95,069)	(0.01%)
29/11/2013	EUR	2,262,000	GBP	1,938,104	(22,340)	(0.01%)
29/11/2013	EUR	1,710,000	SGD	2,915,140	(21,378)	0.00%
29/11/2013	EUR	942,000	AUD	1,368,151	(13,642)	0.00%
29/11/2013	EUR	672,000	CAD	967,519	(7,939)	0.00%
29/11/2013	EUR	638,000	HKD	6,799,868	(6,923)	0.00%
29/11/2013	EUR	2,598,000	CHF	3,211,024	(6,596)	0.00%
29/11/2013	EUR	445,000	JPY	60,054,975	(4,286)	0.00%
29/11/2013	EUR	1,366,000	NOK	11,087,002	(22)	0.00%
					(178,195)	(0.02%)
Financial Liabilities At Fair Value Through Profit or Loss				(178,195)	(0.02%)	
Cash at Bank				14,181,816	2.07%	
Other Net Liabilities				(618,409)	(0.09%)	
Net Asset Value as at 31 October 2013				684,285,633	100.00%	

* The counterparty to the forward contracts is Citibank (A) (2012: (A))

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ACTIVE LONG DATED BOND FUND

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Asset Backed Securities – 11.11%					
300,000	Arqiva Financing Plc	4.882	31/12/2032	313,253	0.28%
685,000	Aspire Defence Finance Plc	4.674	31/03/2040	708,163	0.62%
690,000	BL Superstores Finance Plc	5.270	04/07/2025	752,505	0.66%
645,000	BL Superstores Finance Plc	4.482	04/10/2025	698,855	0.61%
945,000	Canary Wharf Finance II Plc	6.455	22/04/2030	950,049	0.85%
850,000	Dignity Finance Plc	8.151	31/12/2030	1,172,910	1.04%
1,068,000	Great Rolling Stock Co Plc	6.875	27/07/2035	1,304,883	1.16%
300,000	High Speed Rail Finance 1 Plc	1.566	01/11/2038	327,516	0.29%
735,000	Meadowhall Finance Plc	4.986	12/01/2032	744,530	0.65%
647,000	Mitchells & Butlers Finance Plc	6.013	15/12/2028	739,390	0.65%
116,000	Mitchells & Butlers Finance Plc	6.469	15/09/2030	127,905	0.11%
310,000	Mitchells & Butlers Finance Plc	5.574	15/12/2030	209,023	0.18%
837,000	Nats En Route Plc	5.250	31/03/2026	865,674	0.76%
711,000	Octagon Healthcare Funding Plc	5.333	31/12/2035	721,461	0.63%
97,000	Punch Taverns Finance Plc	6.820	15/07/2020	73,731	0.06%
631,000	Telereal Securitisation Plc	6.165	10/12/2031	736,596	0.65%
680,000	Tesco Property Finance 4 Plc	5.801	13/10/2040	755,165	0.66%
711,000	THPA Finance Limited	7.127	15/03/2024	724,587	0.64%
560,000	Trafford Centre Finance Limited	6.500	28/07/2033	698,055	0.61%
				12,624,251	11.11%
Corporate Bonds – 54.64%					
800,000	AA Bond Co Limited	6.269	31/07/2025	877,560	0.77%
286,000	Abbey National Treasury Services Plc	5.750	02/03/2026	349,944	0.31%
500,000	ABP Finance Plc	6.250	14/12/2026	592,418	0.52%
99,000	Altria Group Inc	10.200	06/02/2039	98,113	0.09%
300,000	Altria Group Inc	5.375	31/01/2044	188,102	0.17%
252,000	America Movil SAB de CV	5.000	27/10/2026	277,042	0.24%
800,000	America Movil SAB de CV	6.375	06/09/2073	827,400	0.73%
328,000	Amgen Inc	5.500	07/12/2026	377,973	0.33%
485,000	Amgen Inc	4.000	13/09/2029	470,864	0.41%
650,000	Anglian Water Services Financing Plc	4.500	22/02/2026	656,820	0.58%
740,000	Annington Repackaging No 1 Limited	5.324	10/01/2023	823,477	0.72%
145,000	AT&T Inc	6.550	15/02/2039	101,321	0.09%
650,000	AT&T Inc	7.000	30/04/2040	869,281	0.76%
938,000	Aviva Plc	6.875	20/05/2058	1,080,380	0.95%
1,066,000	BAE Systems Plc	4.125	08/06/2022	1,107,592	0.97%
650,000	BAT International Finance Plc	6.000	29/06/2022	786,835	0.69%
54,000	BAT International Finance Plc	5.750	05/07/2040	66,915	0.06%
363,000	BG Energy Capital Plc	5.000	04/11/2036	401,297	0.35%
358,000	British Land Co Plc	5.357	31/03/2028	374,999	0.33%
575,000	British Land Co Plc	5.264	24/09/2035	577,277	0.51%
200,000	BUPA Finance Plc	5.000	25/04/2023	206,306	0.18%
802,000	Citigroup Inc	5.150	21/05/2026	899,162	0.79%
970,000	Citigroup Inc	4.500	03/03/2031	946,864	0.83%
78,000	Citigroup Inc	6.800	25/06/2038	104,947	0.09%
408,000	Comcast Corp	5.500	23/11/2029	482,713	0.42%
388,000	Commonwealth Bank of Australia	3.000	04/09/2026	365,886	0.32%
97,000	Coventry Building Society	5.875	28/09/2022	113,112	0.10%
465,000	CPUK Finance Limited	7.239	28/02/2024	573,508	0.50%
500,000	Credit Agricole SA	7.375	18/12/2023	604,049	0.53%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ACTIVE LONG DATED BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Corporate Bonds (continued)					
660,000	Delamare Finance Plc	5.546	19/02/2029	740,082	0.65%
485,000	Direct Line Insurance Group Plc	9.250	27/04/2042	610,688	0.54%
581,000	DIRECTV Holdings LLC	4.375	14/09/2029	560,940	0.49%
985,000	Dong Energy A/S	4.875	12/01/2032	1,038,574	0.91%
650,000	E.ON International Finance B.V.	6.750	27/01/2039	882,985	0.78%
650,000	Electricite de France SA	6.125	02/06/2034	799,098	0.70%
100,000	Electricite de France SA	4.500	12/11/2040	94,494	0.08%
700,000	Electricite de France SA	5.125	22/09/2050	759,930	0.67%
1,185,000	European Investment Bank	5.625	07/06/2032	1,491,879	1.32%
971,000	European Investment Bank	5.000	15/04/2039	1,169,803	1.03%
2,000,000	Fifth Third Bancorp	5.100	29/12/2049	1,122,369	0.99%
102,000	Firstgroup Plc	8.750	08/04/2021	129,281	0.11%
900,000	France Telecom SA	5.375	22/11/2050	975,497	0.86%
553,000	Freshwater Finance Plc	5.182	20/04/2035	584,983	0.51%
149,000	Freshwater Finance Plc	4.556	03/04/2036	145,464	0.13%
100,000	GDF Suez	6.125	11/02/2021	121,189	0.11%
550,000	GDF Suez	5.000	01/10/2060	613,999	0.54%
602,000	GE Captial UK Funding	5.125	24/05/2023	678,146	0.60%
807,000	GE Captial UK Funding	5.875	18/01/2033	967,731	0.85%
346,000	GE Captial UK Funding	6.250	05/05/2038	438,001	0.39%
404,000	General Electric Capital Corp	5.375	18/12/2040	461,315	0.41%
72,000	Heathrow Funding Limited	6.750	03/12/2026	92,921	0.08%
78,000	Heathrow Funding Limited	7.075	04/08/2028	103,242	0.09%
495,000	Heathrow Funding Limited	6.450	10/12/2031	625,493	0.55%
572,000	Heathrow Funding Limited	5.875	13/05/2041	693,098	0.61%
532,544	Housing Finance Corp Limited	8.625	13/11/2023	751,744	0.66%
1,250,000	HSBC Bank Plc	4.750	24/03/2046	1,232,038	1.08%
555,000	HSBC Holdings Plc	5.750	20/12/2027	629,497	0.55%
450,000	HSBC Holdings Plc	6.750	11/09/2028	560,149	0.49%
97,000	HVB Funding Trust II	7.760	13/10/2036	93,120	0.08%
708,000	Imperial Tobacco Finance Plc	9.000	17/02/2022	973,095	0.86%
1,048,000	International Bank for Reconstruction & Development	5.750	07/06/2032	1,395,923	1.23%
430,000	JP Morgan Chase & Co	3.500	18/12/2026	418,200	0.37%
750,000	Juneau Investments LLC	5.900	22/02/2021	739,416	0.65%
600,000	KBC Bank N.V.	8.000	25/01/2023	402,369	0.35%
833,000	KFW	5.750	07/06/2032	1,105,510	0.97%
310,000	KFW	5.000	09/06/2036	386,038	0.34%
699,000	Land Securities Capital Markets Plc	5.391	31/03/2027	817,503	0.72%
97,000	Land Securities Capital Markets Plc	5.125	07/02/2036	111,455	0.10%
562,000	Lloyds TSB Bank Plc	5.125	07/03/2025	653,252	0.57%
321,000	Lloyds TSB Bank Plc	5.750	09/07/2025	335,491	0.30%
97,000	Lunar Funding I Limited	5.750	18/10/2033	113,872	0.10%
136,000	Mark & Spencer Plc	4.750	12/06/2025	140,362	0.12%
336,000	Marstons Issuer Plc	5.158	15/10/2027	369,932	0.33%
640,000	Marstons Issuer Plc	5.177	15/07/2032	676,057	0.59%
465,000	Metropolitan Life Global Funding I	3.500	30/09/2026	465,047	0.41%
400,000	Microsoft Corp	2.375	01/05/2023	230,033	0.20%
800,000	National Westminster Bank Plc	6.500	07/09/2021	882,716	0.78%
2,000,000	Network Rail Infrastructure Finance Plc	4.750	29/11/2035	2,325,476	2.07%
58,000	Northern Gas Networks Finance Plc	5.625	23/03/2040	68,782	0.06%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ACTIVE LONG DATED BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets
Corporate Bonds (continued)					
678,000	Northern Powergrid Yorkshire Plc	4.375	05/07/2032	682,963	0.60%
500,000	Pfizer Inc	6.500	03/06/2038	683,588	0.60%
421,000	Prudential Plc	5.875	11/05/2029	509,267	0.45%
78,000	Prudential Plc	11.375	29/05/2039	109,504	0.10%
620,000	Rabobank Nederland N.V.	5.250	14/09/2027	662,682	0.58%
126,000	Roche Holdings Inc	7.000	01/03/2039	105,909	0.09%
465,000	Royal Bank of Scotland Plc	5.125	13/01/2024	534,945	0.47%
581,000	Royal Bank of Scotland Plc	7.500	29/04/2024	756,385	0.67%
100,000	RWE Finance B.V.	5.500	06/07/2022	114,403	0.10%
700,000	RWE Finance B.V.	4.750	31/01/2034	714,707	0.63%
200,000	Scottish Widows Plc	5.500	16/06/2023	206,066	0.18%
213,000	Severn Trent Utilities Finance Plc	3.625	16/01/2026	211,814	0.19%
737,000	Southern Gas Networks Plc	4.875	05/10/2023	815,626	0.72%
295,000	Southern Water Services Finance Limited	4.500	31/03/2052	289,691	0.25%
523,000	SP Manweb Plc	4.875	20/09/2027	552,898	0.49%
913,000	Standard Chartered Bank	5.375	29/06/2049	920,989	0.81%
809,000	Standard Life Plc	6.750	29/07/2049	888,389	0.78%
600,000	Statoil ASA	4.250	10/04/2041	625,382	0.55%
682,000	Temasek Financial I Limited	5.125	26/07/2040	813,834	0.72%
581,000	Time Warner Cable Inc	7.300	01/07/2038	364,410	0.32%
562,000	Transport for London	3.875	23/07/2042	554,302	0.49%
800,000	Verizon Communications Inc	6.550	15/09/2043	578,677	0.51%
547,000	Wales & West Utilities Finance Plc	6.250	30/11/2021	665,485	0.59%
499,000	Wales & West Utilities Finance Plc	5.750	29/03/2030	593,969	0.52%
634,000	Western Power Distribution East Midlands Plc	5.250	17/01/2023	718,436	0.63%
449,000	Western Power Distribution West Midlands Plc	5.750	16/04/2032	532,306	0.47%
717,000	WM Morrison Supermarkets Plc	3.500	27/07/2026	681,952	0.60%
200,000	Yorkshire Water Services Finance Limited	5.500	28/05/2037	237,464	0.21%
				62,106,479	54.64%
Government Bonds – 6.67%					
291,000	European Investment Bank	6.000	07/12/2028	373,653	0.33%
251,000	European Investment Bank	4.625	12/10/2054	294,723	0.26%
850,000	United Kingdom Treasury	0.125	22/03/2029	930,970	0.82%
350,000	United Kingdom Treasury	4.250	07/06/2032	402,535	0.35%
870,000	United Kingdom Treasury	0.750	22/03/2034	1,093,877	0.96%
1,300,000	United Kingdom Treasury	0.125	22/03/2044	1,385,028	1.22%
390,000	United Kingdom Treasury	0.250	22/03/2052	442,903	0.39%
1,540,000	United Kingdom Treasury	0.375	22/03/2062	1,973,684	1.74%
627,000	United Kingdom Treasury	0.125	22/03/2068	686,613	0.60%
				7,583,986	6.67%
UK Index Linked Bonds – 25.62%					
400,000	Affinity Water Programme Finance Limited	1.548	01/06/2045	432,551	0.38%
560,000	United Kingdom Treasury	2.500	26/07/2016	1,923,712	1.69%
2,000,000	United Kingdom Treasury	1.250	22/11/2017	2,926,355	2.57%
630,000	United Kingdom Treasury	2.500	16/04/2020	2,333,709	2.05%
1,520,000	United Kingdom Treasury	1.875	22/11/2022	2,301,455	2.02%
660,000	United Kingdom Treasury	2.500	17/07/2024	2,205,522	1.94%
1,370,000	United Kingdom Treasury	1.250	22/11/2027	2,147,032	1.89%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO OF INVESTMENTS – ACTIVE LONG DATED BOND FUND (continued)

