

# Proposed Scheme of Arrangement

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken please consult your financial adviser or other professional adviser immediately.

PROPOSED  
SCHEME OF ARRANGEMENT

FOR THE MERGER OF

ABERDEEN UK OPPORTUNITIES EQUITY FUND

(a sub-fund of Aberdeen Investment Funds ICVC III, a UK authorised umbrella investment company with variable capital)

WITH

ABERDEEN UK EQUITY FUND

(a sub-fund of Aberdeen Investment Funds ICVC, a UK authorised umbrella investment company with variable capital)

This document contains a Notice of Meeting of Shareholders of Aberdeen UK Opportunities Equity Fund. The Meeting is to be held at the offices of Aberdeen Fund Managers Limited, 10 Queen's Terrace, Aberdeen AB10 1YG on Thursday 25 June 2015 at 10:15 am.

If you wish to appoint a proxy, you are requested to return the enclosed Form of Proxy in the envelope provided to arrive no later than 10:15 am on Tuesday 23 June 2015.

# Proposed Scheme of Arrangement

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To: Shareholders of Aberdeen UK Opportunities Equity Fund (the “**Merging Fund**”), a sub-fund of Aberdeen Investment Funds ICVC III

5 June 2015

Dear Shareholder:

**Proposal for a scheme of arrangement for the merger of the Merging Fund with Aberdeen UK Equity Fund (the “Continuing Fund”), a sub-fund of Aberdeen Investment Funds ICVC**

In this document, unless the context requires otherwise, the terms shall have the meaning set out in the Glossary at Appendix 1.

We are writing to you as a Shareholder in the Merging Fund to inform you of our plans to merge the Merging Fund with the Continuing Fund (the “**Merger Proposal**”) on Friday 10 July 2015 (the “**Effective Date**”), by way of the scheme of arrangement set out in Appendix 4 (the “**Scheme**”). Details of the Merger Proposal and the Scheme, together with details regarding the action you should take and the implications for you as a Shareholder, are set out in this document.

The merger requires the passing of a resolution at a meeting of Shareholders of the Merging Fund (the “**Meeting**”) and in this regard you are invited to vote. We believe that the Merger Proposal is in your best interests as a Shareholder. It is important that you exercise your right to vote and we urge you to **vote in favour** of the Merger Proposal.

**Background to the Merger Proposal**

The Merger Proposal represents the next step in a process of product range rationalisation being implemented following the Aberdeen Asset Management Group’s purchase of Scottish Widows Investment Partnership Group Limited (“SWIP”) from Lloyds Banking Group plc.

The purpose of rationalising the range of Aberdeen funds and former SWIP funds is to generate efficiencies in the management and marketing of products. This includes reducing the number of umbrella investment companies containing different sub-funds, as well as merging funds that pursue similar investment strategies. We believe that the implementation of the Merger Proposal will ultimately be to the benefit of Shareholders over time as a result of such rationalisation efficiencies.

In addition, each share class of the Continuing Fund benefits from a fixed rate of certain ongoing expenses following the introduction of a new expense charging mechanism in the Aberdeen Investment Funds ICVC umbrella investment company in February 2015. We believe this will benefit investors by enabling greater comparability of expenses, whilst offering protection to Shareholders from fluctuations in the level of the relevant expenses.

**Comparison of the Merging Fund and the Continuing Fund**

The investment objectives and policies of the Merging Fund and the Continuing Fund are similar in that both aim to provide capital growth through investment in UK securities.

Specifically, the Merging Fund aims to provide a stable and consistent return through direct and indirect investment mainly in United Kingdom securities. The Continuing Fund aims to provide capital growth through investment in companies registered in the United Kingdom, or companies which derive a significant proportion of their revenues or profits from the United Kingdom or have a significant proportion of their assets there.

Due to the similarity of investment objectives and policies, the risk profiles of the Merging Fund and the Continuing Fund are substantially similar.

Many of the principal features of the Merging Fund and the Continuing Fund are the same, but the way ongoing expenses are charged is different (as mentioned in Background to the Merger Proposal above). Whilst ongoing expense items currently charged to the Merging Fund can fluctuate, in the Continuing Fund a rate comprised of certain (but not all) ongoing expense items is fixed. We meet any excess in the amount of the covered ongoing expenses above the fixed rate, but we are entitled to retain any amount by which those expenses are less than the fixed rate. Shareholders will benefit from the fixed rate without any expected increase in the level of the relevant expenses that would otherwise apply immediately prior to the Scheme becoming effective.

**Aberdeen Fund Managers Limited**  
PO Box 9029 Chelmsford CM99 2WJ  
Customer Services 0845 300 2890 Broker Desk 0800 592 487 [aberdeen-asset.com](http://aberdeen-asset.com)

Authorised and regulated by the Financial Conduct Authority in the United Kingdom. Member of the Aberdeen Asset Management group of companies.  
Registered in England No. 740118. Registered Office Bow Bells House, 1 Bread Street, London EC4M 9HH.

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Another difference to note is in respect of the allocation of income. For the Merging Fund, the annual accounting period ends on 31 January and income is allocated on or before 31 March. For the Continuing Fund, the annual accounting period ends on 31 July and income is allocated on or before 31 October.

A comparison of the principal features of the Merging Fund and the Continuing Fund, including a comparison of the investment objectives and policies and more detail regarding the treatment of ongoing expenses, is set out in Appendix 2.