Nominal	Security Description	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Assets	
UK Index Linked Bonds (continued)						
470,000	United Kingdom Treasury	4.125	22/07/2030	1,486,845	1.31%	
1,100,000	United Kingdom Treasury	1.250	22/11/2032	1,602,951	1.41%	
880,000	United Kingdom Treasury	2.000	26/01/2035	1,800,568	1.58%	
1,560,000	United Kingdom Treasury	1.125	22/11/2037	2,477,608	2.19%	
1,410,000	United Kingdom Treasury	0.625	22/03/2040	1,905,353	1.68%	
1,060,000	United Kingdom Treasury	0.625	22/11/2042	1,488,177	1.31%	
1,030,000	United Kingdom Treasury	0.750	22/11/2047	1,563,753	1.38%	
1,090,000	United Kingdom Treasury	0.500	22/03/2050	1,518,969	1.34%	
500,000	United Kingdom Treasury	1.250	22/11/2055	1,005,958	0.88%	
				29,120,518	25.62%	
Bonds Futures^ – 0.17%						
90	Long Gilt Future		27/12/2013	192,340	0.17%	
				192,340	0.17%	
Swaps^^ – 0.05%						
42,200,000	Inflation Swap PAY 3.589% REC UK RPI All Items NSA		06/02/2033	61,427	0.05%	
				61,427	0.05%	
Forward Contracts* - 0.01%						
Actual Settle Date	Issue Currency	Currency Received	Settle Currency	Currency Delivered	Unrealised Gain	% of Net Assets
12/12/2013	GBP	2,814,963	USD	4,500,000	8,122	0.01%
					8,122	0.01%
Financial Assets At Fair Value Through Profit or Loss (Cost: GBP 112,253,245)				111,697,123	98.27%	
Nominal	Security Description		Maturity Date	Fair Value GBP	% of Net Assets	
Bond Futures^ – (0.03%)						
(18)	U.S. Ultra Bond Future		19/12/2013	(34,812)	(0.03%)	
				(34,812)	(0.03%)	
Financial Liabilities At Fair Value Through Profit or Loss				(34,812)	(0.03%)	
Cash and cash equivalents				740,900	0.65%	
Other Net Assets				1,270,269	1.11%	
Net Asset Value as at 31 October 2013				113,673,480	100.00%	

* The counterparty to the forward contracts is Barclays Bank (A) (2012: (A+))

[^] The counterparty to the bond futures is UBS (A) (2012: (A))

^{^^} The counterparty to the swaps is Barclays Bank (A) (2012: (A+))

Investments except for derivatives are transferable securities admitted to an official stock exchange or traded on a regulated market

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013

A full analysis of the movement on the Portfolio is available upon request.