### Terms of the Merger Proposal

If the Merger Proposal is approved, on the Effective Date Shareholders will receive corresponding New Shares in the Continuing Fund of the same type as the Shares they currently hold (as set out below), in exchange for the transfer of the assets of the Merging Fund to the Continuing Fund on the terms set out in the Scheme. Shares in the Merging Fund will be deemed to have been cancelled and will cease to be of any value.

The classes of New Shares to be issued to Shareholders under the Merger Proposal are as follows:

Merging Fund			Continuing Fund		
Class of Shares	Type of Shares	ISIN code	Class of New Shares	Type of New Shares	ISIN code
Class A	net accumulation	GB0032143140	Class A	net accumulation	GB00B0LG6H52
	net income	GB00B24FW209		net income	GB00B0LG6G46
Class B	net accumulation	GB0032143694	Class I	net accumulation	GB00B0LG6K81
	net income	GB00B24FW316		net income	GB00B0LG6J76

Further details of the charges and other features that apply to holding Shares in the Continuing Fund are set out in Appendix 2.

### Distributions

In order to simplify the merger process, the final distribution to be paid or allocated in respect of the Merging Fund will be calculated prior to the Effective Date. The key dates are set out in Appendix 3.

For Shareholders who hold income Shares immediately prior to the Effective Date, any income available for distribution will be transferred to the distribution account of the Merging Fund and paid to them within two months of the Effective Date. For Shareholders who hold accumulation Shares immediately prior to the Effective Date, any income available for allocation will be transferred to the capital account of the Merging Fund and will be reflected in the value of New Shares issued to such holders of accumulation Shares.

### Procedure and timetable

The timetable of key dates in the implementation of the Scheme, including the passing of the resolution at the Meeting, is set out in Appendix 3. The procedure for the Meeting, which is to be held at 10:15 am on Thursday 25 June 2015, is set out in Appendix 6.

The Scheme itself is set out in Appendix 4, whilst details of the various consents that have been given or obtained in respect of the Merger Proposal are set out in Appendix 5.

The resolution to enable the implementation of the Merger Proposal is set out in the Notice of Meeting in Appendix 7. If approved, it is intended that the Scheme will become effective on the Effective Date, Friday 10 July 2015.

**Please note that if the resolution is passed, the Scheme will be binding on all Shareholders, whether or not they voted in favour of it, including whether or not they voted at all.** If you wish to sell Shares in the Merging Fund prior to the merger or do not wish to be a shareholder of the Continuing Fund, you must act to redeem your Shares before 12 noon on Thursday 9 July 2015.

### Costs

All of the costs of implementing the Merger Proposal, including the costs of convening and holding the meeting of Shareholders and of preparing associated documentation, will be paid by Aberdeen.

### Alterations to the Scheme

In accordance with the terms of the Scheme, the ACD may, on or before the Effective Date and subject to any FCA approvals which may be required, modify, add to or apply conditions to the Scheme as the ACD may propose and as the ACD, State Street and Natwest may agree provided that such modifications, additions or conditions do not involve any material prejudice to Shareholders.

## Tax implications

Based on our understanding of the current legislation and the current HM Revenue & Customs ("HMRC") practice relevant to investors resident in the United Kingdom, and on the basis of the tax clearances which have been obtained from HMRC in the United Kingdom, the merger will not constitute a disposal of Shares in the Merging Fund for United Kingdom capital gains tax purposes.

New Shares issued under the Scheme in the Continuing Fund will be deemed to have the same acquisition cost and acquisition date for the purposes of United Kingdom capital gains tax as the Shares originally acquired in the Merging Fund. Details of tax clearances which have been obtained are set out in Appendix 5. It is not expected that any United Kingdom stamp duty or stamp duty reserve tax will be payable in connection with the Scheme.

We believe the above information on taxation to be correct at the time of printing this letter. However, it relates solely to United Kingdom tax law and practice (which may change). Please note that the above information does not constitute tax or legal advice. We recommend that you consult an independent professional adviser to obtain specific advice relating to your personal circumstances, especially if you are not or may not be resident in the United Kingdom.

## Mandates and other instructions

If the Merger Proposal is approved, any mandates or other instructions which you have given in relation to your Shares will automatically apply to the New Shares issued to you under the Scheme.

If you would not want any mandates or other instructions which you have given to be carried forward, please let us know. You may of course change these mandates or instructions at any time.

## Dealing

If the Merger Proposal is approved, dealing in New Shares will begin at 9:00 am on Monday 13 July 2015, being the next business day following the Effective Date. You may deal in your New Shares before you receive the letter of notification confirming the allocation of New Shares to you. The procedures for buying, selling and switching New Shares are the same as those relating to Shares in the Merging Fund.

If you wish to sell Shares in the Merging Fund prior to the merger or do not wish to be a shareholder of the Continuing Fund, your redemption request must be received before 12 noon on Thursday 9 July 2015. **If you do this, you should note that such a redemption or switch will be treated as a disposal of Shares for tax purposes and you may be liable to tax on any gains arising from the redemption or switch of Shares.**

Please note that due to the rationalisation of the range of Aberdeen funds and former SWIP funds described above, if you switch your investment into another sub-fund in Aberdeen Investment Funds ICVC III, such sub-fund may at some point be subject to separate changes itself.