STRATEGIC GLOBAL BOND FUND

Largest Purchases	Quantity	Value USD
Australia (Commonwealth) 6.250% 15/04/2015	33,000,000	36,710,616
Belgium (Kingdom of) 2.250% 22/06/2023	25,000,000	32,716,644
Australia (Commonwealth) 4.750% 15/06/2016	34,000,000	31,989,035
Australia (Commonwealth) 5.500% 21/04/2023	25,000,000	31,249,757
New Zealand (Government of) 5.500% 15/04/2023	32,000,000	31,119,157
U.S. Treasury Note 2.000% 15/02/2023	30,000,000	30,217,969
Japan (Government of) 0.600% 20/03/2023	2,750,000,000	28,991,345
Sweden (Government of) 3.500% 01/06/2022	100,000,000	17,464,136
U.S. Treasury Note 3.625% 15/08/2043	15,000,000	14,932,091
United Kingdom Treasury 1.250% 22/07/2018	7,500,000	11,788,360
Canada (Government of) 2.750% 01/06/2022	10,000,000	10,619,428
United Kingdom Treasury 4.250% 07/12/2055	5,000,000	9,648,227
ABN Amro Bank N.V. 6.375% 27/04/2021	6,500,000	9,365,403
5th Third Corp 5.100% 31/12/2049	8,000,000	8,000,000
Royal Bank of Scotland N.V. 6.500% 17/05/2018	10,000,000	7,784,635
Morgan Stanley 4.750% 16/11/2018	7,000,000	7,135,450
United Kingdom Treasury 4.250% 07/12/2049	4,000,000	7,049,741
Constellation Brands Inc 4.250% 01/05/2023	7,000,000	7,043,800
Hutchinson Whampoa Europe Finance 13 Limited 3.750% 05/10/2018	5,000,000	6,542,500
Muenchener Rueckversicherungs AG 6.000% 26/05/2021	4,000,000	6,197,443

Largest Sales	Quantity	Value USD
Australia (Commonwealth) 5.750% 15/07/2022	48,000,000	61,737,786
Australia (Commonwealth) 6.250% 15/04/2015	33,000,000	31,893,852
Canada (Government of) 2.750% 01/06/2022	30,000,000	31,597,244
New Zealand (Government of) 5.500% 15/04/2023	32,000,000	31,589,948
Australia (Commonwealth) 5.500% 21/04/2023	25,000,000	30,696,024
Japan (Government of) 0.600% 20/03/2023	2,750,000,000	27,571,985
United Kingdom Treasury 2.500% 26/07/2016	3,000,000	16,706,428
U.S. Treasury Note 0.625% 30/09/2017	15,000,000	14,990,330
United Kingdom Treasury 4.250% 07/12/2049	6,000,000	10,924,966
U.S. Treasury Note 2.125% 15/08/2021	10,000,000	10,241,884
United Kingdom Treasury 4.250% 07/12/2055	5,000,000	9,461,042
RWE AG 7.000% 12/10/2017	7,500,000	8,086,840
ABN Amro Bank N.V. 7.125% 06/07/2022	4,500,000	6,862,806
Rabobank Nederland N.V. 6.875% 19/03/2020	4,000,000	6,242,514
BG Energy Capital Plc 6.500% 30/11/2072	5,500,000	6,078,035
U.S. Treasury Note 4.250% 15/11/2040	5,000,000	5,669,749
Koninklijke KPN N.V. 7.000% 28/03/2073	5,500,000	5,539,297
Heineken N.V. 2.875% 04/08/2025	4,000,000	5,420,851
United Kingdom Treasury 0.125% 22/03/2068	3,135,000	5,245,462
AT&T Inc 3.550% 17/12/2032	4,000,000	5,238,678

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

INVESTMENT GRADE GLOBAL BOND FUND

Largest Purchases	Quantity	Value USD
U.S. Treasury Note 2.625% 31/01/2018	9,000,000	9,692,960
U.S. Treasury Note 2.000% 15/02/2022	9,000,000	9,073,161
ABN Amro Bank N.V. 6.375% 27/04/2021	3,300,000	4,981,782
Rabobank Nederland N.V. 6.875% 19/03/2020	3,000,000	4,412,193
British Telecommunications Plc 9.625% 15/12/2030	2,000,000	3,138,600
ABN Amro Bank N.V. 7.125% 06/07/2022	2,000,000	2,716,307
KFW 2.750% 08/09/2020	2,600,000	2,701,354
American Honda Finance Corp 1.875% 04/09/2019	2,000,000	2,675,244
ABN Amro Bank N.V. 6.250% 27/04/2022	2,600,000	2,638,480
Louis Dreyfus Commodities B.V. 3.875% 30/07/2018	2,000,000	2,629,001
Areva SA 3.250% 04/09/2020	2,000,000	2,626,201
Gaz Capital SA 3.700% 25/07/2018	2,000,000	2,618,700
Microsoft Corp 2.625% 02/05/2033	2,000,000	2,611,914
AA Bond Co Limited 6.269% 31/07/2025	1,600,000	2,584,431
British American Tobacco Holdings The Netherlands B.V. 2.375% 19/01/2023	2,000,000	2,525,981
Verizon Communications Inc 6.550% 15/09/2043	2,300,000	2,399,639
Veolia Environnement SA 4.450% 29/01/2049	1,800,000	2,312,664
Nippon Life Insurance Co 5.000% 18/10/2042	2,200,000	2,282,500
Rabobank Nederland N.V. 4.125% 14/09/2022	1,600,000	2,183,084
Goldman Sachs Group Inc 6.750% 01/10/2037	2,000,000	2,047,720
Largest Sales	Quantity	Value USD
U.S. Treasury Note 2.625% 31/01/2018	9,000,000	4,290,204
U.S. Treasury Note 2.000% 15/02/2022	9,000,000	3,939,978
KFW 2.750% 08/09/2020	2,600,000	2,823,157
ABN Amro Bank N.V. 7.125% 06/07/2022	2,000,000	2,387,244
KFW 0.625% 24/04/2015	2,000,000	2,014,704
European Investment Bank 6.000% 07/12/2028	800,000	1,817,162
Standard Chartered Plc 4.000% 12/07/2017	1,500,000	1,520,718
Rabobank Nederland N.V. 6.875% 19/03/2020	3,000,000	1,511,745
British Telecommunications Plc 9.625% 15/12/2030	2,000,000	1,496,418
ABN Amro Bank N.V. 6.375% 27/04/2021	3,300,000	1,451,497
Deutsche Telekom International Finance B.V. 2.000% 30/10/2019	1,000,000	1,394,044
America Movil SAB de CV 3.000% 12/07/2021	1,000,000	1,393,233
ABN Amro Bank N.V. 6.250% 27/04/2022	2,600,000	1,379,338
Rentokil Initial Plc 3.375% 24/09/2019	1,000,000	1,363,021
Gaz Capital SA 3.700% 25/07/2018	2,000,000	1,354,751
Louis Dreyfus Commodities B.V. 3.875% 30/07/2018	2,000,000	1,329,606
Areva SA 3.250% 04/09/2020	2,000,000	1,319,805
British American Tobacco Holdings The Netherlands B.V. 2.375% 19/01/2023	2,000,000	1,305,466
AA Bond Co Limited 6.269% 31/07/2025	1,600,000	1,292,215
GE Capital European Funding 6.025% 01/03/2038	700,000	1,273,481

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

HIGH YIELD GLOBAL BOND FUND

Largest Purchases	Quantity	Value USD
Service Corp International 4.500% 15/11/2020	7,600,000	7,624,875
Hawk Acquisition Sub Inc 4.250% 15/10/2020	7,400,000	7,400,000
DISH DBS Corp 5.000% 15/03/2013	7,000,000	7,027,125
DISH DBS Corp 5.000% 15/03/2023	7,000,000	7,027,125
Virgin Media Secured Finance Plc 5.500% 15/01/2021	4,300,000	6,618,656
Reynolds Group Issuer Inc 5.750% 15/10/2020	6,500,000	6,525,000
Targa Resources Partners LP 4.250% 15/11/2023	5,500,000	5,500,000
Cerba European Lab 7.000% 01/02/2020	4,000,000	5,408,822
DuPont Fabros Technology LP 5.875% 15/09/2021	5,350,000	5,366,375
Clean Harbors Inc 5.125% 01/06/2021	5,300,000	5,359,500
Constellation Brands Inc 4.250% 01/05/2023	5,400,000	5,354,200
Bombardier Inc 6.125% 15/01/2023	5,200,000	5,346,375
Hilton Worldwide Finance LLC 5.625% 15/10/2021	5,000,000	5,010,000
Far East Capital Limited SA 8.000% 02/05/2018	5,000,000	5,000,000
Royal Bank of Scotland N.V. 6.500% 17/05/2018	6,500,000	4,958,489
Gestamp Funding Luxembourg S.A. 5.625% 31/05/2020	5,000,000	4,890,750
Thomas Cook Finance S.A. 7.750% 15/06/2020	3,500,000	4,548,926
ConvaTec Finance International S.A. 8.250% 15/01/2019	4,500,000	4,488,750
Norcell Sweden Holding 3 AB 9.250% 29/09/2018	25,000,000	4,188,277
InterXion Holding N.V. 6.000% 15/07/2020	3,100,000	4,167,304
Rhino Bondco S.P.A 5.781% 15/12/2019	3,000,000	4,138,200
Kelda Finance No 3 Plc 5.750% 17/02/2020	2,600,000	4,106,050
Clean Harbors Inc 5.125% 01/06/2021	4,000,000	4,079,500
Trionista TopCo GmbH 6.875% 30/04/2021	3,000,000	3,993,195
SoftBank Corp 4.500% 15/04/2020	4,000,000	3,968,500
JPMorgan Chase & Co 5.150% 29/12/2049	4,500,000	3,965,625
McGraw-Hill Global Education Holdings LLC 9.750% 01/04/2021	4,000,000	3,961,365
Holding Medi-Partenaires SAS 7.000% 15/05/2020	3,000,000	3,946,375
Hutchinson Whampoa Europe Finance 13 Limited 3.750% 05/10/2018	3,000,000	3,925,500
William Hill Plc 4.250% 05/06/2020	2,500,000	3,890,263
Unique Pub Finance Co Plc 6.542% 30/03/2021	2,500,000	3,880,003
Sirius XM Radio Inc 5.875% 01/10/2020	3,700,000	3,731,875
Whiting Petroleum Corp 5.000% 15/03/2019	3,700,000	3,700,000

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

HIGH YIELD GLOBAL BOND FUND (continued)

Largest Sales	Quantity	Value USD
Bombardier Inc 6.125% 15/05/2021	5,300,000	7,563,700
RWE AG 7.000% 12/10/2017	6,700,000	7,321,611
DISH DBS Corp 5.000% 15/03/2023	7,000,000	7,027,125
Reynolds Group Issuer Inc 5.750% 15/10/2020	6,500,000	6,525,000
Constellation Brands Inc 4.625% 01/03/2023	6,500,000	6,500,000
HealthSouth Corp 5.750% 01/11/2024	6,000,000	6,310,024
Enterprise Inns Plc 6.500% 06/12/2018	4,000,000	6,181,193
Bombardier Inc 6.125% 15/01/2023	5,200,000	5,710,044
Wendel S.A. 5.875% 17/09/2019	4,000,000	5,654,080
Infinis Plc 9.125% 15/12/2014	3,500,000	5,652,831
Peabody Energy Corp 6.000% 15/11/2018	5,200,000	5,613,183
New World Resources N.V. 7.375% 15/05/2015	3,750,000	5,159,518
TVN Finance Corp II A.B. 10.750% 15/11/2017	3,500,000	5,019,199
Catalyst Healthcare Manchester Financing Plc 3.191% 30/09/2040	3,000,000	4,979,833
ALBA Group Plc & Co KG 8.000% 15/05/2018	3,500,000	4,781,162
Virgin Media Finance Plc 4.875% 15/02/2022	4,500,000	4,615,688
Far East Capital Limited SA 8.000% 02/05/2018	5,000,000	4,591,381
BG Energy Capital Plc 6.500% 30/11/2072	4,000,000	4,479,667
William Hill Plc 7.125% 11/11/2016	2,550,000	4,423,572
McGraw-Hill Global Education Holdings LLC 9.750% 01/04/2021	4,000,000	4,388,106
ING Bank N.V. 0.963% 23/05/2016	4,400,000	4,225,645
FMG Resources August 2006 Pty Limited 6.000% 01/04/2017	4,000,000	4,177,667
UPC Holding B.V. 6.375% 15/09/2022	3,000,000	4,100,521
Clean Harbors Inc 5.125% 01/06/2021	4,000,000	4,079,500
Boats Investments Netherlands B.V. 11.000% 31/03/2017	2,550,000	3,694,085
SSE Plc 5.625% 29/09/2049	3,500,000	3,609,375
Norcell Sweden Holding 2 A.B. 10.750% 29/09/2019	2,400,000	3,545,845
Penn Virginia Resource Partners LP 8.375% 01/06/2020	3,000,000	3,342,094
Wind Acquisition Finance S.A. 11.750% 15/07/2017	3,000,000	3,319,133
Guala Closures SpA 5.593% 15/11/2019	2,500,000	3,275,779
Elli Finance UK Plc 8.750% 15/06/2019	1,750,000	3,125,503
Nexans S.A. 4.250% 19/03/2018	2,300,000	3,057,772
Penn Virginia Resource Partners LP 8.375% 01/06/2020	3,000,000	3,028,875
Koninklijke KPN N.V. 7.000% 28/03/2073	3,000,000	3,021,369
Lafarge SA 4.750% 30/09/2020	2,200,000	2,990,142
Santos Finance Limited 8.250% 22/09/2070	2,000,000	2,957,371

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

GLOBAL OPPORTUNITIES FUND

Largest Purchases	Quantity	Value EUR
Italy (Republic of) 4.750% 15/09/2016	900,000	963,489
Spain (Kingdom of) 3.250% 30/04/2016	900,000	894,258
Ireland (Republic of) 4.500% 18/10/2018	200,000	207,920
Portugal (Republic of) 6.400% 15/02/2016	200,000	204,840
Unibal-Rodamco S.E.	421	65,932
Abengoa SA	6,060	18,054

Largest Sales	Quantity	Value EUR
Austria (Republic of) 3.800% 20/10/2013	1,920,000	1,992,632
Germany (Federal Republic) 1.750% 14/06/2013	1,920,000	1,953,711
Belgium (Government of) 4.000% 28/03/2013	1,840,000	1,866,785
Netherlands (Kingdom of) 4.250% 15/07/2013	1,720,000	1,792,960
Netherlands (Kingdom of) 0.000% 15/07/2013	1,720,000	1,720,024
Italy (Republic of) 4.750% 15/09/2016	900,000	971,153
Spain (Kingdom of) 3.250% 30/04/2016	900,000	936,863
Unibal-Rodamco S.E.	2,222	385,987
Simon Property Group Inc	2,431	307,329
Sun Hung Kai Properties	20,114	218,529
Ireland (Republic of) 4.500% 18/10/2018	200,000	217,468
Portugal (Republic of) 6.400% 15/02/2016	200,000	215,852
Sonae	78,600	56,217
Hammerson Plc	8,105	46,494
British Land Co Plc	6,700	44,549
Land Securities Group Plc	4,542	44,487
Immofinanz AG	14,550	44,093
Corio N.V.	1,222	40,757
Segro Plc	14,297	40,651
Indra Sistemas SA	4,000	39,583