## Key Investor Information Document ("KIID")

A copy of the KIID relating to your New Shares of the Continuing Fund is available on our website at [www.aberdeen-asset.co.uk](http://www.aberdeen-asset.co.uk) or on request by contacting us on 0845 300 2890 between 9:00 am and 5:00 pm Monday to Friday. It is important that the KIID is read and understood before voting on the Merger Proposal.

## Availability of documents

Documents relating to the Merging Fund and the Continuing Fund, including the prospectuses and the most recent report and accounts, are available on our website at [www.aberdeen-asset.co.uk](http://www.aberdeen-asset.co.uk).

These documents, together with the instruments of incorporation of the Merging Fund and the Continuing Fund and a copy of the regulatory approval of the Scheme, are also available upon written request to Aberdeen Fund Managers Limited, PO Box 9029, Chelmsford, Essex CM99 2WJ.

## Results of the Meeting

We will confirm whether the Merger Proposal has been approved by publishing a notice on our website at [www.aberdeen-asset.co.uk](http://www.aberdeen-asset.co.uk) as soon as possible after the Meeting. You may also call us on 0845 300 2890 to obtain confirmation of the outcome of the Meeting.

## Action to be taken

**We believe that the Merger Proposal is in your best interests as a Shareholder of the Merging Fund and we urge you to vote in favour of the Merger Proposal at the Meeting.** To be passed, the resolution requires a majority in favour of not less than 75% of the total number of votes cast, so it is important that you exercise your right to vote.

Whether or not you intend to be present at the Meeting, please complete and return the enclosed Form of Proxy set out in Appendix 8 in the envelope provided to Aberdeen Fund Managers Limited c/o Unit 4B, Chelmsford Road Industrial Estate, Great Dunmow, Essex CM6 1HD, to arrive by no later than 10:15 am on Tuesday 23 June 2015. Completion and return of a Form of Proxy will not preclude you from attending the Meeting and voting in person if you so wish. In such circumstances, your Form of Proxy will be set aside and you should cast your votes when the poll is taken.

If, having completed and returned a Form of Proxy, you sell any of your Shares in the Merging Fund to which the relevant Form of Proxy relates before the Meeting, the Form of Proxy will not be counted in respect of those Shares and you will not be able to vote in respect of those Shares at the Meeting.

## Questions

If you have any questions concerning the Merger Proposal, please contact us on 0845 300 2890 between 9:00 am and 5:00 pm Monday to Friday. Please note that whilst we will be happy to take your calls and answer general queries, we are not able to provide you with financial advice. If you require financial advice, we recommend that you speak with a financial adviser.

Yours faithfully,



Alan Hawthorn  
For and on behalf of  
**ABERDEEN FUND MANAGERS LIMITED**

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## Appendix 1 Glossary

<b>Aberdeen</b>	the Aberdeen Asset Management PLC group of companies;
<b>ACD</b>	Aberdeen Fund Managers Limited, the authorised corporate director of the Companies;
<b>Class</b>	any class of shares of a Fund;
<b>Continuing Fund</b>	Aberdeen UK Equity Fund, a sub-fund of Aberdeen Investment Funds ICVC;
<b>Continuing Fund Value</b>	the value of the property of the Continuing Fund calculated in accordance with the instrument of incorporation of Aberdeen Investment Funds ICVC as at 12.01pm on Thursday 9 July 2015 based on the valuation of the scheme property at 12.01pm on Thursday 9 July 2015;
<b>Companies</b>	Aberdeen Investment Funds ICVC III and Aberdeen Investment Funds ICVC;
<b>Effective Date</b>	the effective date of the merger under the Scheme (expected to be Friday 10 July 2015) or such other time and/or date as may, prior to such other time and/or date, be agreed in accordance with the Scheme but in any event being not more than six months after Friday 10 July 2015;
<b>FCA</b>	the Financial Conduct Authority, or such other governmental, statutory or other authority or authorities as shall from time to time be the appropriate financial services regulator in the UK;
<b>FCA Rules</b>	the rules contained in the Collective Investment Schemes Sourcebook which forms part of the FCA Handbook of Rules and Guidance, as amended or re-enacted from time to time;
<b>Funds</b>	the Merging Fund and the Continuing Fund, and "Fund" shall mean either of them as the context requires;
<b>Group 2 Shares</b>	in respect of a distribution period, shares purchased during such distribution period and which are held at close of business at the end of such distribution period;
<b>Meeting</b>	the extraordinary general meeting of Shareholders of the Merging Fund convened by way of the notice set out in Appendix 7;
<b>Merging Fund</b>	Aberdeen UK Opportunities Equity Fund, a sub-fund of Aberdeen Investment Funds ICVC III;
<b>Merging Fund Value</b>	the value of the property of the Merging Fund calculated in accordance with the instrument of incorporation of Aberdeen Investment Funds ICVC III as at 12.01pm on Thursday 9 July 2015 based on the valuation of the scheme property at 12.01pm on Thursday 9 July 2015, as adjusted to include any income allocated to accumulation Shares in the Merging Fund in respect of the period ending at 12 noon on Thursday 9 July 2015, less (i) any income to be distributed to Shareholders of income Shares in the Merging Fund in respect of the period ending at 12 noon on Thursday 9 July 2015; and (ii) the Retained Amount; and as such value may be further adjusted pursuant to paragraph 5.3 of the Scheme;
<b>Merger Proposal</b>	the proposal to merge the Merging Fund with the Continuing Fund;
<b>Natwest</b>	National Westminster Bank plc, the depositary of Aberdeen Investment Funds ICVC (of which the Continuing Fund is a sub-fund);
<b>New Shares</b>	Shares of the appropriate class in the Continuing Fund to be issued under the Scheme;
<b>OEIC Regulations</b>	The Open-Ended Investment Companies Regulations 2001, as amended or supplemented from time to time;