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

ABSOLUTE RETURN BOND FUND

Largest Purchases	Quantity	Value GBP
United Kingdom Treasury 1.875% 22/11/2022	9,100,000	14,337,791
New Zealand (Government of) 5.500% 15/04/2023	20,500,000	11,859,924
United Kingdom Treasury 4.500% 07/12/2042	6,000,000	7,370,235
Belgium (Kingdom of) 2.250% 22/06/2023	8,000,000	6,515,650
Sweden (Kingdom of) 1.500% 13/11/2023	65,000,000	6,164,019
Germany (Federal Republic) 0.500% 23/02/2018	5,100,000	4,266,263
Australia (Commonwealth) 5.500% 21/04/2023	5,250,000	4,008,742
Sweden (Government of) 3.500% 01/06/2022	36,000,000	3,967,244
Deutsche Bank AG 1.407% 15/12/2015	2,979,000	2,911,868
E.ON International Finance B.V. 5.125% 27/01/2014	2,300,000	2,347,560
Volkswagen Financial Services N.V. 2.500% 07/10/2013	2,324,000	2,325,845
U.S. Treasury Note 1.625% 15/11/2022	3,800,000	2,293,352
SSE Plc 5.750% 05/02/2014	2,197,000	2,260,361
Vodafone Group Plc 4.625% 08/09/2014	2,073,000	2,174,622
National Grid Plc 6.125% 15/04/2014	2,066,000	2,150,324
Safeway Limited 6.500% 05/08/2014	2,005,000	2,131,358
Marks & Spencers Plc 5.625% 24/03/2014	2,059,000	2,126,579
American Express Credit Corp 5.375% 01/10/2014	2,000,000	2,100,880
National Westminster Bank Plc 7.875% 09/09/2015	1,840,000	1,979,132
Merrill Lynch & Co Inc 5.750% 12/12/2014	1,833,000	1,947,684
ITV Plc 5.375% 19/10/2015	1,728,000	1,844,078
Tesco Plc 5.000% 24/02/2014	1,741,000	1,790,189
Mondelez International Inc 5.375% 11/12/2014	1,660,000	1,778,156
ENW Capital Finance Plc 6.750% 20/06/2015	1,617,000	1,766,477
HSBC Capital Funding LP 5.369% 29/10/2049	2,000,000	1,749,993
Pearson Plc 7.000% 27/10/2014	1,581,000	1,722,698
Experian Finance Plc 5.625% 12/12/2013	1,660,000	1,696,886
Telefonica Emisiones SAU 5.888% 31/01/2014	1,650,000	1,686,193
GKN Holdings Plc 6.750% 28/10/2019	1,500,000	1,681,365
United Utilities Water Plc 6.125% 29/12/2015	1,450,000	1,599,191

Largest Sales	Quantity	Value GBP
United Kingdom Treasury 1.875% 22/11/2022	9,100,000	14,351,468
Australia (Commonwealth) 5.500% 21/04/2023	10,250,000	8,333,927
United Kingdom Treasury 4.500% 07/12/2042	6,000,000	7,384,229
Sweden (Kingdom of) 4.500% 12/08/2015	59,000,000	6,109,765
Sweden (Kingdom of) 1.500% 13/11/2023	65,000,000	5,689,899
Germany (Federal Republic) 0.500% 23/02/2018	5,100,000	4,392,585
Sweden (Government of) 3.500% 01/06/2022	36,000,000	4,207,180
New Zealand (Government of) 5.500% 15/04/2023	6,500,000	3,980,588
U.S. Treasury Note 1.625% 15/08/2022	5,500,000	3,385,286
U.S. Treasury Note 1.625% 15/11/2022	3,800,000	2,463,672
Volkswagen Financial Services N.V. 2.500% 07/10/2013	2,324,000	2,324,000
Pacific Life Funding LLC 6.000% 16/08/2013	2,000,000	2,000,000
Deutsche Telekom International Finance B.V. 5.625% 19/07/2013	1,500,000	1,500,000

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

ABSOLUTE RETURN BOND FUND (continued)

Largest Sales (continued)	Quantity	Value GBP
ASIF III Jersey Limited 4.750% 11/09/2013	1,400,000	1,181,382
Nats En Route Plc 5.250% 31/03/2026	1,000,000	1,124,936
GE Capital UK Funding 5.875% 01/11/2012	1,110,000	1,110,000
United Kingdom Treasury 4.250% 07/12/2040	925,000	1,106,585
Fonterra Cooperative Group Limited 4.875% 11/04/2013	1,060,000	1,060,000
ANZ New Zealand International Limited 1.500% 17/12/2015	1,000,000	1,016,671
Barclays Bank Plc 10.125% 21/12/2017	1,000,000	1,000,000

GLOBAL EQUITY INCOME FUND

Largest Purchases	Quantity	Value USD
Chevron Corp	169,680	19,939,168
Roche Holdings AG-Genusschein	90,379	18,739,355
Pfizer Inc	655,552	17,854,898
Swedbank AB	741,439	15,353,069
Nestle S.A.	221,910	14,585,716
Australia & New Zealand Banking Group Limited	507,945	13,432,233
Vodafone Group Plc	3,659,335	13,248,485
Ageas	300,764	12,715,821
Harris Corp	254,303	12,695,933
Allianz SE	80,359	12,390,992
AbbVie Inc	336,676	12,031,743
Emerson Electric Co	225,499	11,903,816
Zurich Insurance Group AG	41,780	11,312,324
BASF SE	115,145	10,786,559
Daito Trust Construct Co Limited	107,600	10,498,608
Johnson & Johnson	138,510	10,351,797
Swiss Re AG	131,261	9,787,813
Philip Morris International Inc	111,145	9,742,809
Maxim Integrated Products	325,582	9,621,159
Telenor ASA	446,635	9,256,026
Mattel Inc	232,478	8,767,467
Taiwan Semiconductor Manufacturing Co Limited	475,600	8,456,565
Reynolds American Inc	186,045	8,185,349
McDonald's Corp	85,260	7,913,622
Eni SpA	321,180	7,760,301
CI Financial Corp	278,058	7,561,725
China Mobile Limited	662,500	7,389,832
IGM Financial Inc	168,113	7,365,690
Prudential Plc	485,055	7,360,703
Coca-Cola Co	191,805	7,141,127
Lockheed Martin Corp	73,740	7,122,989
Procter & Gamble Co	92,279	7,058,776
Bayerische Motoren Werke AG	72,440	6,830,916
Anheuser-Busch InBev N.V.	73,615	6,374,857
BOC Hong Kong Holdings Limited	1,878,000	6,018,370
Seadrill Limited	156,540	5,948,618

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements
for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

GLOBAL EQUITY INCOME FUND (continued)

Largest Purchases	Quantity	Value USD
British Sky Broadcasting Group Plc	472,655	5,916,601
Metso OYJ	135,616	5,901,196
Deutsche Post AG	255,510	5,776,976
Atlas Copco AB	210,525	5,699,286
ProSiebenSat.1 Media AG	208,180	5,695,477
Industrial & Commercial Bank of China Limited	7,778,000	5,641,882
Moneysupermarket.com Group Plc	1,874,368	5,494,495
Swedish Match AB	151,560	5,377,412
United Parcel Service	70,200	5,371,516
Axiata Group Bhd	2,415,800	5,256,482
Telefonica Deutschland Holding AG	623,388	4,672,302
Keppel Corp Limited	517,000	4,655,068

Largest Sales	Quantity	Value USD
Zurich Insurance Group AG	78,081	20,300,726
China Mobile Limited	1,164,392	12,626,057
United Parcel Service	138,928	11,590,243
Sampo OYJ	253,351	8,475,393
Coca-Cola Co	191,805	7,974,349
Procter & Gamble Co	92,279	7,382,144
Abbott Laboratories	105,026	7,300,931
Prosieben Sat.1 Media	208,180	6,241,344
National Australia Bank Limited	216,077	5,784,597
United Overseas Bank Limited	307,163	4,842,509
Intel Corp	215,456	4,475,664
Novartis AG	64,062	3,857,606
Hasbro Inc	98,287	3,670,826
Harris Corp	70,328	3,475,660
Microchip Technology Inc	104,844	3,353,633
Vodafone Group Plc	1,315,942	3,347,868
Swedish Match AB	101,342	3,256,429
Reynolds American Inc	61,648	2,516,445
Philip Morris International Inc	27,901	2,457,504
Taiwan Semiconductor Manufacturing Co Limited	133,600	2,117,452

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 OCTOBER 2013 (continued)

A full analysis of the movement on the Portfolio is available upon request.