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<b>Retained Amount</b>	an amount, which is calculated by the ACD (after consultation with State Street) to be necessary to meet the actual and contingent liabilities of the Merging Fund that are not transferred to the Continuing Fund at merger, and which is to be retained by State Street (as the depositary of the Merging Fund) for the purpose of discharging those liabilities;
<b>Regulations</b>	the FCA Rules and the OEIC Regulations;
<b>Scheme</b>	this scheme of arrangement, which for the avoidance of any doubt is a scheme of arrangement for the purposes of the FCA Rules, in its present form, subject to any modification, addition or condition made in accordance with this scheme of arrangement;
<b>Share</b>	any share of any Class of a Fund;
<b>Shareholder</b>	in relation to a Share or Shares of the Merging Fund the person or persons entered in the register as the shareholder of that Share or Shares on the date seven days before the scheme circular is mailed to such shareholder, but excluding any persons who are known to the ACD not to be shareholders at the time of mailing the scheme circular;
<b>State Street</b>	State Street Trustees Limited, the depositary of Aberdeen Investment Funds ICVC III (of which the Merging Fund is a sub-fund).



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## Appendix 2 Comparison of the principal features of the Merging Fund and the Continuing Fund

Feature	Merging Fund	Continuing Fund
Fund	Aberdeen UK Opportunities Equity Fund	Aberdeen UK Equity Fund
Type of Fund	UCITS	UCITS
Company	Aberdeen Investment Funds ICVC III	Aberdeen Investment Funds ICVC
IA Sector	UK All Companies	UK All Companies
Depository	State Street Trustees Limited	National Westminster Bank plc
Custodian	State Street Bank and Trust Company	BNP Paribas Securities Services, London branch
Dealing	Daily	Daily
Dealing Days	Monday to Friday (except for a bank holiday in England and Wales and other days at the ACD's discretion) being a day on which the London Stock Exchange is open for trading and other days at the ACD's discretion.	Any business day on which banks in London are open for business.
Deferred Redemption	The ACD may limit the total number of Shares that may be redeemed on any dealing day to a number representing not more than 10% of the Fund's net assets.	The ACD may limit the total number of Shares that may be redeemed on any dealing day to a number representing not more than 10% of the Fund's net assets.
Pricing	Single priced on a forward basis	Single priced on a forward basis
Valuation Point	12 noon	12 noon
Investment Objective and Policy	<p>To provide a stable and consistent return through direct and indirect investment mainly in United Kingdom securities.</p> <p>The Fund may also invest in other securities, convertibles, warrants, money market instruments, deposits, derivatives (for efficient portfolio management) and collective investment schemes.</p> <p>The Fund may be invested in a limited number of holdings.</p>	The objective of the Fund is to provide capital growth through investment in companies registered in the United Kingdom, or companies which derive a significant proportion of their revenues or profits from the United Kingdom or have a significant proportion of their assets there.
Investment Adviser	Aberdeen Asset Managers Limited	Aberdeen Asset Managers Limited
Base currency	GBP	GBP
Typical Investor Profile	The Fund provides exposure to a range of equity securities, principally of UK companies. The Fund may be suitable for investors seeking capital growth opportunities through equity investments and could be used to complement a diversified portfolio. The Fund is intended to be held by institutional and professional investors and by private investors and may be suitable for investors willing to accept a moderate level of risk. Potential investors in the Fund are advised to consult their professional investment advisers in respect of any investment decision in relation to the Fund. Due to the traditionally volatile nature of share prices, the Fund is aimed at investors with a medium to long-term investment horizon who will be able to hold the Fund for at least five years.	The Fund provides exposure to a range of UK stocks and may be suitable for investors seeking capital growth opportunities through equity investments. The Fund may be suitable for investors who are looking to invest in UK equities to complement a diversified portfolio of investments. The Fund is intended to be held by institutional and professional investors and by private investors and may be suitable for investors willing to accept a moderate level of risk. Potential investors in the Fund are advised to consult their professional investment advisers in respect of any investment decision in relation to the Fund. Due to the traditionally volatile nature of share prices and the individual economic and political risks associated with single-country investing, the Fund is aimed at investors with a medium to long-term investment horizon who will be able to hold the Fund for at least five years.
Derivatives	The Fund only uses derivatives for the purposes of efficient portfolio management (including hedging), although restricted to certain permitted transactions.	The Fund only uses derivatives for the purposes of efficient portfolio management (including hedging), as defined in the COLL sourcebook.
Investment in other collective investment schemes	Restricted to 10%	Restricted to 5%