ACTIVE LONG DATED BOND FUND

Largest Purchases	Quantity	Value GBP
United Kingdom Treasury 1.250% 22/11/2017	2,280,000	3,396,917
Network Rail Infrastructure Finance Plc 4.750% 29/11/2035	2,310,000	2,792,497
United Kingdom Treasury 2.500% 26/07/2016	760,000	2,629,676
United Kingdom Treasury 1.125% 22/11/2037	1,560,000	2,456,110
United Kingdom Treasury 2.500% 16/04/2020	630,000	2,379,888
United Kingdom Treasury 1.875% 22/11/2022	1,520,000	2,360,686
United Kingdom Treasury 2.500% 17/07/2024	660,000	2,276,472
United Kingdom Treasury 1.250% 22/11/2027	1,370,000	2,190,123
U.S. Treasury Note 0.750% 15/02/2042	3,000,000	2,113,922
United Kingdom Treasury 4.250% 07/12/2055	1,670,000	2,023,873
United Kingdom Treasury 0.375% 22/03/2062	1,540,000	1,885,822
United Kingdom Treasury 0.625% 22/03/2040	1,410,000	1,876,638
United Kingdom Treasury 1.250% 22/11/2032	1,240,000	1,822,087
United Kingdom Treasury 2.000% 26/01/2035	880,000	1,815,968
United Kingdom Treasury 2.500% 16/08/2013	610,000	1,707,390
European Investment Bank 5.625% 07/06/2032	1,185,000	1,564,905
United Kingdom Treasury 0.750% 22/11/2047	1,030,000	1,533,581
United Kingdom Treasury 4.125% 22/07/2030	470,000	1,519,792
United Kingdom Treasury 0.500% 22/03/2050	1,090,000	1,480,714
United Kingdom Treasury 0.625% 22/11/2042	1,060,000	1,469,830

Largest Sales	Quantity	Value GBP
United Kingdom Treasury 4.250% 07/12/2055	1,670,000	2,021,086
United Kingdom Treasury 2.500% 16/08/2013	610,000	1,706,959
U.S. Treasury Note 0.750% 15/02/2042	3,000,000	1,610,056
AA Bond Co Limited 6.269% 31/07/2025	800,000	832,184
Statoil ASA 6.875% 11/03/2031	533,000	731,801
United Kingdom Treasury 2.500% 26/07/2016	200,000	701,226
Thames Water Utilities Cayman Finance Limited 5.750% 13/09/2030	615,000	700,333
United Kingdom Treasury 4.000% 07/03/2022	560,000	658,905
KFW 5.500% 18/06/2025	338,000	454,921
ABP Finance Plc 6.250% 14/12/2026	372,000	433,070
Telecom Italia SpA 5.875% 19/05/2023	400,000	410,881
United Kingdom Treasury 1.250% 22/11/2017	280,000	407,138
Barclays Bank Plc 10.000% 21/05/2021	300,000	403,168
Network Rail Infrastructure Finance Plc 4.750% 29/11/2035	310,000	373,118
United Kingdom Treasury 4.250% 07/06/2032	300,000	337,135
United Kingdom Treasury 1.250% 22/11/2055	160,000	309,201
Scottish Widows Plc 5.500% 16/06/2023	300,000	301,465
United Kingdom Treasury 5.000% 07/03/2025	200,000	264,203
United Kingdom Treasury 0.750% 22/03/2034	200,000	254,905
Rio Tinto Finance Plc 4.000% 11/12/2029	252,000	250,096
JP Morgan Chase & Co 3.500% 18/12/2026	248,000	247,141
APT Pipelines Limited 4.250% 26/11/2024	233,000	241,135

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Global Derivative Exposure (Unaudited)

The Investment Manager has assessed the risk profiles of the Fund's on the basis of the Investment policy, strategy and the use of Financial Derivative Instruments. Based on the risk profile, the Investment Manager has determined that the method for the calculation of the global exposure to financial derivative instruments for all Funds will be the Value-at-Risk ("VaR") approach.

Value at Risk (VaR), as a figure, is the maximum loss not exceeded with a given probability defined as the confidence level, over a given period of time. VaR is widely applied in finance for quantitative risk management for many types of risk.

The manager reviews the levels of investment risk on a no less than monthly basis, with particular emphasis on VaR and leverage, where the latter exists. The Strategic Global Bond Fund, the Investment Grade Global Bond Fund, the High Yield Global Bond Fund, the Global Opportunities Fund, the Absolute Return Bond Fund and the Active Long Dated Bond Fund use the absolute VaR approach. The Global Equity Income uses the relative VaR approach.

VaR has three parameters:

- The time horizon (period) of the VaR. The maximum loss is considered over this period. Typical periods using VaR are 1 day, 10 days, or 1 month.
- The confidence level is the interval estimate in which the VaR would not be expected to exceed the maximum loss. Commonly used confidence levels are 99% and 95%. (Confidence levels are not indications of probabilities.) Here a 99% confidence interval is used.
- Calculation methods used are parametrical (variance-covariance approach), historical or Monte Carlo. In this case the investment manager has utilised the historical approach.

Limitations

Whilst VaR is a good general risk measure it is acknowledged it does have certain limitations, including:

- The measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk positions held at any other time.
- VaR is a statistical estimation and therefore it is possible that there could be, in any period, a greater number of days in which losses could exceed the calculated VaR than implied by the confidence level.
- Although losses are not expected to exceed the calculated VaR on 99% of occasions, on the other 1% of occasions losses will be greater and might be substantially greater than the calculated VaR
- The period over which positions are expected to be held may differ and so will the modelled losses incurred.
- A look back period of 5 year means that any return that has not been evidenced in this time period will not be present in the distribution.

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements for the year ended 31 October 2013

Global Derivative Exposure (Unaudited) (continued)

	VaR Level	Confidence Interval (%)	Holding Period	VaR (%)	VaR Amount
Strategic Global Bond Fund	20%	99%	1 month	2.8%	17,558,829
Investment Grade Global Bond Fund	20%	99%	1 month	4.6%	6,075,641
High Yield Global Bond Fund	20%	99%	1 month	3.7%	16,687,371
Global Opportunities Fund	20%	99%	1 month	N/A	N/A
Absolute Return Bond Fund	10%	99%	1 month	1.2%	1,457,185
Active Long Dated Bond Fund	20%	99%	1 month	6.0%	6,988,057

Relative VaR (VaR of the Fund divided by the VaR of the Benchmark*) is as follows:

	VaR Level	Confidence Interval (%)	Holding Period	VaR (%)	VaR Amount
Global Equity Income Fund	200% of benchmark VaR	99%	1 month	-	0.99

The following table details the lowest, highest and average utilisation of the VaR limit:

	Lowest Utilisation (%)	Highest Utilisation (%)	Average Utilisation (%)
Strategic Global Bond Fund	5.5%	52.4%	22.0%
Investment Grade Global Bond Fund	7.5%	42.9%	22.0%
High Yield Global Bond Fund	6.2%	97.5%	41.0%
Global Opportunities Fund	0.0%	42.2%	28.4%
Absolute Return Bond Fund	2.8%	27.2%	12.5%
Global Equity Income Fund	41.5%	51.5%	47.3%
Active Long Dated Bond Fund	11.2%	45.4%	34.2%

Leverage is calculated as the sum of the notionals of the derivatives used. The average level of leverage employed during the year was as follows:

	Level of Leverage
Strategic Global Bond Fund	305%
Investment Grade Global Bond Fund	198%
High Yield Global Bond Fund	218%
Global Opportunities Fund	643%
Absolute Return Bond Fund	246%
Global Equity Income Fund	101%
Active Long Dated Bond Fund	187%

* The benchmark for the Global Equity Income Fund is the MSCI World AC Index.