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Feature	Merging Fund	Continuing Fund
Eligible securities and derivatives markets	Copies of the lists of the eligible markets applicable to Aberdeen Investment Funds ICVC III are available on request from the ACD.	Copies of the lists of the eligible markets applicable to Aberdeen Investment Funds ICVC are available on request from the ACD.
Share Classes and associated Annual Management Charge (AMC)	Class A share classes: 1.50% Class B share classes: 0.75%	Class A share classes: 1.50% Class I share classes: 0.75%
Ongoing expenses mechanism	<p>The expenses payable to the Depositary and the fees and expenses in respect of establishing and maintaining the Register and any plan registers and related functions cannot exceed the maximum rates set out in the prospectus.</p> <p>All other operating, administrative and servicing expenses which may be paid out of the property of the Merging Fund are not subject to any maximum amounts.</p>	<p>Certain ongoing operating, administrative and servicing expenses ("Operating, Administrative and Servicing Expenses") are fixed below applicable maximum rates for each share class of the Continuing Fund.</p> <p>The Operating, Administrative and Servicing Expenses comprise certain ongoing expenses charged to the Share Classes of the Continuing Fund in the ordinary course of business. The expenses within this charge include service provider fees and expenses payable to, for example, the Depositary, Custodian, Registrar, Auditors and other professional advisers to the Company, and regulatory fees. Also included are charges and expenses incurred in the maintenance of Aberdeen Investment Fund ICVC such as distribution of income, listing and publication of prices, annual or interim reports, shareholder servicing, as well as maintenance of documentation.</p> <p>The Operating, Administrative and Servicing Expenses do not include annual management charges (AMC) or certain other items specified in the Prospectus such as dilution levy, broker commission, fiscal charges (including stamp duty) and other transaction-related expenses, litigation expenses and exceptional legal, business or tax expenses incurred in order to protect shareholders' interests.</p> <p>The charges and expenses not included in the Operating, Administrative and Servicing Expenses will continue to be payable separately out of the assets of the Continuing Fund.</p>
Initial Investment Minima	Class A share classes: £1,000 Class B share classes: £1,000	Class A share classes: £500 Class I share classes: £500,000*  * Higher minimums will be waived for Shareholders of the Merging Fund.
Minimum subsequent purchase	Class A share classes: £1,000 Class B share classes: £1,000	Class A share classes: £100 Class I share classes: £10,000*  * Higher minimums will be waived for Shareholders of the Merging Fund.
Minimum partial redemption	Class A share classes: £1,000 Class B share classes: £1,000	All share classes: No minimum
Accounting income period end dates	31 January	31 July
Income payment / allocation dates	31 March	31 October*  * The first payment or allocation date in respect of New Shares will be 30 October 2015.
Statement dates	5 April; 5 October	5 April; 5 October
Ongoing charges figure (OCF)	Class A net accumulation: 1.65%* Class A net income: 1.65%* Class B net accumulation: 0.88%* Class B net income: 0.89%* * Figures as at 31 March 2015.	Class A net accumulation: 1.60%* Class A net income: 1.60%* Class I net accumulation: 0.85%* Class I net income: 0.85%* * Figures as at 31 March 2015.

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## Appendix 3 Timetable of the Scheme

Action	Date in 2015
Qualification date for Shareholder voting (record date)	Friday 29 May
Dispatch documentation to Shareholders	Friday 5 June
Proxy forms to be returned by	10:15 am on Tuesday 23 June
Meeting of Shareholders in Merging Fund	10:15 am on Thursday 25 June
Adjourned Meeting of Shareholders in Merging Fund (if required)	10:15 am on Thursday 2 July

Subject to the approval of Shareholders at the meeting on Thursday 25 June 2015 or any adjournment thereof:

Action	Date in 2015
Cut-off for receipt of deals in Merging Fund	12 noon on Thursday 9 July
Final valuation point of Merging Fund for the purposes of dealing	12 noon on Thursday 9 July
Suspension of dealing in Merging Fund	immediately after 12 noon on Thursday 9 July
Ex-date of final distribution for Merging Fund	12:01 pm on Thursday 9 July
Valuation point of Merging Fund for the purposes of the Scheme	12:01 pm on Thursday 9 July
<b>Effective Date of the Scheme</b>	<b>Friday 10 July</b>
Open for dealing in New Shares	9:00 am on Monday 13 July
Statement of shareholding in the Continuing Fund dispatched to Shareholders	Monday 20 July
End of annual accounting period for Continuing Fund (first after Effective Date)	Friday 31 July
Payment date of final distribution for Merging Fund	Tuesday 8 September
Distribution date for Continuing Fund (first after Effective Date)	Friday 30 October

Please note that these times and dates may differ if the ACD and State Street agree (after consultation with Natwest) that the Effective Date should be later than (although not more than six months later than) Friday 10 July 2015. Should any dates differ from those stated in the above timetable, Shareholders will be notified accordingly.

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## Appendix 4 Scheme of arrangement for the merger of the Merging Fund with the Continuing Fund

### 1. Definitions and Interpretation

- 1.1 In this Scheme, unless the context otherwise requires, the terms shall have the meaning set out in the Glossary to this document in Appendix 1. In addition, where relevant in the context, terms which are defined in the Regulations shall have the same meaning in this Scheme.
- 1.2 References to paragraphs are to paragraphs of the Scheme.
- 1.3 If there is any conflict between the Scheme and the respective instruments of incorporation or prospectuses of the Companies, the Scheme will prevail. If there is any conflict between the Scheme and the Regulations, the Regulations will prevail.

### 2. Approval of Shareholders

- 2.1 The merger of the Merging Fund is conditional upon the passing of an extraordinary resolution at an extraordinary general meeting of Shareholders, by which Shareholders approve the Scheme and authorise the implementation of the merger of the Merging Fund with the Continuing Fund.
- 2.2 If the extraordinary resolution is passed, the Scheme will be binding on all Shareholders (whether or not they voted in favour of it, or voted at all) and the Scheme will be implemented as set out in the following paragraphs.

### 3. Suspension of dealings in the Merging Fund

- 3.1 The last dealing in Shares of the Merging Fund will be at 12 noon on Thursday 9 July 2015. Instructions received after 12 noon on Thursday 9 July 2015 will be held over until the next valuation point of the Continuing Fund which will be 12:00 noon on Monday 13 July 2015 and will be deemed to apply to the New Shares issued following the merger.
- 3.2 In order to facilitate the implementation of the Scheme, dealings in Shares of the Merging Fund shall be suspended immediately after 12 noon on Thursday 9 July 2015.

### 4. Income allocation arrangements

- 4.1 The final distribution to be paid or allocated in respect of the Merging Fund will be calculated at 12 noon on Thursday 9 July 2015. This has been agreed with State Street, the depositary of the Merging Fund. If the Effective Date is other than Friday 10 July 2015, the ACD may, with the agreement of State Street, make such other alterations to the distribution dates of the Merging Fund as it considers appropriate in the circumstances.
- 4.2 Income (if any) available for distribution in respect of the current accounting period accruing to income Shares will be allocated to income Shares and transferred to the distribution account of the Merging Fund. Within two months of the Effective Date, this income will be distributed to Shareholders.
- 4.3 The actual and estimated income (if any) available for allocation in respect of the period from the end of the previous accounting period accruing to accumulation Shares shall be transferred to the capital account of the Merging Fund and allocated to accumulation Shares and shall be reflected in the value of those accumulation Shares. The income so allocated to those accumulation Shares shall be included in the Merging Fund Value.
- 4.4 Any distributions made pursuant to paragraph 4.2 (together with any interest arising on the distributions) which are unclaimed after the expiry of six years from the date of payment shall revert to the Continuing Fund.

### 5. Calculation of the Merging Fund Value and the Continuing Fund Value

- 5.1 The Merging Fund Value and the Continuing Fund Value will be calculated as at 12:01 pm on Thursday 9 July 2015.
- 5.2 The Merging Fund Value and the Continuing Fund Value will be used to calculate the number of New Shares to be issued to each Shareholder (under paragraphs 6 and 7 below).

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- 5.3 Since the administrator of the Merging Fund and the administrator of the Continuing Fund may use different pricing sources to value assets, the administrator of the Continuing Fund shall also calculate a value for the scheme property of the Merging Fund as at 12.01pm on Thursday 9 July 2015. Where, as a result of the use of different pricing sources, such value differs from the value of the Merging Fund calculated by the administrator of Merging Fund by at least five basis points, the Merging Fund Value may be adjusted by the amount of such difference.

## 6. Transfer of property from the Merging Fund to the Continuing Fund and issue of New Shares

- 6.1 The property of the Merging Fund will become part of the property of the Continuing Fund in exchange and in full payment for the issue of New Shares. Natwest, the depositary of the Continuing Fund, shall then hold the property as attributable to the Continuing Fund, and shall make or ensure the making of such transfers and re-designations as may be necessary as a result.
- 6.2 The ACD will arrange for the issue of New Shares to Shareholders (who are registered as holding Shares on the Effective Date), free of any initial charge, as follows:

Merging Fund			Continuing Fund		
Class of Shares	Type of Shares	ISIN code	Class of New Shares	Type of New Shares	ISIN code
Class A	net accumulation	GB0032143140	Class A	net accumulation	GB00B0LG6H52
	net income	GB00B24FW209		net income	GB00B0LG6G46
Class B	net accumulation	GB0032143694	Class I	net accumulation	GB00B0LG6K81
	net income	GB00B24FW316		net income	GB00B0LG6J76

- 6.3 All Shares of the Merging Fund will be deemed to be cancelled and will cease to be of any value as at 12:01 am on the Effective Date.
- 6.4 Shareholders will be treated as exchanging their Shares for New Shares.
- ## 7. Basis for the issue of New Shares
- 7.1 The price of each New Share to be issued under the Scheme shall be the price based on the Continuing Fund Value.
- 7.2 New Shares of the appropriate class will be issued to each Shareholder invested in the Merging Fund in proportion to that portion of the Merging Fund Value that is attributable to the Shares of the appropriate class owned by the relevant Shareholder immediately prior to the Effective Date. The formula used in calculating a Shareholder's entitlement to New Shares in the Continuing Fund is available on request.
- 7.3 All New Shares issued will be Group 2 Shares for the purposes of income equalisation.
- 7.4 The number of New Shares to be issued to each Shareholder will (if necessary) be rounded up to the nearest fraction (two decimal places) at the expense of the ACD.
- 7.5 New Shares shall be issued even where the number of New Shares to be issued is below the minimum holding of Shares referred to in the prospectus of the Continuing Fund.
- 7.6 Part of the consideration for the issue of New Shares in the Continuing Fund may be treated as income equalisation.
- ## 8. Notification of the New Shares issued under the Scheme
- 8.1 Certificates will not be issued in respect of New Shares.
- 8.2 It is intended that the ACD will notify each Shareholder of the number and class of New Shares issued to that Shareholder within two weeks after the Effective Date.
- 8.3 Transfers or redemptions of New Shares issued under the Scheme may be effected from the next business day after the Effective Date by telephoning the ACD on 0800 833 580. Written transfer and redemption requests in respect of New Shares can be made to the ACD at PO Box 9029, Chelmsford CM99 2WJ.