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

On-Going Charges (Unaudited)

Outlined below are the on-going charges for the year ended 31 October 2013 on a fund by fund basis:

On-Going Charge %

On-going charge

Strategic Global Bond Fund

Class A EUR (Income) Hedged	1.36%
Class A GBP (Income) Hedged	1.37%
Class B EUR (Income) Hedged	0.85%
Class B GBP (Income) Hedged	0.85%
Class B US Dollar (Income)	0.85%
Class A CHF (Accumulating) Hedged	1.36%
Class A EUR (Accumulating) Hedged	1.37%
Class A GBP (Accumulating) Hedged	1.39%
Class A US Dollar (Accumulating)	1.35%
Class B GBP (Accumulating) Hedged	0.89%
Class B SGD (Accumulating) Hedged	0.89%

Investment Grade Global Bond Fund

Class A EUR (Income) Hedged	1.44%
Class A GBP (Income) Hedged	1.42%
Class A US Dollar (Income)	1.40%
Class B US Dollar (Income)	0.91%
Class A EUR (Accumulating) Hedged	1.44%
Class A US Dollar (Accumulating)	1.41%
Class B EUR (Accumulating) Hedged	0.91%
Class B GBP (Accumulating) Hedged	0.91%

High Yield Global Bond Fund

Class A EUR (Income) Hedged	1.39%
Class A GBP (Income) Hedged	1.37%
Class A US Dollar (Income)	1.35%
Class B EUR (Income) Hedged	0.88%
Class B GBP (Income) Hedged	0.86%
Class B US Dollar (Income)	0.86%
Class A CHF (Accumulating) Hedged	1.36%
Class A EUR (Accumulating) Hedged	1.41%
Class A US Dollar (Accumulating)	1.36%
Class B EUR (Accumulating) Hedged	0.89%
Class B GBP (Accumulating) Hedged	0.86%

Absolute Return Bond Fund

Class A EUR (Accumulating) Hedged	1.31%
Class A US Dollar (Accumulating) Hedged	1.32%
Class B EUR (Accumulating) Hedged	0.81%
Class B GBP (Accumulating)	0.76%
Class B US Dollar (Accumulating) Hedged	0.79%
Class C EUR (Accumulating) Hedged	0.62%
Class C GBP (Accumulating)	0.64%

Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

On-Going Charges (Unaudited) (continued)

Outlined below are the on-going charges for the year ended 31 October 2013 on a fund by fund basis:

On-Going Charge %

On-going charge

Global Equity Income Fund

Class A EUR (Income)	1.35%
Class B EUR (Income)	0.80%
Class B GBP (Income)	0.84%
Class B US Dollar (Income)	0.84%
Class C GBP (Income)	0.61%
Class C US Dollar (Income)	0.64%
Class A EUR (Accumulating)	1.35%
Class A US Dollar (Accumulating)	1.35%
Class B EUR (Accumulating) Hedged	0.85%
Class B EUR (Accumulating)	0.80%
Class B GBP (Accumulating)	0.85%
Class B US Dollar (Accumulating)	0.84%
Class C US Dollar (Accumulating)	0.65%

Active Long Dated Bond Fund

Class B GBP (Accumulating)	0.89%
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Kames Capital Investment Company (Ireland) Plc
Annual Report and Audited Financial Statements
for the year ended 31 October 2013

Portfolio Turnover Ratios (Unaudited)

Outlined below are portfolio turnover rates for the year ended 31 October 2013 on a fund by fund basis:-

	PTR
Strategic Global Bond Fund	169.74%
Investment Grade Global Bond Fund	137.36%
High Yield Global Bond Fund	59.09%
Absolute Return Bond Fund	252.90%
Global Equity Income Fund	5.94%
Active Long Dated Bond Fund	29.20%

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Performance Figures (Unaudited)

Outlined below are performance figures for the year ended 31 October 2013 including benchmark comparatives:

	31/10/2012 To 31/10/2013	08/11/2007 To 31/10/2013	21/04/2010 To 31/10/2013	17/06/2011 To 31/10/2013	30/09/2011 To 31/10/2013	07/02/2012 To 31/10/2013	28/09/2012 To 31/10/2013	Launch
Name	Return	Return	Return	Return	Return	Return	Return	Date
Kames Investment Grade Global Bond A Inc EUR Hedged	1.60	5.76	-	-	-	-	-	08/11/2007
Barclays Global Aggregate Corp TR EURH	0.76	5.52	5.44	5.39	5.95	4.84	1.73	
Kames Investment Grade Global Bond A Acc GBP Hedged	3.10	-	-	5.56	-	-	-	17/06/2011
Kames Investment Grade Global Bond A Inc GBP Hedged	2.40	5.95	-	-	-	-	-	08/11/2007
Barclays Global Aggregate Corp TR GBP Hedged	1.17	5.93	5.62	5.64	6.32	5.23	2.15	
Kames Investment Grade Global Bond A Inc USD	2.43	5.94	-	-	-	-	-	08/11/2007
Kames Investment Grade Global Bond B Inc USD	3.16	-	5.22	-	-	-	-	21/04/2010
Barclays Global Aggregate Corp TR USDH	1.03	5.61	5.50	5.51	6.19	5.08	2.02	
Kames Absolute Return Bond B EUR Acc Hedged	0.54	-	-	-	1.62	-	-	30/09/2011
EURIBOR 3 Months	0.21	1.63	0.79	0.69	0.57	0.39	0.21	
Kames Absolute Return Bond B GBP Acc	1.46	-	-	-	2.38	-	-	30/09/2011
Kames Absolute Return Bond C GBP Acc	1.61	-	-	-	-	2.10	-	07/02/2012
LIBOR GBP 3 Months	0.51	1.81	0.75	0.75	0.73	0.67	0.52	
Kames Absolute Return Bond B USD Acc Hedged	1.00	-	-	-	1.98	-	-	30/09/2011
LIBOR USD 3 Months	0.28	0.98	0.36	0.36	0.38	0.35	0.29	
Kames Global Equity Income B Acc EUR Hedged	21.29	-	-	-	-	-	18.30	28/09/2012
MSCI AC World TR EUR	18.14	3.52	9.45	13.68	20.61	13.62	15.07	
MSCI AC World TR GBP	24.29	6.93	8.61	11.55	19.60	14.56	21.61	
Kames Global Equity Income B Acc USD	24.02	-	-	-	-	-	20.82	28/09/2012
Kames Global Equity Income B Inc USD	24.00	-	-	-	-	-	20.81	28/09/2012
Kames Global Equity Income C Acc USD	24.27	-	-	-	-	-	21.06	28/09/2012
Kames Global Equity Income C Inc USD	24.29	-	-	-	-	-	21.08	28/09/2012
MSCI AC World TR USD	23.95	2.19	9.91	11.26	21.38	15.36	21.05	

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Performance Figures (Unaudited) (continued)

	05/12/2012 To 31/10/2013	19/02/2013 To 31/10/2013	25/06/2013 To 31/10/2013	30/09/2013 To 31/10/2013	07/10/2013 To 31/10/2013	29/10/2013 To 31/10/2013	Launch
Name	Return	Return	Return	Return	Return	Return	Date
Kames Investment Grade Global Bond A Acc EUR Hedged	-	0.97	-	-	-	-	19/02/2013
Kames Investment Grade Global Bond B Acc EUR Hedged	1.79	-	-	-	-	-	05/12/2012
Barclays Global Aggregate Corp TR EURH	0.32	0.94	3.29	1.36	1.20	0.03	
Barclays Global Aggregate Corp TR GBP Hedged	0.68	1.27	3.44	1.41	1.23	0.02	
Kames Investment Grade Global Bond A Acc USD	-	1.31	-	-	-	-	19/02/2013
Barclays Global Aggregate Corp TR USDH	0.56	1.14	3.40	1.38	1.21	0.02	
Kames Absolute Return Bond A EUR Acc Hedged	-	0.33	-	-	-	-	19/02/2013
Kames Absolute Return Bond C EUR Acc Hedged	-	-	0.45	-	-	-	25/06/2013
EURIBOR 3 Months	0.19	0.15	0.08	0.02	0.01	0.00	
LIBOR GBP 3 Months	0.46	0.36	0.18	0.04	0.03	0.00	
Kames Absolute Return Bond A USD Acc Hedged	-	0.69	-	-	-	-	19/02/2013
Kames Absolute Return Bond C USD Acc Hedged	-	-	-	-	-	(0.05)	29/10/2013
LIBOR USD 3 Months	0.25	0.19	0.09	0.02	0.02	0.00	
Kames Global Equity Income A Acc EUR	-	-	-	-	4.57	-	07/10/2013
Kames Global Equity Income A Inc EUR	-	-	-	-	4.57	-	07/10/2013
Kames Global Equity Income B Acc EUR	-	-	-	-	4.60	-	07/10/2013
Kames Global Equity Income B Inc EUR	-	-	-	-	4.60	-	07/10/2013
MSCI AC World TR EUR	17.41	11.19	10.29	3.59	4.07	0.63	
Kames Global Equity Income B Acc GBP	-	-	-	-	5.29	-	07/10/2013
Kames Global Equity Income B Inc GBP	-	-	-	-	5.29	-	07/10/2013
Kames Global Equity Income C Inc GBP	-	-	-	5.38	-	-	30/09/2013
MSCI AC World TR GBP	22.35	8.79	9.96	4.87	4.34	-0.70	
Kames Global Equity Income A Acc USD	-	13.78	-	-	-	-	19/02/2013
MSCI AC World TR USD	22.14	13.18	14.68	4.04	4.25	-0.65	