# Proposed Scheme of Arrangement

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## 9. Mandates and other instructions in respect of New Shares

Mandates and other instructions to the ACD in force on the Effective Date in respect of Shares will be deemed to be effective in respect of New Shares issued under the Scheme and in respect of other later acquired Shares in the Continuing Fund, if relevant. Shareholders may change these mandates or instructions at any time.

## 10. Termination of the Merging Fund

- 10.1 On the Scheme becoming effective the ACD shall proceed to terminate the Merging Fund in accordance with the Regulations, the prospectus of Aberdeen Investment Funds ICVC III and the Scheme.
- 10.2 The Retained Amount and any income arising on it will be used by State Street to pay any outstanding liabilities of the Merging Fund in accordance with the directions and instructions of the ACD and the provisions of the instrument of incorporation and prospectus of Aberdeen Investment Funds ICVC III and the Regulations.
- 10.3 If, on the completion of the termination of the Merging Fund, there are any surplus monies remaining in the Merging Fund, they, together with any income arising therefrom, shall be transferred to the Continuing Fund. No further issue of New Shares shall be made as a result. State Street shall cease to hold the Retained Amount in its capacity as depositary of the Merging Fund and shall make such transfers and re-designations as may be directed and/or instructed by the ACD.
- 10.4 If the Retained Amount is insufficient to discharge all the liabilities of the Merging Fund, the ACD will pay the amount of the shortfall at its own expense.
- 10.5 On completion of the termination of the Merging Fund, State Street and the ACD will be discharged from all their respective duties, obligations and liabilities in respect of the Merging Fund, except those arising from a breach of duty before that time. Termination accounts in respect of the Merging Fund will be drawn up and, within four months of completion of its termination, a copy of the termination accounts and the auditor's report on it will be sent to the FCA and to each person who was a Shareholder immediately before completion of the termination.
- 10.6 On the completion of the termination of the Merging Fund, the ACD shall notify the FCA in writing of that fact.

## 11. Costs, charges and expenses

- 11.1 State Street and the ACD will continue to receive their usual fees and expenses for being the depositary and authorised corporate director, respectively, of the Merging Fund out of the property of the Merging Fund which accrue prior to, or, in the case of expenses of the ACD or State Street properly incurred in connection with the Scheme or the termination of the Merging Fund, after the Effective Date.
- 11.2 The following costs of preparing and implementing the merger under the Scheme, will be paid by the ACD:
  - a) the costs of convening and holding the meeting of Shareholders (and any adjourned meeting);
  - b) any re-designation and registration fees;
  - c) the costs of termination of the Merging Fund; and
  - d) the fees and expenses of the ACD's professional advisers payable in connection with the merger and the Scheme.

## 12. Reliance on the register

- 12.1 The ACD, State Street and Natwest shall be entitled to assume that all information contained in the register of shareholders insofar as it relates to the Merging Fund on and immediately prior to the Effective Date is correct, and the ACD and Natwest shall be entitled to utilise the same in calculating the number of New Shares to be issued and registered pursuant to the Scheme.
- 12.2 The ACD, State Street and Natwest may each act and rely upon any certificate, opinion, evidence or information furnished to it by the other or by its respective professional advisers in connection with the Scheme and shall not be liable or responsible for any resulting loss.

# Proposed Scheme of Arrangement

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## 13. Alterations to the Scheme

- 13.1 The ACD, after consultation with State Street and Natwest, may determine (subject to any necessary approval of the FCA) that the Effective Date of the merger is to be other than as set out in this document, in which case such consequential adjustments may be made to the other elements in the timetable of the Scheme as the ACD considers appropriate.
- 13.2 Unless this Scheme shall have become operative on or before Friday 8 January 2016, this Scheme shall lapse.
- 13.3 The ACD shall, at any time on or before the Effective Date, be authorised to modify, add to or apply conditions to the Scheme as the ACD may propose and as the ACD, State Street and Natwest may agree, provided always that the ACD (after notifying the Auditors) shall have:
- 13.3.1 sought and received the prior approval of the FCA unless the extent of the modifications, additions or conditions are not considered by the ACD, State Street and Natwest, acting reasonably, to warrant such FCA approval; and/or
  - 13.3.2 determined that such modifications, additions or conditions do not materially prejudice shareholders or potential shareholders in any Fund affected by the proposed modifications, additions or conditions.

## 14. Governing law

The Scheme is governed by and shall be construed in accordance with the laws of England and Wales.

Dated: 5 June 2015



# Proposed Scheme of Arrangement

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## Appendix 5 Consents, Clearances and Documents for Inspection

### 1. Depositary

State Street, as depositary of the Merging Fund, whilst neither recommending nor offering an opinion on the merits of the Merger Proposal, which is a matter for each Shareholder's judgement, has informed us by letter that it has no objection to the Merger Proposal being placed before Shareholders for their consideration.

State Street has also informed us by letter that it consents to the references made to it in this document in the form and context in which they appear.

Natwest, as depositary of the Continuing Fund, has confirmed that it consents to the references to it in this document in the form and context in which they appear and that it will be bound by and implement, insofar as may become incumbent upon it, the terms and conditions of the Scheme in respect of the Continuing Fund.

### 2. Authorised Corporate Director (ACD)

Aberdeen Fund Managers Limited, as ACD of Aberdeen Investment Funds ICVC, has confirmed that it will approve the allotment and issue of New Shares in the Continuing Fund in terms of the Scheme.

### 3. The Financial Conduct Authority

The Financial Conduct Authority (FCA) of the United Kingdom has been informed of the proposal to implement the Scheme and has confirmed by letter to the ACD that it has no objection to the implementation of the Merger Proposal, whether under the Financial Services and Markets Act 2000 or on any other grounds.

### 4. KPMG LLP

As independent auditor to the Merging Fund, KPMG LLP has informed the ACD by letter that, whilst not otherwise expressing a view on the merits of the proposals set out in this document, it consents to the references to them in this document in the form and context in which they appear and that in their opinion the method of calculation of the number of Shares in the Continuing Fund to be issued to Shareholders in the Merging Fund will produce the correct arithmetical result as regards Shareholders in the Merging Fund and Shareholders in the Continuing Fund.

### 5. Tax

The ACD does not anticipate that any liability to UK stamp duty or stamp duty reserve tax should arise from the implementation of the Scheme. If any such stamp duty or stamp duty reserve tax were to arise from implementation of the Scheme, this would be borne by the ACD.

HM Revenue & Customs ("HMRC") has confirmed by letter to Aberdeen that section 137 of the Taxation of Chargeable Gains Act 1992 should not apply to the Scheme and consequently section 136 of that Act should not be prevented from applying whatever the size of holding. Accordingly, the Scheme should not involve a disposal of Shares in the Merging Fund for the purposes of tax on capital gains. New Shares in the Continuing Fund will have the same acquisition cost and acquisition date for capital gains tax purposes for each UK Shareholder as their existing Shares.

HMRC has also given clearance under section 701 of the Income Tax Act 2007 and section 748 of the Corporation Tax Act 2010 to the effect that the HMRC should not serve a counteraction notice in respect of the Scheme to counteract any corporation tax or income tax advantages arising pursuant to the Scheme.



# Proposed Scheme of Arrangement

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## Appendix 6 Procedure for Meeting of Shareholders

Notice of a Meeting of Shareholders setting out the resolution to approve the Merger Proposal is in Appendix 7.

The quorum for the Meeting is two Shareholders, present in person or by proxy. If after a reasonable time from the meeting start time, a quorum is not present, the Meeting will stand adjourned for seven days. If, at an adjourned Meeting, a quorum is not present after a reasonable time from the Meeting start time, one person entitled to be counted in a quorum present at the Meeting shall constitute a quorum.

State Street Trustees Limited, as depositary of Aberdeen Investment Funds ICVC III, has appointed Alan Hawthorn (or failing him, any other duly authorised representative of Aberdeen Fund Managers Limited) to be chairman of the Meeting.

The resolution will be proposed as an "extraordinary resolution" and must be carried by a majority in favour of not less than 75% of the total number of votes cast at the Meeting. Persons who are Shareholders on the date seven days before the notice is sent out, but excluding persons who are known by the ACD not to be Shareholders at the time of the Meeting, are entitled to vote and be counted in the quorum. Once passed, an extraordinary resolution is binding on all Shareholders in the Merging Fund.

The ACD of the Merging Fund is only entitled to be counted in the quorum and vote at the Meeting in respect of Shares which it holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote and from whom the ACD has received voting instructions.

Associates of the ACD are entitled to be counted in a quorum. They may vote at the Meeting in respect of Shares which they hold on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote and from whom they have received voting instructions.

In view of the importance of the Merger Proposal, the chairman of the Meeting will order a poll to be taken in respect of the resolution. On a poll, each Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue in the Merging Fund that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the Notice of Meeting is sent out. A Shareholder entitled to more than one vote on a poll need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint holders, the vote of the first-named holder on the register who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.

# Proposed Scheme of Arrangement

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## Appendix 7 Notice of Meeting of Shareholders

**MEETING OF SHAREHOLDERS of  
ABERDEEN UK OPPORTUNITIES EQUITY FUND  
(a sub-fund of Aberdeen Investment Funds ICVC III)**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Shareholders of Aberdeen UK Opportunities Equity Fund will be held at 10 Queen's Terrace, Aberdeen AB10 1YG at 10:15 am on Thursday 25 June 2015 to consider and, if thought fit, to pass the following resolution which will be proposed as an extraordinary resolution:

**Extraordinary Resolution**

THAT this meeting hereby approves the proposal as noted in the letter dated 5 June 2015 addressed by Aberdeen Fund Managers Limited (the "ACD") to Shareholders of the Aberdeen UK Opportunities Equity Fund (a sub-fund of Aberdeen Investment Funds ICVC III) (the "Merging Fund") to merge the Merging Fund into Aberdeen UK Equity Fund (a sub-fund of Aberdeen Investment Funds ICVC) by way of a scheme of arrangement (the "Scheme") and, accordingly, that the ACD and State Street Trustees Limited (as depositary of Aberdeen Investment Funds ICVC III) be and are hereby authorised and instructed to take such steps as are necessary to implement and give effect to the Scheme in accordance with its terms and, once the Scheme has been implemented, the Merging Fund be terminated in accordance with the terms of the Scheme.

For and on behalf of  
Aberdeen Fund Managers Limited



Alan Hawthorn  
Director  
5 June 2015

Registered Office: Bow Bells House, 1 Bread Street, London EC4M 9HH