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Performance Figures (Unaudited) (continued)

	31/10/2012 To 31/10/2013	08/11/2007 To 31/10/2013	21/04/2010 To 31/10/2013	15/12/2010 To 31/10/2013	20/12/2010 To 31/10/2013	27/04/2011 To 31/10/2013	05/09/2011 To 31/10/2013	28/11/2011 To 31/10/2013	Launch Date
Name	Return	Return	Return	Return	Return	Return	Return	Return	
Kames Strategic Global Bond A Acc CHF Hedged	1.79	-	-	-	-	3.57	-	-	27/04/2011
Barclays Global Aggregate TR CHF Hedged	0.68	3.92	3.48	3.86	3.67	3.96	2.76	3.55	
Kames Strategic Global Bond A Acc EUR Hedged	1.83	-	-	-	-	-	5.28	-	05/09/2011
Kames Strategic Global Bond A Inc EUR Hedged	1.78	7.69	-	-	-	-	-	-	08/11/2007
Kames Strategic Global Bond B Inc EUR Hedged	2.27	8.17	-	-	-	-	-	-	08/11/2007
Barclays Global Aggregate TR EUR Hedged	0.89	4.76	4.07	4.45	4.26	4.52	3.14	3.87	
Kames Strategic Global Bond A Acc GBP Hedged	2.41	-	-	-	-	-	5.73	-	05/09/2011
Kames Strategic Global Bond A Inc GBP Hedged	2.22	-	-	5.27	-	-	-	-	15/12/2010
Kames Strategic Global Bond B Acc GBP Hedged	2.95	-	-	-	-	-	-	-	12/04/2012
Kames Strategic Global Bond B Inc GBP Hedged	2.76	8.37	-	-	-	-	-	-	08/11/2007
Barclays Global Aggregate TR GBP Hedged	1.29	5.19	4.23	4.62	4.43	4.73	3.49	4.25	
Barclays Global Aggregate USD TR USDH	1.15	4.64	4.00	4.37	4.17	4.48	3.26	4.05	
Kames Strategic Global Bond A Acc USD	2.42	-	-	-	-	-	5.71	-	05/09/2011
Kames Strategic Global Bond B Inc USD	2.84	8.11	-	-	-	-	-	-	08/11/2007
Barclays Global Aggregate USD TR USDH	1.15	4.64	4.00	4.37	4.17	4.48	3.26	4.05	
Kames High Yield Global Bond A Acc CHF Hedged	7.31	-	-	-	-	-	-	-	22/06/2012
Barclays Global High Yield TR CHF Hedged	8.09	8.46	8.91	8.77	8.82	7.88	10.81	13.58	
Kames High Yield Global Bond A Acc EUR Hedged	7.55	-	-	-	-	-	-	-	16/05/2012
Kames High Yield Global Bond A Inc EUR Hedged	7.37	8.37	-	-	-	-	-	-	08/11/2007
Kames High Yield Global Bond B Acc EUR Hedged	8.08	-	-	-	-	-	-	-	15/05/2012
Kames High Yield Global Bond B Inc EUR Hedged	7.97	-	-	-	-	-	-	-	12/12/2011
Barclays Global High Yield TR EUR Hedged	8.22	9.08	9.51	9.51	9.56	8.60	11.37	13.87	
Kames High Yield Global Bond A Inc GBP Hedged	7.97	8.71	-	-	-	-	-	-	08/11/2007
Kames High Yield Global Bond B Acc GBP Hedged	8.68	-	-	-	-	-	-	14.63	28/11/2011
Kames High Yield Global Bond B Inc GBP Hedged	8.48	-	-	-	9.78	-	-	-	20/12/2010
Barclays Global High Yield TR GBP Hedged	8.78	9.48	9.90	9.82	9.87	8.96	11.94	14.42	
Kames High Yield Global Bond A Inc USD	8.05	8.38	-	-	-	-	-	-	08/11/2007
Kames High Yield Global Bond B Inc USD	8.62	-	9.43	-	-	-	-	-	21/04/2010
Barclays Global High Yield TR USDH	8.62	9.86	9.91	9.87	9.94	9.07	12.09	14.34	

Kames Capital Investment Company (Ireland) Plc

Annual Report and Audited Financial Statements

for the year ended 31 October 2013

Performance Figures (Unaudited) (continued)

	12/12/2011 To 31/10/2013	12/04/2012 To 31/10/2013	15/05/2012 To 31/10/2013	16/05/2012 To 31/10/2013	22/06/2012 To 31/10/2013	14/11/2012 To 31/10/2013	15/01/2013 To 31/10/2013	12/02/2013 To 31/10/2013	Launch
Name	Return	Return	Return	Return	Return	Return	Return	Return	Date
Barclays Global Aggregate TR CHF Hedged	3.18	2.56	2.18	2.17	2.05	0.38	-	0.80	12/04/2012
Barclays Global Aggregate TR EUR Hedged	3.48	2.83	2.46	2.44	2.31	0.58	-	0.93	
Kames Strategic Global Bond B Acc GBP Hedged	-	6.03	-	-	-	-	-	-	12/02/2013
Barclays Global Aggregate TR GBP Hedged	3.87	3.21	2.84	2.83	2.70	0.96	-	1.23	
Kames Strategic Global Bond B Acc SGD Hedged	-	-	-	-	-	-	-	1.68	
Barclays Global Aggregate USD TR USDH	3.68	3.04	2.67	2.66	2.57	0.83	-	1.11	
Barclays Global Aggregate USD TR USDH	3.68	3.04	2.67	2.66	2.57	0.83	-	1.11	
Kames High Yield Global Bond A Acc CHF Hedged	-	-	-	-	10.62	-	-	-	22/06/2012
Barclays Global High Yield TR CHF Hedged	12.69	10.65	10.61	11.00	11.59	8.16	-	4.28	
Kames High Yield Global Bond A Acc EUR Hedged	-	-	-	10.42	-	-	-	-	16/05/2012
Kames High Yield Global Bond B Acc EUR Hedged	-	-	10.53	-	-	-	-	-	15/05/2012
Kames High Yield Global Bond B Inc EUR Hedged	13.09	-	-	-	-	-	-	-	12/12/2011
Barclays Global High Yield TR EUR Hedged	12.98	10.88	10.84	11.22	11.80	8.30	-	4.36	
Barclays Global High Yield TR GBP Hedged	13.52	11.42	11.39	11.77	12.34	8.83	-	4.73	
Kames High Yield Global Bond A Acc USD	-	-	-	-	-	7.90	-	-	14/11/2012
Barclays Global High Yield TR USDH	13.49	11.41	11.38	11.75	12.23	8.67	-	4.59	
Kames Active Long Dated Bond B Acc GBP	-	-	-	-	-	-	1.15	-	15/01/2013
iBoxx Sterling Non-Gilts	-	-	-	-	-	-	-0.65	-	
FTSE Index Link All Stocks	-	-	-	-	-	-	-0.65	-	

Past performance does not guarantee future returns. The rates of return will vary and the principal value of an investment will fluctuate. Shares, if redeemed, may be worth more or less than their original cost. The performance data does not take account of the commissions and costs incurred on the issue and redemption of Shares. All returns are calculated in the base currency of the relevant Share Class.

Kames Capital Investment Company (Ireland) plc, is an umbrella type open-ended investment company with variable capital registered in the Republic of Ireland (Company Number 442106), registered office at 25-28 North Wall Quay, International Financial Services Centre, Dublin 1. Board of Directors: Andrew Bell (UK), Mike Kirby (Ireland) and Bronwyn Wright (Ireland). Kames Capital Investment Company (Ireland) plc is regulated by the Central Bank of Ireland.

Kames Capital is an Aegon Asset Management company and includes Kames Capital plc (Company Number SC113505) and Kames Capital Management Limited (Company Number SC212159). Both are registered in Scotland and have their registered office at Kames House, 3 Lochside Crescent, Edinburgh, EH12 9SA. Kames Capital plc is authorised and regulated by the Financial Conduct Authority, (FCA reference no: 144267). Kames Capital plc is the Investment Manager and Marketing Agent for Kames Capital Investment Company (Ireland) plc. Kames Capital Management Limited is an appointed representative of Scottish Equitable plc (Company Number SC144517), an Aegon company, whose registered office is 1 Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE (PRA/FCA reference no: 165548).